the Canal Zone; to the Committee on Merchant Marine and Fisheries.

H. Res. 29. 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. 34. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution or any public character (except revenue measures) reported by a committee to contain estimates of the cost, to both public and private creditors, 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 the 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. LOT T (for himself, Mr. RHODES, Mr. ANDERSON of Illinois, Mr. KOSSEv, 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 Federal Employee Service; to the Committee on Rules.

By Mr. MITCHELL of New York:

H. Res. 31. Resolution concerning the Safety and freedom of Valentina 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. ORBON:

H. Res. 33. Resolution to establish a Select Committee on Handicapped Individuals; to the Committee on Rules.

By Mr. PETERSEN:

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. 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. ERLiBNson):

H. Res. 38. Resolution establishing a Select Committee on Population; to the Committee on Rules.

By Mr. YANIK (for himself, Mr. FINDLERY, Mr. LONG of Maryland, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BENJAMIN, Mr. BUCHANAN, Mr. CURRIE, Mr. DEHAN, Mr. EDWARDS of California, Mr. EDEL, Mr. GORE, Mr. HARRIS, Mr. JONES of Oklahoma, Mr. LOWRY, Mr. LOREN, Mr. MARKET, Mr. MILLER, Mr. RINALDO, Mr. SKELETON, Mr. WEISS, Mr. Wynn, Mr. GINN, Mr. GEPHARDT, Mr. GONZALEZ, and Mr. DAVIS):

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 representation of the United States in 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 representation of the United States in the United Nations Decolonization Committee; to the Committee on Internal 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 shall exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

6. Also, memorial of the 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 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.

8. 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 Courts of the District of Columbia; 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 Courts of the District of Washington, D.C., full representation in the U.S. Congress; to the Committee on the Judiciary.

10. 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 Courts of the District of Puerto Rico; to the Committee on the Judiciary.

11. 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 Courts of the District of Washington, D.C., full representation in the U.S. Congress; to the Committee on the Judiciary.

12. 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 Courts of the District of Washington, D.C., full representation in the U.S. Congress; to the Committee on the Judiciary.

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 13 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 share. Lift our eyes above 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 this "bull" symbol identifies statements or insertions which are not spoken by the Member on the floor.
unafraid of new ones. Strengthen our home, and make them sanctuaries of enduring love.

Give us a part in the spiritual renewal of America, in the restoration of the moral law and in the recovery of an eleventh commandment. Endow us with an abiding sense of servanthood. Bestow Thy higher wisdom upon the President and all who serve in the government of the Nation this day and always.

In Thy holy name we pray.

Now in keeping with a first day tradition of the Senate will you join with me in the Lord's prayer, praying in unison:

"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 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, for ever." Amen.

**CREDENTIALS—RESIGNATIONS AND APPOINTMENTS**

The VICE PRESIDENT. The Chair lays before the Senate the letters of resignation of six Senators and certificates of appointment of six Senators to fill the vacancies caused by these resignations.

Without objection, the reading will be waived and the documents will be printed in the Record.

The documents ordered to be printed in the Record are as follows:


   Dear Mr. Secretary: Enclosed herewith find copy of my letter of resignation to the Governor of Montana effective the close of business on the 14th day of December, 1978. I am immensely proud to have been a member of the Senate and to have had the opportunity to represent the State of Montana.

   I am most grateful for the many courtesies and the kindness you have shown me during my stay here in Washington, and I thank you sincerely for your most uncommon friendship.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

2. **CERTIFICATE OF APPOINTMENT**

   To the President of the Senate of the United States:

   I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, Max Baucus, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January, 1979, caused by the resignation of Senator Paul G. Hatfield.

   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

   CERTIFICATE OF APPOINTMENT

   To the President of the Senate of the United States:

   I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, Max Baucus, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January, 1979, caused by the resignation of Senator Paul G. Hatfield.

   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

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   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

   CERTIFICATE OF APPOINTMENT

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   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

   CERTIFICATE OF APPOINTMENT

   To the President of the Senate of the United States:

   I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, Max Baucus, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January, 1979, caused by the resignation of Senator Paul G. Hatfield.

   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

   CERTIFICATE OF APPOINTMENT

   To the President of the Senate of the United States:

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   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

   CERTIFICATE OF APPOINTMENT

   To the President of the Senate of the United States:

   I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, Max Baucus, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January, 1979, caused by the resignation of Senator Paul G. Hatfield.

   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,

   Committee on Foreign Relations,


   Hon. Walter F. Mondale,

   Office of the Vice President,

   Washington, D.C.

   Very truly yours,

   ————

   Paul G. Hatfield,

   State of Montana,

   OFFICE OF THE GOVERNOR.

   CERTIFICATE OF APPOINTMENT

   To the President of the Senate of the United States:

   I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, Max Baucus, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January, 1979, caused by the resignation of Senator Paul G. Hatfield.

   Thomas Judge,

   Governor.

   Attest:

   Frank Murray,

   Secretary of State.

   U.S. Senate,
Hansen that he is transmitting a letter of
Simpson as a senator from the State of
with
Mr.
Hon. ED HERSCHLER,
Governor of the State of Wyoming,
Cheyenne, Wyo.
President of the Senate,
Washington, D.C.
Paul this 26th day of December, in the
30, 1978 for the unexpired term ending at
noon, on January 3, 1979, caused by the
said State in the Senate effective December
the United States and the laws of the State
of our Lord 1978.
To the
Hon. WALTER F. MONDALE,
United States caused by the resignation of
136 CONGRESSIONAL RECORD—SENATE
REPRESIDENT: This is to notify
Wi t ness: His excellency our governor Rudy
LIN.DA MOSLEY,
Deputy Secretary of State.
Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.
DEAR Mr. PRESIDENT: I hereby submit my
resignation from the Senate effective at
midnight, January 1, 1979.
With kind personal regards,
Sincerely,
WILLIAM L. SCOTT,
U.S. Senator.
Hon. William N. Dalton,
Governor of Virginia,
Richmond, Va.
DEAR GOVERNOR: Enclosed is a copy of a
letter to the President of the Senate submitting
my resignation to be effective at mid­
night, January 1, 1979.
As indicated in our informal conversation,
this notification should provide sufficient
time for you to appoint Senator-elect John
Warner so that he will have seniority over
incoming senators who take the oath of
office shortly after noon on January 3rd.
With kind personal regards,
Sincerely,
WILLIAM L. SCOTT,
U.S. Senator.
COMMONWEALTH OF VIRGINIA,
Office of the Governor, Richmond.
CERTIFICATE OF APPOINTMENT
To the President of the Senate of the
United States:
This is to certify, pursuant to the power
vested by the Constitution of the
United States and the laws of the Common­
wealth of Virginia, I, John N. Dalton, the
Governor of said State, do hereby appoint John
Warner, a Senator from said State to
represent said State in the Senate of the
United States until the vacancy therein caused
by the resignation of William L. Scott, is filled by
election as provided by law.
Witness: His Excellency our Governor
John N. Dalton, and our seal hereto affixed
at Richmond this 2nd day of January, 1979.
By the Governor:
JOHN N. DALTON,
Governor.
FREDERICK GRAY, JR.,
Secretary of the Commonwealth.
The VICE PRESIDENT. The Chair
lays before the Senate the credentials of
32 Senators elected for unexpired terms,
beginning on January 3, 1979, and the
credentials of two Senators elected for
unexpired terms. All certificates, the Chair
is advised, are in the form suggested by
the Senate except the ones from Louisi­
ana and Delaware, which use a different
form but contain all the essential re­
quirements of the form suggested by the
Senate. There being no objection, the
reading of the 35 certificates will be
waived, and they will be printed in full
in the RECORD.
The certificates ordered to be printed in
the RECORD are as follows:
To the President of the Senate of the
United States:
This is to certify that on the Seventh day
of November, 1978, William L. Armstrong was
duly chosen by the qualified electors of the
State of Colorado a Senator from said State
to represent said State in the Senate for the
term of six years, beginning on the 3d day of
Witness: His excellency our Governor
Richard D. Lamm, and our seal hereto affixed
at this Twenty-eighth day of December, in the
year of our Lord 1978.
RICHARD D. LAMM,
Governor.
CERTIFICATE OF APPOINTMENT
To the President of the Senate of the
United States:
This is to certify that on the 7th day of
November, 1978, the Honorable Howard H.
Baker, Jr., was duly chosen by the qualified
electors of the State of Tennessee a Senator
from said State to represent said State in the
Senate of the United States for the term of
six years, beginning on the 3d day of
Witness: His Excellency our Governor
Ray Blanton, and our seal hereto affixed
at Nashville, this 3d day of January, in the
year of our Lord 1978.
RAT BLANTON,
Governor.
GENTLY CROWELL,
Secretary of State.
TO ALL TO WHOM THESE PRESENTS SHALL
COME, GREETING:
KNOW YE THAT I, Thomas L. Judge, Gov­
ernor of the State of Montana, do hereby
 certify that at a General Election held in the
State of Montana, on the 7th day of
November, A.D. 1978, pursuant to Section 28-4018
of the Revised Codes of the said State, Max
Baucus was duly elected to the office of
United States Senator in and for the State of
Montana, having received the highest
number of votes for said office as appears
from a certified copy of the abstract of votes
cast at said election now on file in my office.
And by virtue of the power vested in me
by the Constitution, and in pursuance of the
laws, I do hereby commission the said Max
Baucus to be United States Senator, to
eralize and empower him to execute and dis­
charge all and singular, the duties appertain­
ting to said office, and enjoy all the privileges
STATE OF MINNESOTA,
STATE OF MINNESOTA,
STATE OF MINNESOTA,
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STATE OF MINNESOTA,
STATE OF MINNESOTA,
January 15, 1979

CONGRESSIONAL RECORD—SENATE

and immunities thereof for a period of six years, beginning January 3, 1979.

In testimony whereof, I have hereunto subscribed my hand and caused the Great Seal of the State of Montana to be affixed at Helena, Montana, the 24th day of November, in the year of our Lord, One Thousand Nine Hundred Seventy-eight and in the Two Hundred Third year of the Independence of the United States.

By the Governor:

THOMAS JUDGE, Governor.

FRANK MURRAY, Secretary of State.


Hon. J. S. KIMMITT, Secretary of the Senate.
Washington, D.C.

Dear Mr. Secretary: I am pleased to transmit to you a Certificate of the Election of the Honorable Joseph R. Biden, Jr. as Senator of and for the State of Delaware in the Senate of the United States.

Sincerely yours,

PIERRE S. DU PONT, Governor.

By Authority of The State of Delaware

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

Be it known. An election was held in the State of Delaware, on Tuesday, the seventh day of November, in the year of our Lord one thousand nine hundred and seventy-eight that being the Tuesday next after the first Monday in said month, in pursuance of the Constitution of the United States and the Laws of the State of Delaware, in that behalf, for the election of a Senator for the people of the said State, in the Senate of the United States.

Whereas, The official certificates or returns of the said election, held in the several counties of the said State, in due manner made out, signed and executed, have been delivered to me according to the laws of the said State, by the Superior Court of the said counties; and having examined said returns, and enumerated and ascertained the number of votes for each and every candidate or person voted for, for such Senator, I have found Joseph R. Biden, Jr. to be the person highest in vote, and therefore duly elected Senator of and for the said State in the Senate of the United States for the Constitutional term to commence at noon on the third day of January in the year of our Lord one thousand nine hundred and seventy-nine.

I, Pierre S. du Pont IV, Governor, do therefore, according to the form of the Act of the General Assembly of the said State and of the Act of Congress of the United States, in such case made and provided, declare the said Joseph R. Biden, Jr. the person highest in vote at the election aforesaid, and therefore duly and legally elected Senator of and for the said State of Delaware in the Senate of the United States, for the Constitutional term to commence at noon on the third day of January in the year of our Lord one thousand nine hundred and seventy-nine.

Given under my hand and the Great Seal of the said State, in obedience to the said Act of the General Assembly and of the Act of Congress, at Dover, the 4th day of January in the year of our Lord one thousand nine hundred and Thirty-third year of the Independence and in the year of the Independence of the United States of America the two hundred and third.

PIERRE S. DU PONT, Governor.

GLENN KENTON, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, David L. Boren was duly chosen by the qualified electors of the State of Oklahoma a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor David L. Boren, and our seal hereto affixed at Oklahoma City, Oklahoma this 25th day of November, 1978.

By the Governor:

DAVID L. BOREN, Governor.

Attent:

JEROME W. BYRD, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Rudy Boschwitz was duly chosen by the qualified electors of the State of Minnesota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at St. Paul this 29th day of December, in the year of our Lord 1978.

By the governor:

RUDY PERPICH, Governor.

JOAN ANDERSON GRAINE, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Bill Bradley was duly chosen by the qualified electors of the State of New Jersey a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at St. Paul this 25th day of December, in the year of our Lord 1978.

By the Governor:

RUDY PERPICH, Governor.

ERNESTINE D. EVANS, Secretary of State.

DEAR MR. SECRETARY: I am pleased to transmit herewith the official certificate of the election of Thad Cochran to the Senate of the United States, for the term of six years, beginning on the 3rd day of January, 1979.

Given under my hand and the Great Seal of the State of Mississippi this 8th day of November, 1978, Thad Cochran was duly chosen by the qualified electors of the State of Mississippi a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at Trenton, this 5th day of December, in the year of our Lord 1978.

By the Governor:

BRENDAN BYRNE, Governor.

DONALD LAM, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Jerry Apodaca was duly chosen by the qualified electors of the State of New Mexico a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Jerry Apodaca, and our seal hereto affixed at the Executive Offices in Santa Fe, New Mexico, the 6th day of December, in the year of our Lord 1978.

By the Governor:

JERRY APODACA, Governor.

FRANK MURRAY, Secretary of State.

DEAR MR. SECRETARY: I am pleased to transmit herewith the official certificate of the election of James E. Allen to the Senate of the United States, for the term of six years, beginning on the 3rd day of January, 1979.

Given under my hand and the Great Seal of the State of Oregon, this 7th day of November, 1978, James E. Allen was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor James E. Allen, and our seal hereto affixed at Portland this 12th day of December, in the year of our Lord 1978.

By the Governor:

JAMES E. ALLEN, Governor.

MARKHAM L. GARTET, Secretary of State.

DEAR MR. SECRETARY: I am pleased to transmit herewith the official certificate of the election of James B. S. Loney to the Senate of the United States, for the term of six years, beginning on the 3rd day of January, 1979.

Given under my hand and the Great Seal of the State of Alaska, this 7th day of November, 1978, James B. S. Loney was duly chosen by the qualified electors of the State of Alaska a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor James B. S. Loney, and our seal hereto affixed at Anchorage, Alaska this seventh day of December, in the year of our Lord 1978.

By the Governor:

JAMES B. LONEY, Governor.

SAINT PAUL, MINN.

DECEMBER 12, 1978.

VICE PRESIDENT WALTER F. MONDALE,
Office of the Vice President,
Old Executive Office Building,
Washington, D.C.

DEAR MS. VICE PRESIDENT: On November 7, 1978 David Durenberger was duly chosen by the people of Minnesota to complete the unexpired term of the late Hubert H. Humphrey.

Included with this letter is a Certificate of Election for your purposes.

Thank you.

Sincerely,

RUDY PERPICH, Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, John C. Danforth was duly chosen by the qualified electors of the State of Missouri a Senator for the people of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor John C. Danforth, and our seal hereto affixed at Jefferson City, this 20th day of December, in the year of our Lord 1978.

By the Governor:

ALLEN BEERMANN, Governor.

ERNESTINE D. EVANS, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Paul Simon was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor Paul Simon, and our seal hereto affixed at Springfield, this 20th day of December, in the year of our Lord 1978.

This is to certify that on the 7th day of November, 1978, Jerry Apodaca was duly chosen by the qualified electors of the State of New Mexico a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Jerry Apodaca, and our seal hereto affixed at the Executive Offices in Santa Fe, New Mexico, the 6th day of December, in the year of our Lord 1978.

By the Governor:

JERRY APODACA, Governor.

FRANK MURRAY, Secretary of State.

DEAR MR. SECRETARY: I am pleased to transmit herewith the official certificate of the election of James E. Allen to the Senate of the United States, for the term of six years, beginning on the 3rd day of January, 1979.

Given under my hand and the Great Seal of the State of Oregon, this 7th day of November, 1978, James E. Allen was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor James E. Allen, and our seal hereto affixed at Portland this 12th day of December, in the year of our Lord 1978.

By the Governor:

JAMES E. ALLEN, Governor.

ALLEN J. BEERMANN, Secretary of State.
To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Mark O. Hatfield was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency, our Governor, Robert W. Straub, and our seal hereto affixed at Salem, Oregon, this 3rd day of January, in the year of our Lord 1979.

By the Governor: Robert W. Straub,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Mark O. Hatfield was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

By the Governor: Robert W. Straub,
Secretary of State.

Enclosed is a substitute certificate meeting the requirement to take the place of the certificate previously issued. A like certificate is going to the Secretary of the Senate with copy of this letter.

In Sincerely,

Thad Eure.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Jesse Helms was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our governor James B. Hunt, Jr., and our seal hereto affixed at the Capitol this eleventh day of December, in the year of our Lord 1978.

By the governor: James B. Hunt, Jr.,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Walter Huddleston was duly chosen by the qualified electors of the State of Kentucky, a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

By the Governor: Robert F. Bennett,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, George C. Wallace was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

By the Governor: George C. Wallace,
Governor.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Gordon J. Humphrey was duly chosen by the qualified electors of the State of New Hampshire a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventy-nine.

Witness: His Excellency our Governor, General Statutes of North Carolina, at which time the Board did open, canvass and judicially determine the returns of the votes cast in the election held on Tuesday, November 7, 1978, and certified to me that Jesse Helms was duly elected United States Senator from North Carolina for the term of six years, beginning January 3, 1979.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this 29th day of November, 1978.

Thad Eure,
Secretary of State.

Raleigh, N.C.

Hon. Jesse Helms,
Raleigh, N.C.

Dear Senator Helms: By letters to you and the Secretary of the Senate on November 29, 1978, I enclosed certificates of your election to the United States Senate "for the term of six years, beginning January 1, 1979." The Senate has called my attention to the requirement that the beginning date of the term should read January 3, 1979.
TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Charles H. Percy was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His Excellency our Governor, George Busbee, and our seal hereto affixed at the State Capitol in Atlanta, Georgia, this 15th day of December, in the year of our Lord 1978.

By the Governor:

J. JOSEPH GARRAHY, Governor.

ROBERT P. BURNS, Secretary of State.

PROVIDENCE, R.I.

Hon. Robert F. Burns, Secretary of State, Providence, R.I.

HONORABLE SIX: This is to certify that on the seventh day of November, 1978, Charles H. Percy was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His Excellency our Governor, George Busbee, and our seal hereto affixed at Providence, this 22nd day of December, in the year of our Lord 1978.

By the Governor:

FRANCIS J. RAO, Secretary.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Larry Pressler was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

In witness whereof, I have hereunto set my hand and affixed the Great Seal of the United States of South Dakota, this Twenty-Seventh Day of November, in the Year of Our Lord, Nineteen Hundred and Seventy-Eight.

HARVEY WOLLMAN, Governor.

Attest:

LORNA B. HIRSCH, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, the Honorable David H. Pryor was duly chosen by the qualified electors of the State of Arkansas as a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3d day of January, 1979, the vote being:

Honorable David Pryor
Mr. Tom Kelly
Mr. John G. Black
Mr. William F. Rockefeller

265,896
80,947
35,973
115

Witness: His Excellency our Governor David Pryor, and our seal hereto affixed at Little Rock, Arkansas, this 20th day of November, in the year of our Lord 1978.

By the Governor:

DAVID H. PRYOR, Governor.

WINSTON BRYANT, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, Jennings Randolph was duly chosen by the qualified electors of the State of West Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His Excellency our Governor John D. Rockefeller IV, and our seal hereto affixed at Charleston this eighteenth day of December, in the year of our Lord 1978.

By the Governor:

JOHN D. ROCKEFELLER IV, Governor.

A. JAMES MANCHIN, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, Al Simpson was duly chosen by the qualified electors of the State of Wyoming a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His Excellency our Governor Ed Herschler, and our seal hereto affixed at Cheyenne this 15th day of November, in the year of our Lord 1978.

By the Governor:

ED HERSCHELER, Governor.

THYRA THOMSON, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, Ted Stevens was duly chosen by the qualified electors of the State of Alaska a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witnessed by:

JAY S. HAMMOND, Governor.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the United States of Alaska, at Juneau, the Capital, this 13th day of December A.D. 1978.

By the Governor:

LOWELL A. THOMAS, Jr., Lieutenant Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Donald Steeran, was duly chosen by the qualified electors of the State of Alabama a Senator for the unexpired term ending at noon on the 3rd day of January, 1981, to fill the vacancy in the representation from said State in the Senate of the United States caused by the death of Jim Allen.

GEORGE C. WALLACE, Governor.

Witness: His excellence our Governor, George C. Wallace, and our seal hereto affixed at Montgomery this 20th day of November, in the year of our Lord 1978.

By the Governor:

A. JOHNSON, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, J. Strom Thurmond was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the Term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellence our Governor James B. Edwards, and our seal hereto affixed at Columbia, South Carolina, this 30th day of November, in the year of our Lord 1978.

JAMES B. EDWARDS, Governor.

O. FRANK THORNTON, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, nineteen hundred seventy-eight, the Honorable David H. Pryor, a Senator from said State to represent said State in the Senate of the United States for the Term of six years, beginning on the third day of January, nineteen hundred seventy-nine.

Witness: His excellency our Governor, James B. Edwards, and our seal hereto affixed at Austin, Texas, this 7th day of December, 1978.

DOLPH BRISCOE, Governor.

Attest:

STEVEN C. OAKS, Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Paul E. Tsongas was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from the Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the 3d day of January 1979.

Witness: His excellency our Governor Michael S. Dukakis, and our seal hereto affixed at Boston, Massachusetts this 6th day of December, in the year of our Lord 1978.

By the Governor:

MICHAEL S. DUKAKIS, Governor.

PAUL GUELZI, Secretary of the Commonwealth.
January 15, 1979

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, nineteen hundred and seventy-eight, Paul E. Tsongas was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from said Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventeen.

Witness: His Excellency our Governor, Michael S. Dukakis, and our seal hereto affixed at Boston, this sixth day of December, in the year of our Lord nineteen hundred and seventy-eight.

MICHAEeL S. DUKAKIS,
GOVERNOR.

PAUL GISEZ,
Secretary of the Commonwealth.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, John W. Warner was duly chosen by the qualified electors of the Commonwealth of Virginia a Senator from said Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our Governor, John N. Dalton, and our seal hereto affixed at Richmond the twenty-seventh day of November, in the year of our Lord 1978.

JOHN N. DALTON,
GOVERNOR.

FREDERICK GRAY, JR.,
Secretary of the Commonwealth.

THE VICE PRESIDENT: If Senators to be sworn in will now present themselves at the desk in groups of four as their names are called, in alphabetical order, the Chair will administer the oath of office.

The clerk will call the names.

The legislative clerk called the names of Mr. Armstrong, Mr. Baker, Mr. Baucus, and Mr. Biden.

These Senators, escorted by Mr. Hart, Mr. Sasser, Mr. Melcher, and Mr. Roth, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Boren, Mr. Boschwitz, Mr. Bradley, and Mr. Cochran.

These Senators, escorted by Mr. Bellmon, former Senator Mrs. Muriel Humphrey, Mr. Williams, and Mr. Stennis, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Cohen, Mr. Domenici, Mr. Durenberger, and Mr. Exxon.

These Senators, escorted by Mr. Muskie, Mr. Schmitt, former Senator Mrs. Humphrey, and Mr. Zollinsky, respectively, advanced to the desk of the Vice President, the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Hatfield, Mr. Hefflin, Mr. Helms, and Mr. Huddleston.

These Senators, escorted by Mr. Packwood, Mr. Stewart, Mr. Morgan, and Mr. Ford, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Humphrey, Mr. Jepsen, Mr. Johnston, and Mrs. Kassebaum.

These Senators, escorted by former Senator Mr. Maurice J. Murphy, Jr., Mr. Culver, Mr. Long, and Mr. Dole, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Levin, Mr. McClure, Mr. Nunn, and Mr. Pell.

These Senators, escorted by Mr. Riegel, Mr. Church, Mr. Talbidge, and Mr. Chafee, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Percy, Mr. Pressler, Mr. Pryor, and Mr. Randolph.

These Senators, escorted by Mr. Stevenson, Mr. McGovern, Mr. Bumpers, and Mr. Robert C. Byrd, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Simpson, Mr. Stevens, Mr. Stewart, and Mr. Thurmond.

These Senators, escorted by Mr. Wallop, Mr. Gravel, Mr. Heflin, and Mr. Hollings, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Tower, Mr. Tsongas, and Mr. Warner.

These Senators, escorted by Mr. Bennett, Mr. Kennedy, and Mr. Harry F. Byrd, Jr., respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

Mr. STEVENSON. I announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The VICE PRESIDENT. A quorum is present. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The VICE PRESIDENT. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for trying to get order.

NOTIFICATION TO THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 1
Resolved. That a committee consisting of two Senators 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.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

The VICE PRESIDENT. Pursuant to Senate Resolution 1, the Chair appoints the Senator from West Virginia (Mr. Robert C. Byrd) and the Senator from Tennessee (Mr. Baker) as members of
committee to join with the committee of the House of Representatives to wait upon the President of the United States and inform him that a quorum is assembled and that Congress is ready to receive any communication he may be pleased to make.

Mr. ROBERT C. BYRD. Mr. President, reporting on my behalf from the committee of two Senators, Mr. BAKER and myself, appointed by the Vice President to inform him that the Senate was organized, that there was a quorum present, that the Senate was ready to do business, and was ready to receive instructions and advice, I now report back that the committee's functions—Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD (continuing). That the committee's responsibilities have been fulfilled; that Senator BAKER and I have called upon the President, and informed him that the Senate is organized; that a quorum has been established; that the Senate is ready to do business; and that the Senate awaits his instructions and advice.

He expressed his appreciation to the minority leader and to me for the splendid service that had been rendered by the Members of the 95th Congress, and indicated that he felt that if this Congress measured up to that Congress it would, indeed, be a Congress in which the American public would be proud.

He stated that the state of the Union address would be delivered on January 23, and he wished every Member of this body a good year. We in turn, wished him our best for his health and indicated our willingness and desire to cooperate with him in every way that we could.

I yield to the distinguished minority leader.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the majority leader for yielding. It was my pleasure to join with the distinguished majority leader in waiting on the President as the precedent and this resolution dictate, to advise him that we were organized and prepared to transact the business of the country.

I would add only this to the good report made by the majority leader: As the President indicated his appreciation for his past cooperation, for my part I assured him that in the future as it is possible to cooperate those of us on this side will do so enthusiastically. In those cases where it is not possible to agree, I recommend that we would disagree in good grace and without rancor.

The President expressed his understanding and I expressed my respect to his past cooperation, for my part I assured the minority leader that together we would all do our best to effectuate policy for this country.

I thank the majority leader for yielding.

NOTIFICATION TO THE HOUSE

Mr. BAKER. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

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.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

The Senator from Virginia.

SENATE JOINT RESOLUTION 3—MUTUAL DEFENSE TREATIES

Mr. HARRY F. BYRD, JR. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I wonder if the Senator will let me proceed.

Mr. HARRY F. BYRD, JR. Does the majority leader object?

Mr. ROBERT C. BYRD. I am willing to let the clerk state the resolution.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that approval by the Senate of the United States is required to terminate any Mutual Defense Treaty between the United States and another nation.

Mr. ROBERT C. BYRD. Mr. President, I object to the further consideration of that resolution at this time.

The VICE PRESIDENT. Objection having been heard, the resolution will be held at the desk pending second reading.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I am sorry that the majority leader was not informed in advance of the Senator's intention to introduce that resolution. I believe the distinguished majority whip of the Senate be, and he is hereby, elected President of the Senate pro tempore, to hold office during the pleasure of the Senate, in accordance with the resolution of the Senate adopted on the 12th day of March 1890 on the subject.

UP AMENDMENT NO. 1

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 1:

On page 1, line 1, strike "Warren O. Magnuson, a Senator from the State of Washington," and insert in lieu thereof "Milton Young, a Senator from North Dakota."

Mr. ROBERT C. BYRD. Mr. President, I have no better friend in this Senate than Senator Young. He and I were dis­cussing this matter just a few minutes ago. We did not want to move it. We both agreed that it would be put into the resolution that on this vote, not a roll call vote, but a voice vote, we would both be listed as voting present.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will speak for only a moment. I see the distinguished Senator from Washington on his feet. I would prefer to hear his state­ment.

I would only say that I do not intend to invoke any rule that requires a Senator to state why he does not vote.

The VICE PRESIDENT. The Senator from Washington.

Mr. BAKER and Mr. President, I have served with the Senator from North Dakota for many, many years, since the first day he arrived on a railroad train from North Dakota. He and I were dis­cussing this matter just a few minutes ago. We did not want to start the session with controversy right away, so we both agreed that it could be put into the Record that on this vote, not a roll call vote but a voice vote, we would both be listed as voting present.

Mr. ROBERT C. BYRD. Mr. President, I will not attempt to invoke any rule that requires a Senator to state why he does not vote.

The VICE PRESIDENT. The Senator from North Dakota.
Mr. YOUNG. I deeply appreciate the comments that have been made. I would like to have a voice vote, but I do not think I have enough votes. It so happens that both the Senator from Washington and I were born in North Dakota. We hate to lose the Senator. I wound up serving as ranking Republican on the Appropriations Committee with the Senator from Washington as chairman, and we have had a wonderful relationship, and I am happy the chairman will be elected.

The VICE PRESIDENT. The question is on agreeing to the amendment. The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the resolution. The resolution (S. Res. 4) was agreed to.

ADMINISTRATION OF OATH

The VICE PRESIDENT. The Senator from Washington will, pursuant to the provisions of the Senate resolution, approach the rostrum, and I appoint Mr. Young as a committee of one to escort the President pro tempore to the rostrum for the purpose of taking the oath.

The Honorable Warren G. Magnuson, escorting Mr. Jackson and Mr. Young, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President.

[Applause, Senators rising.]

The VICE PRESIDENT. If the Chair may first observe, the oath was taken on a Bible signed by King Olaf.

NOTIFICATION TO THE PRESIDENT

Mr. INOUYE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 6
Res. 6, That the President of the United States 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.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 6) was considered and agreed to.

TRIBUTE FOR THE MAJORITY

SECRETARY FOR THE MAJORITY

Mr. ROBERT C. BYRD. Mr. President, I have some additional resolutions and requests.

I send a resolution to the desk and ask that it immediately be considered.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. Res. 7
Resolved, That Walter J. Stewart be and he is hereby, for his dedicated service as an officer of the Senate, beginning January 15, 1979.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 7) was considered and agreed to.

TRIBUTE TO JAMES H. DUFFY

Mr. ROBERT C. BYRD. Mr. President, I send to the desk another resolution and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. Res. 8
Resolved, That James H. Duffy be and he is hereby, for his exceptional service and his dedication to duty, be given the floor, where he will receive a message from the President of the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 8) was considered and agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent—may we have order in the Senate?

The VICE PRESIDENT. May we have order?

The Senator from North Dakota, Mr. Byrd, for himself, Mr. Cranston, Mr. Inouye, Mr. Baker, and Mr. Stevens, proposes the following resolution:

Whereas, James H. Duffy has faithfully served the Senate as the Secretary for the Majority, the Senate wishes to express its appreciation and its gratitude for his service as an officer of the Senate, and for his previous years of service as Counsel to the Senate Committee on Rules and Administration;

Whereas, the said James H. Duffy at all times has discharged the important duties and responsibilities of his Office with great efficiency and courtesy;

Whereas, his exceptional service and his continuous dedication to duty have earned for him our esteem and our affection; Now, therefore, be it

Resolved, That James H. Duffy is hereby commended for his lengthy, faithful, and outstanding service to the Senate.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to James H. Duffy.

Mr. ROBERT C. BYRD. Mr. President, Robert E. Lee once declared, “Duty is the sublimest word in our language.” Society depends, in a large measure, upon those who do their duty and fulfill their responsibilities, without fanfare and often without recognition.

Today, however, I want to commend a man who has fulfilled his duties and responsibilities in the Senate for nearly a quarter century, and is now leaving to accept a Presidential appointment. During his years of service in the legislative branch, he has distinguished himself by his faithfulness, graciousness and thoroughness.

For the past 2 years, James H. Duffy has been the secretary to the majority. He has been responsible for many of the tasks that make it possible for the Senate to function smoothly. As many of our colleagues can testify, Jim Duffy has efficiently, courteously, and modestly carried his duties, and I want to thank him for the services that he has rendered to the majority and to the Senate.

Prior to becoming the secretary to the majority, Mr. Duffy served 20 years as Chief Counsel of the Senate Subcommittee on Privileges and Elections, and 2 years on the staff of the majority whip. In those capacities, he won the friendship and the admiration of innumerable Senators and staff colleagues alike.

He contributed substantially to the drafting of legislation and reports to the Senate on major reforms of Federal election laws, and the creation of the Federal Election Commission. He has also been responsible for conducting investigations and reporting recommendations to the Senate relative to contested elections.

Jim Duffy is a native of Rhode Island, where he was educated and practiced law following his graduation from law school in Boston and service in the Army during World War II. He is a family man, blessed with a lovely wife and two fine children.

I am sure that all of my colleagues join me in congratulating Jim Duffy as he departs the Senate to serve in his new capacity. I am confident that he will earn new distinctions for himself in the years ahead, and that he will carry with him the best wishes of all his friends on Capitol Hill.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution (S. Res. 8) was considered and agreed to.

RUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent—may we have order in the Senate?

The VICE PRESIDENT. May we have order?

Mr. ROBERT C. BYRD. Mr. President, I do not yield for that purpose.

The VICE PRESIDENT. Objection is heard.
The PRESIDING OFFICER (Mr. Cranston). Without objection, it is so ordered.

ORDER FOR THE REFERRAL OF TREATIES AND NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress it be in order to refer treaties and nominations on the days when they are received from the President, even when the Senate has no executive session that day.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON ETHICS TO MEET DURING SENATE SESSIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress, the Ethics Committee be authorized to meet at any time during the session of the Senate. This would put the Ethics Committee in the same category as the Appropriations Committee and the Budget Committee in the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR RECEIPT OF BILLS, JOINT RESOLUTIONS, CONCURRENT RESOLUTIONS AND SIMPLE RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the 96th Congress Senators may be allowed to bring to the desk bills, joint resolutions, concurrent resolutions and simple resolutions.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR TIME LIMITATION ON ROLLCALL VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress there be a limitation of 15 minutes each on any rollcall vote with warning signal to be sounded at the midway point, beginning at the last 7½ minutes, and when rollcall votes are of 10-minute duration the warning signal be sounded at the beginning of the last 7½ minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

STANDING ORDER TO RECEIVE REPORTS AT THE DESK DURING 96TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the 96th Congress it be in order for the proper members of the staff to receive reports at the desk when presented by a Senator at any time during the day of the session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I hope we have the attention of the Members at this point. They may relax. I do not intend to pull any fast ones at the moment.

I am about to send to the desk a resolution which would change certain rules of the Senate. I will be speaking for a few minutes and Members may take it easy. But I would like to have their attention.

I believe the time has come for the Senate to modify Senate rule XXII. At the present time, there is no Senate rule XXII, for all intents and purposes. Closure may be invoked on a matter and, after having been invoked by 60 Senators—a constitutional third-fifths—that matter may be drawn out interminably by a single Senator, by two or three Senators, or by a small group of Senators.

They may offer dilatory motions and amendments in spite of the rule. They may call up 100 amendments, 200 amendments, 500 amendments, any number of amendments. There is no rule providing for a second cloture motion to stop the kind of so-called debate.

Thus, one Senator, two Senators, three Senators, or a minority of Senators of any number may thwart the will not only of a majority but of a three-fifths majority of the Senate, which, having voted for cloture, signifies its will that the debate shall come to a close and that the pending matter shall be acted upon one way or another.

I do not believe that this is in the national interest, and I do not believe it is fair play. The majority of the Senate is entitled to fair play. Three-fifths of the Senators who vote in a given instance to invoke cloture are entitled to fair play. They are entitled to see a matter come to a final decision at some point after a reasonable amount of debate. All Senators are entitled to offer motions and amendments, but not to abuse the rules of the Senate and to impose upon the courtesy of their colleagues and make the Senate a spectacle before the Nation.

And so, Mr. President, I have come to the conclusion, after a lot of wrestling with my own conscience, that the time has come to do something about this situation.

We live in the 20th century, and we live near the end of the 20th century. We are about to begin the 8th decade of the 20th century. I say to you that certain rules that were necessary in the 19th century, and in the early decades of this century must be changed to reflect changed circumstances.

It is becoming more and more necessary, as we face this mad rush of life and today's new issues, international and domestic, that the Senate have rules that will allow it to deal with these issues effectively, in a timely and orderly fashion.

It is now possible for the Senate to engage in at least two filibusters on any given issue. If the majority leader moves to take up a bill on the calendar, he can only do so by unanimous consent, or by motion, which is debatable—except within a tiny time frame within the first 2 hours of a new legislative day, and under certain circumstances. Otherwise, on that motion to proceed to debate, the debate is unlimited. It makes the majority leader and the majority party the subject of the minority, subject to the majority leader and the will of the minority. I am not speaking of a minority necessarily as a party, but it makes the majority leader subject to the will of a minority of Senators: as few as one Senator on either side of the aisle. If I move to proceed—or if any future majority leader moves to proceed to take up a matter, and unless he works it into that infinitesimally small time frame within the first 2 hours of a new legislative day—then one Senator can hold up the Senate for as long as he can stand on his feet.

Time and time again I seek to bring up the call of the roll. Time and time again I am confronted with situations in which it is said, "Such-and-such a Senator is not here; he has a hold on that bill."

"Well, let us go to another bill."

"Well such-and-such a Senator has a hold on that bill, and he is not here, either."

"Well, let us go to this other bill."

"Well, such-and-such a Senator will object to that. He is here, but he will object."

So what kind of predicament is the majority leader in? He can move, but he is put in the position of making a debatable motion, so that any single Senator or any group of Senators, however small, can talk until such time as cloture is invoked.

So this rule needs to be changed to allow the leader of the majority party to move to take up a matter and, after a reasonable period for debate, proceed to vote on the motion to proceed. A majority leader in the Senate can proceed to take up the matter, or can vote to reject the leader's motion. In any event, it gives the majority party and the majority leader an opportunity to work to get the business of the Senate transacted in timely and orderly fashion.

The present rule of the Senate allows two filibusters on any matter: A filibuster on the motion to proceed, and a filibuster on the particular matter once it is before the Senate. I say before all the world that Senators have a right to filibuster a matter, but the filibuster should be on the merits. There should not be a filibuster on the mere motion to proceed to take up the matter. If the opposition has 41 votes, they can kill any bill by filibustering the bill or resolution itself. They should not put the Senate through the misery of a double filibuster: A filibuster on the motion to proceed; and then, if the matter is taken up, a filibuster on the bill itself. They should allow the Senate to proceed to the consideration of the matter, and then conduct their filibuster. Otherwise, the Senate is put to the test of cloture after
cloture after cloture, on the motion to proceed and, if cloture is invoked, then cloture to shut off debate on the matter itself.

One filibuster is enough. If a minority of the Senate has enough votes, 41, to kill a bill, I follow the rule that at least 10 separate years or 10 separate filibusters shall be brought up for debate on the merits.

This matter of the filibuster has gotten to a point that the Senate continues to be faced with the filibuster threat. The mere threat of a filibuster, these days, is nearly as bad as the filibuster itself. We have seen, in the last 9 years since 1970, more filibusters conducted in the Senate than occurred in the previous 30 years. I cannot make that statement with assurance of absolute accuracy, but I will not miss it by much. I will say it again: The Senate, beginning in 1970, inclusive of 1970, has seen more filibusters than were conducted in the 30 years prior to 1970. Let me just discuss that for a moment.

In 1935 there were three filibusters, and in 1 subsequent year between 1935 and 1970 there were three filibusters. So in 30 years out of the period 1935 through 1970, there were three filibusters. There were at least 10 years during that period in which no filibuster occurred—indeed, in any one of the 10 years—none at all, not even a 10-year period, but 10 separate years. There were another 10 or 11 or 12 years during that period of time in which only one filibuster occurred—only one in each of such year. And there were a few years in which two filibusters occurred in each year.

But we have reached the point now where every year we can expect 4, 5, 6, and as many as 10. I believe that in one recent year there were as many as 10 or more filibusters. Yes; in 1975 there were 12 filibusters, according to the information I hold in my hand.

Now we are becoming more and more the victim of this ingenuous procedure that we call a filibuster threat; second, the filibuster on the motion to proceed; third, the filibuster on the matter itself; and fourth and finally, the cost catastrophic and divisive filibuster of all, the postcloture filibuster.

Now, Senators know what happened the year before last on the filibuster on the natural gas pricing bill. A small number of Senators utilized the rules and created a situation in which the bill would have been killed had the majority leader not used extraordinary procedural tactics to save that bill. If I had to do it all over again tomorrow, I would do it over again tomorrow. But Senators know what happened. It created bad feelings. It was very divisive thing.

I can understand that some Senators were outraged at the procedures that I used to save that bill. But if I had not used those procedures, the conference reports on that bill would not have reached the floor at the end of the last session, and we would not have passed that bill. I did what I thought I had to do. In my hope of the legislative process moving, I can tell Senators that after 12 years in the leadership, I am only proposing changes that make it reasonably possible for the majority party, the majority leader, and, in certain instances, the majority of the Senate to develop two-thirds majorities and to work its will on matters, especially after cloture has been revoked. It is for this reason that I am offering this resolution today.

I base this resolution on article I, section 5 of the Constitution. There is no procedure in any other document, in any other constitution of any other Nation, that I am offering this resolution today.

Now we are at the beginning of Congress. This Congress is not obliged to be bound by the dead hand of the past. Take rule XXXII, for example, the second paragraph thereof which says that the rules of this Senate shall continue from Congress to Congress until changed in accordance with these rules.

That rule was written in 1959 by the 86th Congress. The 96th Congress is not bound by the dead hand of the 86th Congress.

The first Senate, which met in 1789, approved 19 rules by a majority vote. Those rules have been changed from time to time, and that is why rule XXXII that I just quoted was instituted in 1959. So the Members of the Senate who met in 1789 and approved that first body of rules did not for one moment think, or believe, or pretend, that all succeeding Senates would be bound by that bill. The Senate of the 86th Congress could not pretend to believe that all future Senates would be bound by the rules that had written. It would be just as reasonable to say that one Congress can pass a law providing that all future laws have to be passed by two-thirds vote. Any Member of this body knows that the next Congress would not heed that law and would proceed to change it and would vote repel of it by majority vote.

I am not going to argue about any further today, except to say that it is my belief—which has been supported by rulings of Vice Presidents of both parties and by votes of the Senate—in essence upholding the power and right of a majority of the Senate to change the rules of the Senate at the beginning of a new Congress.

I have not always taken that position, but I take it today in the light of recent bitter experience. The experience of the last few years has made me come to a conclusion contrary to the one I reached 12 years ago.

Now, Mr. President, I am going to offer a resolution, and I am going to make a motion, and I am not going to press the Senate into any vote, or even want to proceed in such a fashion. I want the Senate to take a week or 10 days to debate this resolution, and let any Senator any amendment that he wishes to offer. Let the Senate vote on amendments, and then vote up or down on the resolution. Vote it down if it is the majority of the Senate wants to amend it, so be it.

If the majority of the Senate does not
the idea of hogging the floor, but I do want to protect my position in this situation.

It is not my intention to put the Senate to the test today. I intend only to call up the resolution and make a motion to proceed to its consideration. Then it will be the Senate's business to act or not to act, until Thursday, thus giving the majority leader and myself and other Senators an opportunity to discuss it.

So, Mr. President, I do not intend to yield the floor today, and I do not say that dictatorially or dogmatically. I just say it out of necessity; I am going to protect the rights of the majority leader—I send to the desk a privileged resolution to amend the standing rules of the Senate, and I move that pursuant to article I, section 5 of the Constitution, the Senate proceed to its immediate consideration without debate of the motion.

The Vice President. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 9

Resolved. That paragraph 1 of rule III of the Standing Rules of the Senate is amended by striking out "or the unfinished business," and in the line above inserting "or" before the words "other matter pending before the Senate," and lines 6 and 7 of the second paragraph of paragraph 2 is amended by striking out "or the unfinished business."

(b) The second paragraph of paragraph 2 of rule XXII of the Senate is amended by inserting at the end thereof a new paragraph as follows: "After ten hours of consideration, any remaining time may be reduced, but not less than ten (10) hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but not less than ten (10) hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between the Presiding Officer and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

(c) The last paragraph of paragraph 2 of rule XXII of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following: "After cloture has been invoked, no Senator shall be entitled to speak in all the time of other Senators occupying the floor."

B. That Rule XXII of the Senate be amended by inserting a new paragraph as follows: "After September 1 of each calendar year, the Standing Rules of the Senate shall be amended by inserting the following:

(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b), the disposition of points of order with respect to questions of germaneness or relevancy of amendments shall be decided by the Presiding Officer, except that the Presiding Officer may, prior to ruling on any such point of order entertain such debate as he considers necessary in order to determine his rule on such point of order, Appeals from the decision of the Presiding Officer on such points of order shall be decided as provided in paragraph 4 of rule XVI and paragraph 2 of rule XXII."

Sec. 5. A. That line 5 of the first paragraph of paragraph 2 of rule XXII of the Senate is amended by striking out "or the unfinished business," and in the line above inserting "or" before the words "other matter pending before the Senate," and lines 6 and 7 of the second paragraph of paragraph 2 is amended by striking out "or the unfinished business."

The amount of time specified in the preceding sentence may be increased, or decreased (but not to less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but not less than ten (10) hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between the Presiding Officer and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

B. That Rule XXII of the Senate be amended by inserting a new paragraph as follows: "After September 1 of each calendar year, the Standing Rules of the Senate shall be amended by inserting the following:

(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b), the disposition of points of order with respect to questions of germaneness or relevancy of amendments shall be decided by the Presiding Officer, except that the Presiding Officer may, prior to ruling on any such point of order entertain such debate as he considers necessary in order to determine his rule on such point of order, Appeals from the decision of the Presiding Officer on such points of order shall be decided as provided in paragraph 4 of rule XVI and paragraph 2 of rule XXII."

The amount of time specified in the preceding sentence may be increased, or decreased (but not to less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but not less than ten (10) hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between the Presiding Officer and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

The Senate proceeded to the consideration of S. 1880, a bill to provide for the reorganization of the Federal Communications Commission, and for other purposes, as amended, and the motion to proceed to the consideration of S. 1881, a bill to provide for the reorganization of the Federal Communications Commission, and for other purposes, as amended, was agreed to.
in the affirmative by a three-fifths vote of the Senators duly chosen and sworn, then said Senators, or either of them, may, from the time under their control on the question of agreeing to the resolution, allot additional time to any Senator during consideration of any amendment, debatable motion, appeal, or point of order. This allotment of time is correct.

Mr. President, do I not lose the floor by virtue of Senators reserving the right to object. Am I correct?

The VICE PRESIDENT. The Senator is correct.

Mr. ROBERT C. BYRD. I do not yield for any purpose other than reservations for rights to object or for an objection. I yield now to the distinguished minority leader.

Mr. BAKER. Mr. President, reserving the right to object, I begin, if I may, by commending the majority leader for—

Mr. ROBERT C. BYRD. Mr. President, before the Senate begins, I yield to the distinguished minority leader not for the purpose of his reserving the right to object, but for the purpose of his making a statement. That is, if he wishes to reserve the right to object, he may object. I do not want to put him under that condition. I do not want to put him under that condition, because I do not object to a statement other than a statement or a reservation or an objection.

Mr. BAKER. That will save torturing some verses in the course of this presentation.

Mr. President, I begin by commending the majority leader for his judgment and discretion in approaching this matter in this manner.

I will say in a few moments a few things about the unanimous consent request and the restrictions that I believe it lays on us. But I am genuinely pleased and happy that the majority leader has chosen to proceed in what I think is a more deliberate and profound way than might otherwise have been the case.

As is his custom, the majority leader advised me in advance of his intention to proceed on the first day with proposals for rules changes. On Friday, he delivered to me a copy of the resolution which he has now offered, together with a section-by-section analysis.

It seems to me that his options were clear; that he had to choose, as he described, under the precedent and rules of the Senate, as he interprets them and as previous Presiding Officers have interpreted them.

I am speaking particularly of the situation in 1975, when the then occupant of the chair, Vice President Rockefeller, indicated that the question of the adoption of a rules change by majority vote presented a constitutional question which must be presented to the Senate.

The effect of that precedent on motions, in the view of this Senator, was to provide the unhappy circumstance whereby the rules of the Senate might not only not be changed by majority vote on the first day, but it is possible to do so without debate.

I reiterate: I am pleased that the majority leader has not chosen to do that. We are not able to do some of the delicacy and difficulty with a degree of care which is also characteristic of the majority leader.

Mr. President, I do not know what we can agree to on this side, and I will elaborate on that in just a moment. But before I do that, I point out that most of our colleagues are aware and will recall, that in the case of the most recent post-cloture filibuster, it was the majority leader and the minority leader, with the distinguished occupant of the chair, the Vice President, in the chair at the time, who managed to establish a line and in the exercise of discretion to vacate the possibility to at least accelerate the disposition of the controversy and conflict.

The point of the matter is that this is not, nor has it been, a matter that is purely partisan in its character. I rather suspect that there may be as many Members on this side of the aisle as there are on my side of the aisle who have a concern for that precedent and how it may affect us in the future. But that is, at best, only tangential and collateral to the matter that is before us now.

The matter at hand, in my view, is this: How can we avoid reiterating an unfortunate precedent, meet the procedural challenge of these times, and promote the best interchange of ideas between us, which we can all live, whether we are in the majority or the minority, now or in the future?

Mr. President, I can only speculate how the Members of the Senate on this side of the aisle will react to this resolution in detail; therefore, I will not do that. Rather, I will advise the minority leader and my colleagues that today, in anticipation of this dilemma, I have appointed an ad hoc committee, to be chaired by the Senator from Alaska (Mr. Stevens), consisting as well of the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), the Senator from Rhode Island (Mr. Chafee), and the Senator from North Carolina (Mr. Helms), to serve in an ad hoc capacity, to examine this proposal and propose to our conference our reaction, in an appropriate way, at the proper time.

Mr. President, I am sure he understands his request, and I am sure he agrees that there may be some flexibility in that timing. I would hope, for instance, that we might proceed on some basis that would give us a discretion to determine a final date, or, rather, even to leave the request without a final disposition date and to limit instead the consideration of amendments which may be proposed.

This is, of course, a matter which addresses itself to the majority leader and in no way suggests that I disapprove of what he has done. Indeed, I recognize his responsibility. But I am sure he recognizes mine as well, because the protection of minority rights happens to be part of my special province in this Congress at this time.

I would hope that he would consider eliminating that provision of the unanimous consent request, of the amendment, in his opinion, as I understood his request, on January 23.

Mr. President, I have a number of amendments I prepared in anticipation...
of this resolution. I do not propose to offer them now. I think I could not do it un-Russian. I do not except to offer them for printing, under the restrictions which would occur by reason of the yielding by the majority leader to me for a special purpose. I think it is likely there will be a series of other amendments.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator, of course, sent the Senate these amendments to the desk for their printing.

Mr. BAKER. I thank the Senator. Mr. ROBERT C. BYRD. I continue to hold the floor but I yield for the stated purpose to the distinguished minority leader.

Mr. BAKER. Mr. President, I believe that all is I have to say at this time except to say that I share with the majority leader the belief the post-cloture filibuster, a creature of fairly young age and recent development, is one that the Senate has not focused on adequately. I am prepared to do that and I want to do that. I believe we can do that. I am less sanguine about the possibility of dealing with the Senate as it deals with matters before the invocation of cloture. I indicate this present frame of mind only by way of information to the majority leader. Mr. Senator from New York yield?

Mr. BAKER. I see the distinguished Senator from New York on his feet. I wonder if the majority leader will consider yielding to him to speak on this matter.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from New York, reserving my right to the floor. I know that the distinguished Senator from New York wants to make only a similar statement. I yield only for that purpose.

The VICE PRESIDENT. The Senator from New York.

Mr. JAVITS. Mr. President, I might first state what I think ought to be done, and then to discuss the question. I think that what was laid down when we began to fight the battle to amend rule XXII goes back 22 years, the length of my service here in the Senate. I believe that the majority leader and the minority leader will find it highly artificial to proceed as he has to proceed today, by keeping his right to the floor and yielding only for very limited purposes, etc. This was preserved by Mike Mansfield by a unanimous-consent agreement. I hope it will be again. There was freedom of give and take. There was one unanimous consent agreement which would be the right of the majority leader to be fully preserved including the right for a summary vote on a motion to take up a bill. We might have to decide by a majority what should be the rule.

Second, I believe that the Senate can change what it did before. I am having our staff of this side run it down, but I believe that when we wrote into rule XXII that the Senate Rules cannot be changed except according to rule XXII. I said at the time that it was pure rhetoric and that the Senate, of course, could change its rules because that was in my judgment, and has been for 20 years, the dictate of the Constitution. Of course, I would have to maintain that position, and I believe it is the proper position under the Constitution.

That being said, I also would like to suggest to both Senators, because they have both shown a very equitable frame of mind as indeed they should, if possible, that it is likely that we have to draft what we should do on the floor. The one thing upon which we should agree is a time limit because otherwise it might hinder the Senate to give the right of the Senate to vote on the constitutional issue because we would have to vote again to undo what it did before in the vote in 1973.

Within that framework, I deeply believe that it is going to take collaboration between the two sides with the best brains we have and the best outside brains we can consult to develop what we ought to do. I will say why.

While I consider what took place horrendous in terms of frustrating the will of the Senate and endorsing the Nation perilously through the fact that we might not have passed any energy bill at all, though Lord knows as on Senator I think it is a little and if I were President I would ration gasoline in this country tomorrow, but be that as it may I believe that equally horrendous without its being witting and without impugning the patriotism I think the motivation of the majority leader, was the sweeping aside of every right of the minority or of any Senator and not considering amendments, motions, requests for quorums, all of which went down the drain in one torrent.

This Government is built not only upon solarly but upon justice. Justice requires opposing briefs. That was a way of obliterating opposing briefs. I deeply believe, with all respect, we have to as solicitous, if not more solicitous, about that right, about that freedom which we have to amend or to move even if it is a pain and an anguish as we do to facilitate our business.

Mr. JAVITS. (Mr. President has assumed the chair.) Mr. JAVITS. I believe it can be done. I say to Senator Byrd. The human mind can contrive ways to meet this problem. Mr. BAKER has ideas. I am sure I have, and our colleagues are not going to have a post-filibuster filibuster notwithstanding our unanimous-consent agreement.

Mr. President, I am deeply oppressed by the lawless state into which the Congress has fallen. There are reasons for it and the reasons are very very serious, of incompetence, of banality, of crime, and of the general dereliction in what the public perceives to be our services. I am a lawyer so that ancient adage applies to us: It is not what the facts are, we may be very virtuous, but it is what the jury thinks they are that is what the jury thinks they are.

I deeply believe, Senator Byrd, may I say to both of you, that we are starting from a very auspicious way if we deal with this question, and I hope that decency, the cooperation, the considerateness with which we deal with it will begin to restore us to the eyes of our fellow countrymen.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object—

Mr. ROBERT C. BYRD. Mr. President, if the Chair will withhold putting that question at the moment, I am very impressed by what both the distinguished minority leader and the distinguished Senator from New York have said. I am particularly impressed by the suggestion by the Senator from New York that there be a final vote. I have said Tuesday, January 23. I am not wedded to that date. It can be Tuesday or a month from then so far as I am concerned. I would want to remove the constraints that obtain at the moment on all Senators.

I am willing to try to work out an agreement that will assure a vote without a filibuster, but a vote. If it is 6 weeks from today, that is all right with me, but I want a vote on this resolution. I want the Senate to have its opportunity to work its will on it, to make whatever changes the majority of the Senate feel necessary. That is all I am asking. I am asking for the majority of the Senate on both sides of the aisle to have its day, and then let us vote.

Mr. ROBERT C. BYRD. Mr. President, if I understand the distinguished Senator from New York correctly, that if there is going to be an objection to a final vote on the 23rd, perhaps we had better just recess now and go out for a couple of weeks to work out a time agreement that does provide a date for a final vote, and then proceed in accordance with that kind of agreement.

If that is the consensus, I will not press
any further with this request at this time. It is a request that gives us a chance to work with. I will leave it pending, and as soon as Senators have had their say on this matter, I will then move to recess for 2 days. In the meantime, perhaps we can restrict a little time now that will be suitable to all Senators. I am very agreeable to that.

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

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITTS. I think the Senator ought to withdraw the request because it means an overhanging problem for everybody to be on thequi vive.

The Senator’s rights are fully preserved. He still will have the floor, and he will when we recess. The Senator can have it when we come back by unanimous consent, and I would not leave that pending.

Other than that I agree with the Senator.

Mr. ROBERT C. BYRD. I shall withdraw the request. The reason I am going to withdraw this request is that I believe that reasonable minds are going to prevail, and there are 100 reasonable minds in this Senate.

Based on what the distinguished Senator from New York has said, I think this is a reasonable way to approach the matter. I hope that we can work out an agreement that would allow us a final vote on this resolution.

I am not wedded to the 23d. I just want a final vote on the resolution. I want Senators to have the opportunity to debate it. I want them to have an opportunity to amend it. I want them to have an opportunity to vote on it up or down as amended, if amended and, therefore, for the time being, with the understanding that I still hold the floor, I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor—and I do not lose my right to the floor by asking unanimous consent—that a section-by-section analysis of the resolution to amend certain rules of the Senate be inserted in the Record. Of course, this analysis does not include the last provision in the resolution that dealt with electronic voting, but that speaks for itself.

There being no objection, the analysis was ordered to be printed in the Record as follows:

SECTION-BY-SECTION ANALYSIS OF THE ENCLOSED BILL PROPOSING TO AMEND CERTAIN RULES OF THE SENATE

1. Section 1 of the resolution proposes to amend Rule III of the Senate to make motions to suspend the reading of the Journal in order without debate. Under the existing rules this can only be done by unanimous consent. Motion to correct the Journal would also be in order and not debatable under the proposed change.

2. Section 2 of the resolution would amend Rule VIII to provide that debate on motions to proceed to the consideration of any matter made at any time outside of a roll call vote be limited to not to exceed 30 minutes, to be equally divided and controlled by the majority and minority leaders, whereas under the existing procedure there is no limitation of debate on such motions.

3. Section 3 would amend Rule XV to provide that where an amendment is available to all members in printed form when presented, time for such amendment may be waived by a majority without debate.

4. Section 4 of the resolution would amend Rule XVIII of the Senate providing that during the consideration of a bill or resolution it would be in order to move without debate by a majority of the Senate to withdraw the request because it means an overhanging problem for everybody to be on the qui vive.

I hope that we can work out an agreement that would allow us a final vote on this resolution.

I am not wedded to the 23d. I just want a final vote on the resolution. I want Senators to have the opportunity to debate it. I want them to have an opportunity to amend it. I want them to have an opportunity to vote on it up or down as amended, if amended and, therefore, for the time being, with the understanding that I still hold the floor, I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor—and I do not lose my right to the floor by asking unanimous consent—that a section-by-section analysis of the resolution to amend certain rules of the Senate be inserted in the Record. Of course, this analysis does not include the last provision in the resolution that dealt with electronic voting, but that speaks for itself.

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5. Section 5 of the resolution would amend paragraph 2 of Rule XXII to provide for a fixed time limitation on a measure or matter upon which cloture has been invoked. The fixed time of 100 hours of consideration would apply to all action including votes, quorum calls, and at the end of that time no amendments, motions, etc., not then pending would be in order. However, one live quorum call to establish the presence of a quorum would be in order. However, a motion to reduce the time limitation could be increased or decreased on motion without debate by an affirmative vote of two-thirds of the Senate. However, a motion to reduce the time limitation could not be made until after at least 10 hours of consideration of the original measure, if, after it is reduced it may not be to less than 10 hours, which time would be divided between the majority and minority.

Rule XXII would also be amended by striking out in three places the expression “or the unfinished business”. This is to conform the rule to the existing precedent that the measure or matter, including the unfinished business, must be before the Senate when a cloture motion is filed on it.

Rule XXII is proposed to be further amended to provide that after September of each calendar year, if a cloture motion is filed the Senate may proceed to its immediate consideration instead of having to wait 2 days, and after September, the Senate would proceed to vote on such motion.

5. Section 6 would amend Rule XXII to provide that when a conference report is available to all members in printed form, the demand for its reading when presented may be waived on motion without debate.

7. Section 7 would amend 133(f) of the Legislative Reorganization Act of 1946 by providing that the “3-day rule” on committee reports be changed to “2 days”, excluding Saturdays, Sundays and legal holidays except when the Senate is in session on such days. Under the current rule, Saturday, Sundays and legal holidays are exempt from the computation of the 3 days in any event.

Mr. DOLE said subsequently: Mr. President, on January 15, we discussed proposed changes in the rules. I think the distinguished minority leader and the majority leader worked out some accommodation of discussing proposed changes. Perhaps we can work out some agreement on proposed changes.

Mr. President, the resolution proposed by the distinguished minority leader puts several distressing constraints on the minority. When I say minority, however, I do not necessarily mean myself and my colleagues on this side of the aisle. The legislation before us now can threaten a minority of 1 or a minority of 49. It can tread on the rights of the minority, whether that minority is the minority party or a minority of Senators and it is the function and the duty of the U.S. Senate to protect the minority, to assure that each Senator is guaranteed the right to express his views, however solitary or unpopular they may be. The result of this carefully devised system, I admit, is to slow down the process of legislation, which may be to the advantage of those who would prefer to see our business whisked through with a minimum of time and a maximum of results visible to the constituency.

But, Mr. President, the Senate is a body committed to the principle of free and unlimited debate. The trend of proposed rules changes in the past, particularly of rule 22, has been to gradually limit and narrow the extended debate rule and the few remaining devices available to the minority in the Senate today.

This legislation means to further limit those devices and reduce the rights of the minority. On the surface, these changes seem harmless enough. They smooth out the flow, they quicken the pace, they iron out wrinkles, but that is true of “wrinkles” in our legislative process. The Senator from Kansas feels, however, that these seemingly minor changes will serve, in the long run, to rob the Senate of its few remaining resources and bestowed an unfair advantage on the majority that is inequitable and unjust to the American people.

Mr. President, part of the genius of our political system is that the minority is in a better position to help shape public policy in our country than are parliamentary bodies of most other nations. The U.S. Senate is unique in that way. And I do not think that the American people are willing to forgo that distinctive mark of our democratic society. I think we owe it to our constituencies to uphold the rights of the minority and the equity of our political system.

The legislation proposed by the distinguished Senator from West Virginia seeks once again to curtail those privileges enjoyed by the minority. The resolution also fails to uphold the rights of individual Senators. It would grant the majority leader an opportunity to control debate on a motion to proceed. Frequently, however, the side of an issue which needs airing and which could benefit from extended discussion might not include the leader of either the minority or majority. In that event, the opposition would not be protected.

RULE XXII

The resolution also presents a very serious alteration of rule 22. It would not only limit the amount of available time to each Senator, but would also create a situation in which some Senators could be cut completely out of their right to offer amendments. Because of the provision that quorum calls be charged when presented, the remaining time, if any, is not guaranteed that each senator will have time to speak.

This piece of legislation, also shortens the time after the filing of a cloture petition—it changes the period—from 2 days to “proceed immediately to
the consideration thereof, and after 3
hours of debate, equally divided and con-
trolled by the majority and minority
leaders, the Senate shall proceed to vote.
A majority of the time for consideration
from 2 days to 3 hours is a substantial reduc-
tion. I doubt if meaningful debate on an
issue can always be accomplished in 3
hours.
SUSPENSION OF READING OF JOURNAL
Senator Byrd's legislation also pro-
vides that the reading of the Journal and
of amendments and conference report
be limited to a nondebatable motion,
as well as by unanimous consent.
The absence of any debating time in
these instances only sets the stage for
parliamentary abuse on the part of the
majority. It seems to me that the Senate
cannot very well decide such an issue
without some discussion, even if it be
limited to only 10 minutes. It is evident
that these proposed changes could prove
very restricting to the minority and form
part of a pattern for maneuvering on the
part of the majority.

Mr. DOLE. I yield to my colleague, the
distinguished minority leader.

Mr. BAKER. Mr. President, I could
not agree with the Senator from Kansas
more. I think that not only are many
rollcall votes unnecessary, but I think,
frankly, a lot of them are impositions on the
Senate and its membership.

I would be more than happy to work
out some sort of de facto arrangement,
de facto rule or arrangement, to pro-
vide, as he suggests, that the majority
leader and the minority leader might
consult with the ranking members of the
jurisdictional committees, or effective
committees, and decide whether the roll-
calls were, in fact, desirable, or not.

I suppose we could never totally en-
force it, but we could establish a good
precedent, if our colleagues would back us
up.

I applaud the Senator from Kansas for
his suggestion. I represent to him that
I would be more than pleased to do that.
I will certainly explore that at the first
opportunity on our side and will commu-
nicate with the majority leader, the minority
leader, and his side and hope we can carry the
Senate from Kansas' suggestion into
effect.

Mr. DOLE. I thank the distinguished
minority leader.

It is a matter we discussed, as he re-
calls, briefly, a few weeks ago.

Mr. President, I might also correct the
record, there were 520 rollcall votes in 1978.

I think we might have survived with
200 or 250. Maybe the 520 were necessary,
but I doubt it. I doubt that many of my
colleagues, as they look back on it, feel
the votes they have asked for were
totally necessary.

ROUTINE MORNING BUSINESS

PROPOSED AMENDMENT TO THE
TARIFF ACT—MESSAGE FROM
THE PRESIDENT:

The VICE PRESIDENT laid before the
Senate the following message from the
President of the United States, which was
referred to the Committee on Finance:

To the Congress of the United States:

I am today transmitting to the Con-
gress a proposal for legislation to extend
until September 30, 1979, the authority
of the Secretary of the Treasury under
Section 303(d) of the Tariff Act of 1980
to waive the application of countervail-
ding duties. The Secretary's authority to
waive the imposition of countervailing
duty code which includes:

(1) new rules on the use of internal and
export subsidies which substantially
increase protection of United States agri-
cultural and industrial trading interests,
and
(2) more effective provisions on
notification, consultation and dispute
settlement that will provide for timely
resolution of disputes involving trade
subsidies in international trade.

My Special Representative for Trade
Negotiations has informed me that nego-
tiations on almost all MTN topics have
been substantially concluded, and that
these negotiations are being considered
by Congress under the procedures of the

Under current authority, the imposi-
tion of countervailing duties may be
waived in a specific case only if, inter
alia, "adequate steps have been taken to
eliminate or substantially reduce the ad-
verse effect" of the subsidy in question.

This provision and the other limitations
on the use of the waiver authority which
are currently in the law would continue
effect if the waiver authority is ex-
tended. Thus, U.S. producers and workers
will continue to be protected from the
adverse effects of subsidized competition.

A successful conclusion to the MTN is
essential to our national interest, as well as
to the continued growth of world
trade. If the waiver authority is not ex-
tended, such a successful conclusion will
be placed in serious jeopardy. Accord-
ingly, I urge the Congress to act posi-
tively upon this legislative proposal at the
earliest possible date.

JIMMY CARTER.

COMMUNICATIONS

The VICE PRESIDENT laid before the
Senate the following communications, together
with accompanying reports, documents, and papers, which were
referred as indicated:

EC-1. A communication from the Secre-
ty of Agriculture, transmitting, pursuant
to law, a summary of the Weather-Water Al-
location Study; to the Committee on Agri-
culture and Nutrition.

EC-2. A communication from the Acting
Secretary of Agriculture, reporting, pursuant
to law, to the aggregate value of all agree-
ments entered into under the Authority of the
Trade Development and Assistance
Act (Public Law 480) during fiscal year
1978 to the Committee on Agriculture, Nutrition, and Forestry.

EC-3. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report entitled "Improving Soils with Organic Amendments," pursuant to the statutory "Limitation on General and Administrative Expenses" for the fiscal year 1978; to the Committee on Appropriations.

EC-4. A communication from the Assistant Secretary of Defense (Administrations), transmitting, pursuant to law, the third-quarter fiscal year 1978 report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, material, and for expenses involving the production of lumber and timber products; to the Committee on Appropriations.

EC-5. A communication from the Secretary of the Interior, reporting, pursuant to law, on an overallocation that occurred in the Bureau of Indian Affairs; to the Committee on Appropriations.

EC-6. A communication from the Deputy Assistant Secretary of Defense (Administrations), transmitting, pursuant to law, 38 construction projects to be undertaken by the Army National Guard; to the Committee on Appropriations.

EC-7. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a report that the Creek Nation in the sum of $78,718,927.92 entered in the Creek Nation v. United States, Docket No. 977-C, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-8. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, the intent to obligate $16.8 million of funds available in the Army Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC-9. A communication from the Secretary of the Army, reporting, pursuant to law, the amount of $115,706.20; to the Committee on Appropriations.

EC-10. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a report of final award of the Indian Claims Commission in The Creek Nation v. United States, 94-32412, in the amount of $1,115,706.20; to the Committee on Appropriations.

EC-11. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, that the authority provided in section 3679 of the Revised United States Court of Claims, transmitting, pursuant to law, the intent to obligate $16.8 million of funds available in the Army Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC-12. A communication from the Deputy Comptroller General of the United States, reporting, pursuant to law, to the National Center for Productivity and Quality of Working Life, Travel Reimbursement Limitation; to the Committee on Appropriations.

EC-13. A communication from the Director, Agency for Volunteer Service, ACTION, reporting, pursuant to law, a technical violation, of the Secretary of Agriculture, as amended (31 U.S.C. 665); to the Committee on Appropriations.

EC-14. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to the Veterans Administration for "Readjustment benefits" for the fiscal year 1978, harm has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-15. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, transfers of amounts appropriated to the Department of Defense; to the Committee on Appropriations.

EC-16. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on the value of property, supplies, and commodities provided by the Berlin Magistracy of the United States pursuant to the U.S.-West Germany Agreement for the quarter July 1, 1978, through September 30, 1978; to the Committee on Appropriations.

EC-17. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Treasury for "Salaries and expenses." United States Customs Service for the fiscal year 1978, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-18. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the Ottawa Tribe in the sum of $563,842.21, entered in the Ottawa Tribe et al, as Representatives of the Ottawa Tribe v. United States, Nos. 133A and 302, by the Indian Claims Commission on August 17, 1978; to the Committee on Appropriations.

EC-19. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final awards entered in favor of plaintiffs in certain cases by the Indian Claims Commission in the case of Oklahoma v. United States, as of December 31, 1978; to the Committee on Appropriations.

EC-20. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Treasury for "Operating Expenses" for the fiscal year 1978, 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"; to the Committee on Appropriations.

EC-21. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, contract award in favor of plaintiffs in the case entered in the Creek Nation v. United States, Docket No. 977-C, in the amount of $1,115,706.20; to the Committee on Appropriations.

EC-22. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, that no use was made of funds appropriated in the case entered in The Ottawa Tribe, and Guy Johnson v. United States, for the fiscal year 1978, to the Committee on Appropriations.

EC-23. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, in favor of plaintiffs in certain cases by the Indian Claims Commission in the Peoria Tribe of Oklahoma v. United States, and the Osage Indians of Oklahoma v. United States, in the sum of $563,842.21, entered in the case of Oklahoma v. United States, as of December 31, 1978; to the Committee on Appropriations.

EC-24. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, information concerning the Department of the Army's proposal in the General Appropriation Act, 1978, for the purchase of Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-25. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter of Offer to the Federal Republic of Germany for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-26. A communication from the Acting Secretary of Defense, transmitting, pursuant to law, a plan prepared to dispose of the remaining Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-27. A communication from the Acting Secretary of Defense, transmitting, pursuant to law, a report entitled "Improving Soils and Related Cases v. The United States, Nos. 215, 161-1, and 29-1, by the Indian Claims Commission, September 30, 1978; to the Committee on Appropriations.

EC-28. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, that the authority provided in section 109 of the Department of Defense Appropriation Act, 1978; to the Committee on Appropriations.

EC-29. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, to the Committee on Appropriations.

EC-30. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, a report entitled "Improving Soils and Related Cases v. The United States, Nos. 215, 161-1, and 29-1, by the Indian Claims Commission, September 30, 1978; to the Committee on Appropriations.

EC-31. A communication from the Acting Secretary of Defense, transmitting, pursuant to law, a plan prepared to dispose of the remaining Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-32. A communication from the Secretary of the Army, reporting, pursuant to law, on the third-quarter fiscal year 1978 report of the Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, information concerning the Department of the Navy's proposal in the General Appropriation Act, 1978, for the purchase of Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-33. A communication from the Acting Secretary of Defense, transmitting, pursuant to law, a plan prepared to dispose of the remaining Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-34. A communication from the Acting Secretary of the Army, transmitting, pursuant to law, a report of the Army Reserve, of proposed legislation to approve the sale of a certain naval vessel, and for other purposes to the Committee on Appropriations.

EC-35. A communication from the Acting Secretary of the Army, transmitting, pursuant to law, a report of the Army Reserve, of proposed legislation to approve the sale of a certain naval vessel, and for other purposes to the Committee on Appropriations.

EC-36. A communication from the Acting Secretary of Defense, transmitting, pursuant to law, on the Selected Reserve Reenlistment Bonus Trust Fund, reporting, pursuant to law, for the cumulative period January 1 through July 31, 1978; to the Committee on Armed Services.

EC-37. A confidential communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a plan prepared to dispose of the remaining Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.
the Director, Defense Security Assistance Agency, transmitting, pursuant to law, a report submitted to the Committee on Armed Services, pursuant to law, a report submitted to the Committee on Armed Services, pursuant to law, a report on the estimated cost of a proposed sale of $25 million; to the Committee on Armed Services.

EC-38. A communication from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting, pursuant to law, a report on Department of the Army Appropriation, fiscal year 1979, by a Department of the Army contract for $50,000 or more which were awarded during the period 1 April 1978 through 30 September 1978; to the Committee on Armed Services.

EC-39. A communication from the Associate Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, reports concerning military construction contracts awarded by the Air Force without formal advertisement for the periods October 1, 1977, through September 30, 1978; to the Committee on Armed Services.

EC-40. A communication from the Assistant Deputy Chief of Naval Material (Contracts and Business Management), transmitting, pursuant to law, a report on Department of the Navy's semianual report of research and development procurement actions of $50,000 and over, covering the period 1 January through 30 September 1978; to the Committee on Armed Services.

EC-41. A communication from the Director, Defense Civil Preparedness Agency, transmitting, pursuant to law, a report of Financial Conditions in the States, Pennsylvania, and Administration for the fiscal year ending September 30, 1978; to the Committee on Armed Services.

EC-42. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on the Financial Conditions Programs, Equipment and Facilities for fiscal year ending September 30, 1978; to the Committee on Armed Services.

EC-43. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 24 contract awards made by the Department of Defense to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC-44. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on contract award dates for the period November 15, 1978, to February 15, 1979; to the Committee on Armed Services.

EC-47. A communication from the Secretary of the Army, transmitting, pursuant to law, a report on the current status of OMB's proposal to develop a "Soldiers' and Airmen's Home" for fiscal year 1977 and a report of the Annual General Inspection of the War Department, fiscal year 1978; to the Committee on Armed Services.

EC-48. A communication from the Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 24 contract awards made by the Department of Defense to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC-49. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report of actions taken by the Bank from July 1, 1978 through September 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-50. A communication from the Chairman, Federal Reserve System, transmitting, pursuant to law, its tenth Annual Report on Truth in Lending; to the Committee on Banking, Housing, and Urban Affairs.

EC-51. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a proposed regulation implementing sections 909 and 911 of the Electronic Fund Transfer Act, F.R. 78-103, and an analysis of the economic impact of the proposed sections of the regulation on participants in EFT Systems; to the Committee on Banking, Housing, and Urban Affairs.

EC-52. A communication from the Chairman, Coast Guard, transmitting, pursuant to law, a progress report of the Coast Accounting Standards Board for the year ended September 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-53. A communication from the Assistant Attorney General Antitrust Division, transmitting, pursuant to law, a report on the enforcement of the Consumer Credit Protection Act of 1968 (Public Law 90-321) for calendar year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-54. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on the enforcement of the Consumer Credit Protection Act, Public Law 95-630, and the analysis of the economic impact of the proposed sections of the regulation on participants in EFT Systems; to the Committee on Banking, Housing, and Urban Affairs.

EC-55. A communication from the Vice President, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on the average number of passengers per day on board each train operated, the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-56. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on total itemized revenues and expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-57. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the first quarter of 1978, on itemized revenues and expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-58. A communication from the Administrator, Federal Maritime Commission, transmitting, pursuant to law, a report on the operation of the Commission for the fiscal year 1978; to the Committee on Commerce, Science, and Transportation.

EC-59. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the operation of the National Aeronautics and Space Administration for the fiscal year 1978; to the Committee on Commerce, Science, and Transportation.

EC-60. A communication from the Acting Secretary of the Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 3678 (STB No. 289), Liquified Petroleum Gas, Plomation, Alaska and other Territories, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-61. A communication from the Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Impacts and Their Effects on Ground-Water Quality in the United States—A Preliminary Survey"; to the Committee on Commerce, Science, and Transportation.

EC-62. A communication from the Chairman, National Aeronautics and Space Administration, transmitting, pursuant to law, a copy of the Commission's letter to the Director, Office of Management and Budget, dated July 13, 1978, on the Sunset Act of 1978; to the Committee, Science, and Transportation.

EC-63. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report for calendar year 1978 on the utilization of the authorities of 37 U.S.C. 306 (to pay special pay to U.S. Coast Guard officers holding positions of unusual responsibility due to critical nature); to the Committee on Commerce, Science, and Transportation.

EC-64. A communication from the Chairman, Migratory Bird Conservation Commission, transmitting, pursuant to law, a report of the Migratory Bird Conservation Commission for fiscal year 1978; to the Committee on Commerce, Science, and Transportation.

EC-65. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for calendar year 1978; to the Committee on Commerce, Science, and Transportation.

EC-66. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on total itemized revenues and expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-67. A communication from the Chairman, National Advisory Committee on Oceans and National Marine Sanctuaries, transmitting, pursuant to law, recommendations concerning Federal organization for marine and atmospheric affairs; to the Committee on Commerce, Science, and Transportation.

EC-68. A communication from the President, National Aeronautics and Space Administration, transmitting, pursuant to law, its quarterly report for July 1, 1978 through September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-69. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for 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; to the Committee on Commerce, Science, and Transportation.

EC-70. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, a copy of the Board's letter to the Office of Management and Budget, dated August 4, 1978, on the apportionment of resources provided by OMB for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-71. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the implementation of the Federal Acquisition Regulation; to the Committee on Commerce, Science, and Transportation.
has submitted an application to the Depart-
ment of Energy, transmitting, pursuant to law,
that Sunmark Exploration Company, a
mittee on Energy and Natural Resources.
EC-86. A communication from the Chair-
man, Federal Energy Regulatory Commission,
transmitting, pursuant to law, a report on the im-
plementation and actions taken under the
Emergency Natural Gas Act of 1977
(First of the 92d), to the Committee on En-
ergy and Natural Resources.
EC-87. A communication from the Direc-
tor, Office of Territorial Affairs, Department of
Energy, transmitting, pursuant to law, a report on
the quarterly report on private grievances
filed from the month of February 1978; to the
Committee on Energy and Natural Resources.
EC-88. A communication from the Admis-
istration, Department of Energy, transmitting,
pursuant to law, a report of the administration of
the Glimt Development Fund during 1978, as
submitted by the Governor of Guam; to the
Committee on Energy and Natural Resources.
EC-89. A communication from the Admin-
istrator, United States Nuclear Regulatory Com-
mission, regarding the regulatory status of
a
EC-90. A communication from the Admis-
istrator, Energy Information Administration,
Department of Energy, transmitting, pursuant to
law, a report on Sales of refined Petroleum
Products, July 1978; to the Committee on En-
ergy and Natural Resources.
EC-91. A communication from the Presi-
dent of the United States, transmitting,
pursuant to law, a proposal to designate an
area as the National Wild and Scenic Rivers
System; to the Committee on Energy and
Natural Resources.
EC-92. A communication from the Gen-
eral Counsel, Department of Energy, transmit-
ing, pursuant to law, a report of a meeting
related to the International Energy Pro-
gram; to the Committee on Energy and
Natural Resources.
EC-93. A communication from the Secre-
try of the Interior, transmitting, pursuant to law,
a report on a proposal to designate a
portion of ground in the Alaskan northern
wilderness as the Alaska National Interest
Land Conservation Reserve; to the Committee on
Environment and Public Works.
EC-94. A communication from the Direc-
tor, Office of Hearings, Department of Energy,
transmitting, pursuant to law, the quarterly report on private grievances and refer-
ces to the Committee on Energy and Natural
Resources.
EC-95. A communication from the Director,
Office of Environmental and Nuclear En-
ergy, Department of Energy, transmitting, pursuant to law, the report on the
impact of the proposed construction of an
disposal facility at the Loveless Site.
EC-96. A communication from the Secre-
try of the Interior, transmitting, pursuant to law,
the report of the Office of Environmental
Protection, Department of Energy, transmis-
sion, pursuant to law, a report on the
National Environmental Policy Act of 1970;
to the Committee on Environment and Public
Works.
EC-97. A communication from the Com-
mittee on Environment and Public Works,
Department of Energy, transmitting, pursuant to law, a report on the legislative
impact of the proposed construction of an
disposal facility at the Loveless Site; to the
Committee on Environment and Public
Works.
EC-110. A communication from the Deputy Under Secretary, Department of the Treasury, transmitting, pursuant to law, a report concerning required cooperation agreements on water resources; to the Committee on Environment and Public Works.

EC-111. A communication from the Director, Office of International Economic Policy, Department of the Interior, transmitting, pursuant to law, a report on the expenditure of funds on the Herbert Hoover Federal Memorial Building by the Department of the Interior; to the Committee on Environment and Public Works.

EC-112. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a memorandum of understanding delineating respective agency responsibilities in the conduct of epidemiological planning studies; to the Committee on Environment and Public Works.

EC-113. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on contracts per section 11, Public Law 95-601, NRC's 1979 Authorization Act; to the Committee on Environment and Public Works.

EC-114. A communication from the Director, Office of Economic Research and Policy, Department of the Interior, transmitting, pursuant to law, a report entitled "Evaluations of Environmental and Ecotourism Potential for Desalting Demonstration Plants," December 1978; to the Committee on Environment and Public Works.

EC-115. A communication from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, reporting, for the purpose of complying with the Act of October 31, 1977, the Committee's report on the US-Indian Tropical Products Agreement which was committed to the Committee on Finance on June 29, 1977; to the Committee on Finance.

EC-116. A communication from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting, pursuant to law, the Committee's report on the Agreement on Trade Matters Between the United States and the United Mexican States, signed in Washington, D.C., on December 2, 1977; to the Committee on Finance.

EC-117. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the final report on the "advantages and disadvantages of extending coverage under Title XVIII of the Social Security Act to urban or rural comprehensive mental health centers and to centers for treatment of alcoholism and drug abuse"; to the Committee on Finance.

EC-118. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief for the domestic bicycle tire and tube industry is not in the national economic interest, and explaining the reasons for his decision; to the Committee on Finance.

EC-119. A communication from the Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's final report covering the fiscal year ending September 30, 1978; to the Committee on Finance.

EC-120. A communication from the Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's annual report for the fiscal year ending September 30, 1978; to the Committee on Finance.

EC-121. A communication from the Chairman, The Renegotiation Board, transmitting, pursuant to law, a report setting forth his decision concerning the clean-up of waste products of the US-Indian Tropical Products Agreement, which was concluded on July 26, 1978; to the Committee on Finance.

EC-122. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision concerning the termination of the U.S. and Canadian Sustained Artificial Bait and Flies Industry in its efforts to obtain import relief; to the Committee on Finance.

EC-123. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision concerning the termination of import relief; to the Committee on Finance.

EC-124. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief on unwrought, unalloyed copper is not in the national economic interest and explaining the reasons for his decision; to the Committee on Finance.

EC-125. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief on unwrought, unalloyed copper is not in the national economic interest and explaining the reasons for his decision; to the Committee on Finance.

EC-126. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, letters of sixty-one industry reports on trade between the United States and the nonmarket economy countries; to the Committee on Finance.

EC-127. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision to modify the import relief recommendation of the U.S. International Trade Commission (USITC) by proposing an increase in the import relief rates.

EC-128. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision to modify the import relief recommendation of the U.S. International Trade Commission (USITC) by proposing an increase in the import relief rates.

EC-129. A communication from the Acting Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's final report covering the fiscal year ending September 30, 1978; to the Committee on Finance.

EC-130. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ending December 30, 1978," to the Committee on Finance.

EC-131. A communication from the Acting Chairman, The Renegotiation Board, transmitting, pursuant to law, a notice on leasing systems for the oil and gas lease Sale No. 51, central and western Gulf of Mexico, scheduled to be held on December 19, 1978; to the Committee on Energy and Natural Resources.

EC-132. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report entitled "Report on Exchanges," to the Senate Committee on Finance.

EC-133. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report entitled "Report on Exchanges," to the Senate Committee on Finance.

EC-134. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report entitled "Report on Exchanges," to the Senate Committee on Finance.

EC-135. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report entitled "Report on Exchanges," to the Senate Committee on Finance.

EC-136. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report entitled "Report on Exchanges," to the Senate Committee on Finance.

EC-137. A communication from the Director, Office of Management and Budget, transmitting, pursuant to law, a report on the assumption of foreign currency exchange rates; to the Committee on Foreign Relations.

EC-138. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-139. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-140. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-141. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-142. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-143. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-144. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-145. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-146. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-147. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.
days after the execution thereof; to the Committee on Foreign Relations.

EC-159. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report entitled "Problems in Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-160. A communication from the Department of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Problems in Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-161. A communication from the Department of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Problems in Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-162. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, the sixth quarterly report covering the activities of his office for the period July 1, 1978, to September 30, 1978; to the Committee on Governmental Affairs.

EC-163. A communication from the Chairman, United States Postal Service, reporting, pursuant to law, on compliance with the Government in the Sunshine Act for calendar year 1978; to the Committee on Governmental Affairs.

EC-164. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-165. A communication from the Department of the Army, transmitting, pursuant to law, a report of personal property donated under section 2473 (c) (2) (A) of Title 10, United States Code; to the Committee on Governmental Affairs.

EC-166. A communication from the Department of the Army, transmitting, pursuant to law, a report of personal property donated under section 2473 (c) (2) (A) of Title 10, United States Code; to the Committee on Governmental Affairs.

EC-167. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-168. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-169. A communication from the Department of Commerce, National Aeronautics and Space Administration, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-170. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-171. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-172. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-173. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-174. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-175. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-176. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-177. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-178. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-179. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.

EC-180. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems In Auditing Medicaid Nursing Home Costs," November 9, 1978; to the Committee on Governmental Affairs.
EC-189. A communication from the Director, Office of Administration, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC-190. A communication from the Assistant Secretary for Management and Budget, Department of Education, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-191. A communication from the General Counsel, Federal Trade Commission, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-192. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-193. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the months of November 1978; to the Committee on Governmental Affairs.

EC-194. A communication from the Acting Assistant Secretary for Administration, Department of the Treasury, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-195. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Issues Concerning Air Force EC-104A, Vanishing Aircraft," January 8, 1979; to the Committee on Governmental Affairs.

EC-196. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Navy's favorability readiness posture for the submarine launched ballistic missile force, as well as measures which could be taken to improve these areas and the potential applicability to other Navy programs; to the Committee on Governmental Affairs.

EC-197. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Report to the Congress on the Rationale Needed to Help Improve Medical and Dental Care in Prisons and Jails," December 22, 1978; to the Committee on Governmental Affairs.

EC-198. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Navy's Submarine Launched Ballistic Missile Force Is Highly Ready," December 21, 1978; to the Committee on Governmental Affairs.

EC-199. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Need for Uniform Security Measures in the Transportation of Arms, Ammunition, and Explosives," December 21, 1978; to the Committee on Governmental Affairs.

EC-200. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Labor Needs to Manage its Workplace Consultation Program," December 18, 1978; to the Committee on Governmental Affairs.

EC-201. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How to Dispose of Hazardous Waste-A Series," December 21, 1978; to the Committee on Governmental Affairs.

EC-202. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Adjustment Assistance to Firms Under the Trade Act of 1974—Income Maintenance or Successful Adjustment?" December 21, 1978; to the Committee on Governmental Affairs.

EC-203. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, AID's fiscal year 1978 report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-204. A communication from the Director, Procurement and Contracts Management Directorate, Agency for International Development, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-205. A communication from the Director, International Communication Agency, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-206. A communication from the Assistant Director for General Services, Facilities and Support Services Division, United States Environmental Protection Agency, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-207. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-208. A communication from the Chief, Procurement and Property Management Branch, Administrative Services Division, Community Services Administration, transmitting, pursuant to law, a report on utilization of foreign excess property for fiscal year 1978; to the Committee on Governmental Affairs.

EC-209. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "What Are the Capabilities of the Selective Service System?" December 22, 1978; to the Committee on Governmental Affairs.


EC-211. A communication from the Chair, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on full-time permanent employees hired and promoted; to the Committee on Governmental Affairs.

EC-212. A communication from the Assistant Administrator for Administration, General Services Administration, transmitting, pursuant to law, a report on all full-time temporary employees employed; to the Committee on Governmental Affairs.

EC-213. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a report on a meeting of the Board of Visitors, United States Naval Academy made to the President on May 1977; to the Committee on Governmental Affairs.

EC-214. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Are the Capabilities of the Selective Service System?" December 22, 1978; to the Committee on Governmental Affairs.

EC-215. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "LLB 28-295, United States Armed Forces, Department of the Interior; to the Committee on Governmental Affairs.

EC-216. A communication from the Acting Administrator, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report on full-time permanent employees employed; to the Committee on Governmental Affairs.

EC-217. A communication from the Deputy Assistant Secretary of Defense (Administrative Management), transmitting, pursuant to law, a proposed new system of records by the Defense Logistics Agency; to the Committee on Governmental Affairs.

EC-218. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on improving the distribution of information on Federal assistance programs; to the Committee on Governmental Affairs.


EC-220. A communication from the Director, Agency for Volunteer Service, ACTION, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-221. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Labor Department's Comprehensive Approach to Employment Security Automation," December 28, 1978; to the Committee on Governmental Affairs.

EC-222. A communication from the Chairman, Copyright Royalty Tribunal, transmitting, pursuant to law, a report entitled "A Report of the Determination of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-223. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Government's Severance Pay Programs Need Reform," December 7, 1978; to the Committee on Governmental Affairs.


EC-226. A communication from the Assistant Secretary of Defense (Management), Department of Defense, transmitting, pursuant to law, a report entitled "The Navy's Submarine Launched Ballistic Missile Force Is Highly Ready," December 21, 1978; to the Committee on Governmental Affairs.


EC-228. A communication from the Assistant Secretary of Defense (Management), Department of Defense, transmitting, pursuant to law, a report entitled "The Navy's Submarine Launched Ballistic Missile Force Is Highly Ready," December 21, 1978; to the Committee on Governmental Affairs.

Department of Justice, transmitting, pursuant to law, a report of the FBI's intention to more adequately describe records in the FBI Central Records System by creating a new system of records; to the Committee on Governmental Affairs.

EC-231. A communication from the Deputy Administrator, General Services Administration, pursuant to law, a report on a system of records; to the Committee on Governmental Affairs.

EC-232. A communication from the Assistant Secretary for Management and Budget, Department of Transportation, transmitting, pursuant to law, a report entitled "Progress Toward A Free, Appropriate Public Education"; to the Committee on Human Resources.

EC-239. A communication from the Assistant Secretary for Administration, Department of Transportation, transmitting, pursuant to law, a report on the President's Commission on the National Center for Educational Statistics; to the Committee on Human Resources.

EC-240. A communication from the Assistant Secretary for Administration, Department of Transportation, transmitting, pursuant to law, a report on "Higher Education Act of 1965, as amended"; to the Committee on Human Resources.

EC-241. A communication from the Department of the Interior, transmitting, pursuant to law, a report on "National Park System: A Decade of Progress"; to the Committee on Governmental Affairs.

EC-242. A communication from the Deputy Assistant Secretary for Defense (Administration), transmitting, pursuant to law, a report on "The Government Needs to do a Better Job of Caring for the Nation's Natives"; to the Committee on Governmental Affairs.

EC-243. A communication from the Deputy Assistant Secretary for Defense (Administration), transmitting, pursuant to law, a report on "The Government Needs to do a Better Job of Caring for the Nation's Natives"; to the Committee on Governmental Affairs.

EC-244. A communication from the Federal Aviation Administration, transmitting, pursuant to law, a report on the need for greater emphasis on solving environmental problems at U.S. overseas military facilities; to the Committee on Governmental Affairs.

EC-245. A communication from the Department of Health and Human Services, transmitting, pursuant to law, a report on "School Admissions Policy Relating to Abortion Counseling Workers or Migratory Fishermen"; to the Committee on Human Resources.

EC-246. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on the Department's efforts to reduce paperwork during the period from January 1 to July 1, 1978; to the Committee on Governmental Affairs.

EC-247. A communication from the Commissioner, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, a report entitled "Evaluation of the Truman Scholarship Fellowships"; to the Committee on Human Resources.

EC-248. A communication from the Commissioner, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, a report entitled "Evaluation of the Truman Scholarship Fellowships"; to the Committee on Human Resources.

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EC-268. A communication from the Commissioner, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, a report entitled "Evaluation of the Truman Scholarship Fellowships"; to the Committee on Human Resources.

EC-269. A communication from the Commissioner, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, a report entitled "Evaluation of the Truman Scholarship Fellowships"; to the Committee on Human Resources.
Pursuant to law, the Executive Office of the President, transmitting, pursuant to order of January 30, 1975.

A communication from the General Counsel, General Accounting Office, reporting, pursuant to law, on the status of budget authority that was proposed, but rejected, for rescission, to the Committee on Appropriations, the Committee on the Budget, and the Committee on Human Resources, jointly, pursuant to order of January 30, 1975.

A communication from the Comptroller General of the United States, reporting the 11th Semi-Annual Report for fiscal year 1978 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974, to the Committee on Appropriations, the Committee on the Budget, and the Committee on Human Resources, jointly, pursuant to order of January 30, 1975.

A communication from the Deputy Comptroller General of the United States, commenting on the President's Second Special Message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974, to the Committee on Approprations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, and the Committee on Appropriations, the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, January 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Governmental Affairs, the Committee on Foreign Relations, the Committee on Government Affairs, and the Committee on Human Resources jointly, pursuant to order of January 30, 1975.

PETITIONS

The VICE PRESIDENT laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-1. A concurrent resolution adopted by the State of Michigan, transmitted, pursuant to law, a cumulative report of rescissions and deferrals, January 1978; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Governmental Affairs, the Committee on Foreign Relations, the Committee on Government Affairs, and the Committee on Human Resources jointly, pursuant to order of January 30, 1975.

POM-2. A resolution adopted by the Board of Directors of the Naval Reserve Auxiliary, Seattle, Seattle, Wash., relating to national defense; to the Committee on Armed Services.

POM-3. A resolution adopted by the City Council of the City of Saratoga, Pa., relating to a site for rehabilitation of the U.S.S. Saratoga and other carrier vessels in its Service Life Improvement Program; to the Committee on Armed Services.

POM-4. A resolution adopted by the Puerto Rican Federalism Association, San Juan, Puerto Rico, relating to present status of U.S. citizens in the Island of Vieques; to the Committee on Armed Services.

POM-5. A resolution adopted by the Legislature of the State of New Jersey; to the Committee on Armed Services.

POM-6. A joint resolution adopted by the Legislature of the First Northern Mariana Islands.
January 15, 1979

CONGRESSIONAL RECORD—SENATE

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Commonwealth Legislature; to the Committee on Commerce, Science, and Transportation;

"SENATE JOINT RESOLUTION

"Whereas, the Commonwealth of the Northern Mariana Islands is a strategic location for northerly crossroad for aviation travel to and from the continental United States and the Orient; and

"Whereas, several airlines have expressed an interest in establishing landing and passenger rights at the Saipan International Airport, and these airlines can develop and embark on Saipan while others seek permission to land at the airport for refueling purposes; and

"Whereas, the Commonwealth of the Northern Mariana Islands has limited natural resources and its growth is imperative, it is imperative that its operational costs be covered by those who would have the positive result of providing additional needed revenue to the Commonwealth of the Northern Mariana Islands; and

"Whereas, the establishment of an open sky would have the positive effect of increasing the Commonwealth of the Northern Mariana Islands and of providing the traveling public with an opportunity to visit Saipan and lay-over destination; now therefore,

Be it resolved, by the First Northern Marianas Commonwealth Legislature, the Speaker of the House of Representatives to the United States for the Commonwealth of the Northern Mariana Islands; and

"Be it further resolved that the Speaker of the House of Representatives shall certify and the House Clerk shall attest to the adoption hereof and thereafter transmit certified copies to the Honorable President of the U.S. Senate; the Honorable Speaker of the U.S. House of Representatives, Thomas O'Neill, Honorable Al Ullman, Chairman of the House Ways and Means Committee; Honorable Barber B. Conable, Jr., Ranking Minority Leader of the House Ways and Means Committee; Honorable Phillip Burton, Chairman, House Subcommittee on National Parks and Insular Affairs; Honorable James A. Burke, Chairman, House Subcommittee on Social Security; Honorable Dan Rostenkowski, Chairman, House Subcommittee on Health, Education, Labor and Pensions; Honorable Phillip Burton, Chairman, House Subcommittee on Trade; Honorable James C. Corman, Chairman, Subcommittee on Unemployment Compensation; and to the Honorable Edward D.L G. Pangelinan, Representative to the United Nations, Commonwealth of the Northern Mariana Islands.

POM-8. A resolution adopted by the South-eastern Association of State Highway and Transportation Officials, Nashville, Tenn., commanding the Senate of the United States, the Secretary of the U.S. Department of Interior, the Speaker of the United States House of Representatives, the President of the United States Senate, any Representative to the United States for the Commonwealth of the Northern Mariana Islands, the Secretary of the U.S. Department of Commerce and to the Chairman of the U.S. Civil Aeronautics Board.

POM-7. A resolution adopted by the First Northern Marianas Commonwealth Legislature, to the Committee on Finance;

"RESOLUTION

"Whereas, it has come to the attention of the members of the House of Representatives of the First Northern Marianas Commonwealth that the United States Congress has disapproved a rider to H.R. 13511, said rider having the effect of denying to the residents of the Commonwealth of the Northern Mariana Islands the benefits of Title XVI of the Social Security Act, as amended; and

"Whereas, Subsection 1 of Section 502 of Public Law 94-241, The Covenant to Establish a Commonwealth Government of the Northern Mariana Islands in Political Union with the United States of America provides, in part, that "...Title XVI of the Social Security Act shall be applicable to the Commonwealth of the Northern Mariana Islands"; and

"Whereas, the Covenant was executed in good faith by representatives of the United States of America and representatives of the Northern Mariana Islands; and

"The Social Security Income program has provided valuable and needed assistance to the aged, the blind and the disabled, former citizens who, in good faith, have joined the separatist forces of Juan Santamaria and Opponents of the United States have joined the separatist forces of Juan Santamaria and Opponents of the United States; and

"Whereas, the members of the United States Congress have responded to the needs of the people of the Northern Mariana Islands and have disapproved this rider which would have imposed severe and undue hardship on the aged, the blind and the disabled; now therefore,

"Be it resolved by the House of Representatives of the First Northern Marianas Commonwealth that the United States Congress has disapproved a rider to H.R. 13511, said rider having the effect of denying to the residents of the Commonwealth of the Northern Mariana Islands the benefits of Title XVI of the Social Security Act, as amended; and

"Be it further resolved that the Speaker of the House of Representatives shall certify and the House Clerk shall attest to the adoption hereof and thereafter transmit certified copies to the Honorable President of the U.S. Senate; the Honorable Speaker of the U.S. House of Representatives, Thomas O'Neill, Honorable Al Ullman, Chairman of the House Ways and Means Committee; Honorable Phillip Burton, Chairman, House Subcommittee on National Parks and Insular Affairs; Honorable James A. Burke, Chairman, House Subcommittee on Social Security; Honorable Dan Rostenkowski, Chairman, House Subcommittee on Health, Education, Labor and Pensions; Honorable Phillip Burton, Chairman, House Subcommittee on Trade; Honorable James C. Corman, Chairman, Subcommittee on Unemployment Compensation; and to the Honorable Edward D.L G. Pangelinan, Representative to the United Nations, Commonwealth of the Northern Mariana Islands.

"RESOLUTION

"Be it resolved, by the First Northern Marianas Commonwealth Legislature, the Speaker of the House of Representatives to the United States for the Commonwealth of the Northern Mariana Islands; and

"Whereas, the Overseas Private Investment Corporation was formed by the United States Congress to provide funding assistance to U.S. companies that locate in and assist developing countries in improving their economic institutions by providing developmental loans for viable economic projects; and

"Whereas, since its formation in 1971, the Overseas Development Corporation has made great strides toward bringing the U.S. business community closer to nations that are less developed and that are less familiar with potential opportunities for the future, and

"Whereas, basic to the writing of any country is the viability of its economic development; and

"Whereas, under provisions of the Covenant to Establish the Commonwealth of the Northern Mariana Islands it was envisioned that the Northern Mariana Islands would become self-sufficient, and to this end, the United States Government agreed to provide a cash grant to the Commonwealth for a specified period of time until private investment could be encouraged; and

"Whereas, in order to expedite the development of the Commonwealth, several potentially vis-
ble economic projects have been identified, but cannot be implemented because of the lack of start-up capital; and

Whereas, several potential investors have expressed a desire for an investment in the Northern Mariana Islands, but have not met with any success in obtaining sufficient capital to ensure the viability of these economic ventures; and

Whereas, since the Northern Mariana Islands are a part of the United States political family, every possible assistance should be extended to potential U.S. investors in the Northern Mariana Islands; now, therefore,

Be it resolved by the First Northern Mariana Commonwealth Legislature and the Council of the Northern Mariana Islands, 1976, that the Overseas Private Investment Corporation be and it hereby is requested to extend its economic development loan programs to United States Companies that have identified viable economic projects in the Northern Mariana Islands; and

Be it further resolved that the Speaker certify to and the Clerk attest the adoption hereof and thereafter transmit copies of the same to the President of the United States, the Speaker of the United States House of Representatives and the President of the United States Senate, the Chairman of the Board of Directors of the Overseas Private Investment Corporation, the Chairman of the Senate, the Chairman of the House of Representatives, and the Chairman of the Democratic Steering Committee of the United States House of Representatives and the Democratic Steering Committee of the United States Senate, the Speaker of the House of Representatives, and the Majority Leader of the Senate, and to the Representative of the United States for the Commonwealth of the Northern Mariana Islands—

POM-13. A resolution adopted by the Legislature of New York; to the Committee on Foreign Relations:

"LEGISLATIVE RESOLUTION

" Whereas, About the year 1000 B.C., Jerusalem was captured by David, founder of the joint kingdom of Israel and Judah, and the city became a Jewish capital; and

" Whereas, David's son, King Solomon, extended the city and built his Temple therein and this holy undertaking determined the sacred character of Jerusalem as a center of holiness for the Jewish people; and

" Whereas, Down through the centuries of history the city of Jerusalem has been sacked and destroyed and its sacred Temple destroyed by adversaries of the Jewish people; and

" Whereas, The Jewish people have never forgotten the Holy City and its existence is memorialized in the Bible with the passage: "If I forget thee, O Jerusalem, let my right hand forget its cunning"; and

" Whereas, For Jews throughout the world, Jerusalem is the focus of age-old yearnings, a living proof of ancient grandeur and a center of national and religious renaissance; now, therefore, be it

Resolved, That this legislative body respectfully urge the Congress, the President and the Secretary of State of the United States, to immediately recognize Jerusalem as the capital of the state of Israel and take such formal diplomatic steps to implement this decision and further to take such other action as may be necessary to assure that the city of Jerusalem remain the undivided capital of Israel thereby bringing to a successful conclusion the foreign policy of Israel Minister Menachem Begin to the Israeli people that "Jerusalem will remain undivided and until the end of the world"; and be it further

Resolved, That copies of this Resolution be transmitted to the Congress, the President and the Secretary of State of the United States."

POM-14. A petition from a citizen of San Diego, defeating national health care; to the Committee on Human Resources.

POM-15. A petition from a citizen of Bogota, Texas, relating to national health care; to the Committee on Human Resources.

POM-16. A resolution adopted by the American Legion, the Federal Bureau of Investigation Agency and the Federal Bureau of Investigation; to the Select Committee on Intelligence.

POM-17. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on Judiciary:

"RESOLUTION

"STATEMENT OF MOTIVES

" Senate Bill 1315 approved by the Senate of the United States on November 8, 1977, authorizes the use of the Spanish language in the Federal court for the District of Puerto Rico. The same purpose is pursued in House Bill 1360 which was filed at the House of Representatives by our Resident Commissioner in Washington, the Honorable Baltasar Corredor del Río. This legislation by the Congress would allow the Federal Court for the District of Puerto Rico to determine the occasions on which the proceedings must be conducted in Spanish in order to achieve better administration of justice.

The constitutional right to due process of law is guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, and this is true whether or not English is the language that is used, it being well known that the defendant cannot be made up of persons that do not represent a true cross-section of our Community.

The Spanish language is our vernacular, and that of two billion inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

The House of Representatives of Puerto Rico understands that the approval of these measures before the Congress of the United States to authorize the use of the Spanish language, our vernacular, in the proceedings of the Federal Court for the District of Puerto Rico is here expressed.

The constitutional right to due process of law is guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, and this is true whether or not English is the language that is used, it being well known that the defendant cannot be made up of persons that do not represent a true cross-section of our Community.

The Spanish language is our vernacular, and that of two billion inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

POM-18. A concurrent resolution adopted by the Legislature of American Samoa; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 116

" Whereas, notwithstanding the tremendous help of the U.S. Representatives and all its fine supporters and co-sponsors of the American Samoan Non-Voting Delegate Bill (H.R. 1909), and the invaluable assistance of two hard-working Senators who helped immeasurably in securing passage of the bill through the Senate; and

Whereas, United States Senators Daniel K. Inouye and Spark M. Matsunaga have always displayed their friendship and loyalty to the Territory of American Samoa through their efforts in our behalf; and

Whereas, they took time away from other important committee business that was equal to the task of their never flagging aid and assistance; and

Whereas, they found less time within which to effect a happy conclusion of the measure; and

Whereas, we the Fono, for the people of American Samoa wish to particularly thank those bold dedicated and fearless friends of American Samoa in the U.S. Senate, Senators Daniel K. Inouye and Spark M. Matsunaga.

NOW, THEREFORE, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

That, the entire Fono, on behalf of the people of the Territory of American Samoa, thanks and especially commends United States Senators Daniel K. Inouye and Spark M. Matsunaga from Hawaii, our sister jurisdiction, for their able and kind assistance in securing passage through the Congress of the Non-Voting Delegate bill (H.R. 13702); and

Be it further resolved, that the Secretary of the Commonwealth of the Northern Mariana Islands is directed to transmit to the President of the United States on November 8, 1977, a resolution adopted by the House of Representatives by our Resident Commissioner in Washington, the Honorable Walter F. Mondale, President of the House; the Honorable Daniel K. Inouye, Member of Appropriations, Commerce, Science and Transportation Committee; Honorable Spark M. Matsunaga, Member, Energy and Natural Resources Committee, and Veterans' Affairs Committee; Honorable Peter T. Tully, Governor of American Samoa; and Honorable A. A. Alega, Delegate-at-Large to the U.S. Government.

POM-19. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"RESOLUTION

"STATEMENT OF MOTIVES

" Senate Bill 1315 approved by the Senate of the United States on November 8, 1977, authorizes the use of the Spanish language in the Federal court for the District of Puerto Rico. The same purpose is pursued in House Bill 1360 which was filed at the House of Representatives by our Resident Commissioner in Washington, the Honorable Baltasar Corredor del Río. The approval of this legislation by the Congress would allow the Federal Court for the District of Puerto Rico to determine the occasions on which the proceedings must be conducted in Spanish in order to achieve better administration of justice.

The constitutional right to due process of law is guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, it being well known that the defendant cannot be made up of persons that do not represent a true cross-section of our Community.

The Spanish language is our vernacular, and that of two billion inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

The House of Representatives of Puerto Rico understands that the approval of these measures before the Congress of the United States to authorize the use of the Spanish language, our vernacular, in the proceedings of the Federal Court for the District of Puerto Rico is here expressed.

The constitutional right to due process of law is guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, it being well known that the defendant cannot be made up of persons that do not represent a true cross-section of our Community.

The Spanish language is our vernacular, and that of two billion inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.
be it resolved by the House of Represent­atives: A bill to provide assistance and coordi­nation in the provision of child care services for children living in homes with working parents, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CHILES:

S. 5. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Governmental Affairs.

By Mr. LEAHY:

S. 6. A bill to amend the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CRANSTON:

S. 7. A bill to amend title 38, United States Code, to revise and improve certain health­care programs of the Veterans' Administra­tion, to authorize the construction, altera­tion, and acquisition of certain medical fa­cilities, and to expand certain benefits for disabled veterans and their dependents, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOLE:

S. 8. A bill to extend diplomatic privileges and immunities to any principal liaison of­fice of the Republic of China that may be established in any district of the United States, or to members thereof; to the Committee on Foreign Relations.

By Mr. JACOBSEN:

S. 9. A bill to designate certain lands in the State of Alaska as units of the National Park System, the National Wild and Scenic Rivers, National Forest, and National Wildlife Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAYH (for himself, Mr. HATCH, Mr. BACUS, Mr. BENSON, Mr. CHAFFEE, Mr. CRANSTON, Mr. DOLE, Mr. GRAVEL, Mr. HATFIELD, Mr. INOUYE, Mr. KENNEDY, Mr. LUGAR, Mr. MATHEWS, Mr. McGOVERN, Mr. METZENBAUM, Mr. PROXIMAIRE, Mr. RANDOLPH, Mr. REYNOLDS, Mr. RICKEL, Mr. STONE, and Mr. WILLIAMS):

S. 10. A bill to authorize actions for redress in cases involving claims of the United States of institutionalized persons secured or protected by the Constitution or laws of the United States to the Committee on Governmental Affairs, and the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

By Mr. CHURCH:

S. 11. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Feder­al receipts and outlays for programs and pro­ ­cesses on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget, to extend to other purposes; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

By Mr. LEVIN:

S. 12. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards, to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WEICHER:

S. 13. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the office of President and to limit federal contributions and expenditures to the year in which a federal election is held; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MCCURLEY:

S. 14. A bill to provide for and maintain the continued existence of the United States Sugar Industry; to the Committee on Finance.

S. 15. A bill to amend the Internal Revenue Code of 1954 to provide individuals a

By Mr. DOLE (for himself, Mr. HATCH, Mr. BACUS, Mr. BENSON, Mr. CHAFFEE, Mr. CRANSTON, Mr. DOLE, Mr. GRAVEL, Mr. HATFIELD, Mr. INOUYE, Mr. KENNEDY, Mr. LUGAR, Mr. MATHEWS, Mr. McGOVERN, Mr. METZENBAUM, Mr. PROXIMAIRE, Mr. RANDOLPH, Mr. REYNOLDS, Mr. RICKEL, Mr. STONE, and Mr. WILLIAMS):

S. 16. A bill to authorize actions for redress in cases involving claims of the United States of institutionalized persons secured or protected by the Constitution or laws of the United States to the Committee on Governmental Affairs, and the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

By Mr. CHURCH:

S. 17. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Feder­al receipts and outlays for programs and pro­cesses on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget, to extend to other purposes; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

By Mr. LEVIN:

S. 18. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards, to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WEICHER:

S. 19. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the office of President and to limit federal contributions and expenditures to the year in which a federal election is held; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MCCURLEY:

S. 20. A bill to provide for and maintain the continued existence of the United States Sugar Industry; to the Committee on Finance.

S. 21. A bill to amend the Internal Revenue Code of 1954 to provide individuals a
Many farmers are still suffering severe losses and are bearing the major brunt of inflation. The farm problem has not gone away and will not go away quickly. Without new farm legislation, American farmers could spend all of 1979 with plenty of clouds on the horizon: First, the probability of double-digit inflation again in 1979 will cause farmers’ cost of production to continue to rise. Second, the possibility of a recession could cause the demand for farm products to fall off and decrease the price of farm products. Third, the near 15 percent OPEC price hike will cause a new spiral in energy costs for farmers. Gasoline delivered to the farm in eastern Kansas in May of 1978 was 56.3 cents per gallon and in January of 1979 it was 61.1 cents per gallon. It is predicted to go to 65.1 cents per gallon by May of this year. Diesel fuel was 41.4 cents per gallon in May of 1977 and is predicted to be at least 46 cents per gallon by May of 1979. Fourth, interest costs to farmers are at record high levels. Farmers in Kansas are paying from 10 to 12 1/2 percent for money they borrow. With the present economic conditions farmers are borrowing record amounts of capital. Farmers start 1979 with $136 billion in outstanding loan debt to the Federal Government to run to stay in business. The program will significantly help small farmers survive. This variable target price program will not be a costly one. It should not cost any more than present set-aside programs but will provide farmers with much more flexibility in their farming operations. It should also improve the market price of the respective farm commodities. The program is designed to assist family farmers in their battle to stay alive economically in this time of low farm prices, high interest rates, rising fuel costs, and double digit inflation. The program is not costly nor inflationary. Farmers have to cover their costs of production and make a profit in the long run to stay in business. It is in the best interests of American consumers that family farmers stay in business and produce food. We cannot refuse to raise farm prices under the banner of fighting inflation when farmers are losing money. The battle to save our family farmers is
one worth fighting and worth winning. When we fight, we fight all Americans win. There will be an adequate supply of fairly priced farm products. We will have the largest food supply possible at the lowest price possible.

2. MILK PRICE SUPPORT

The statutory authority for support of manufactured dairy products at 80 percent of parity, contained in the 1977 Agriculture Act, expires on March 31, 1978. Last September, Secretary Bergland set the support rate for the marketing year beginning October 1, 1978, and ending September 30, 1979, at 80 percent of parity.

If Congress does nothing to extend or change the law, USDA will have the option on October 1, 1979, to set the support level for the new marketing year beginning October 1, 1978, as low as the statutory minimum of 75 percent of parity.

This provision will extend the authority contained in the 1977 Food and Agriculture Act providing that the price support level be no less than 60 percent of parity. This level has proved an acceptable level to maintain dairy production without stimulating overproduction.

3. SUGAR PRICE SUPPORT

This provision will require the Secretary of Agriculture to set the price support loan for sugar at a percent of parity as near as possible to this figure by the use of quotas and import fees to minimize the loan level as a market price determinant.

In October 1978, because of the conflict with administration sugar policy, we were unable to pass meaningful sugar legislation. To date, the administration has not proposed any new solutions and therefore, I feel an increase in the loan rate as a percent of parity to as near as possible to this figure to this level could be achieved by greater efficiency and improved methods.

If greater enforcement of the program is desired, other options are available to the Congress. Under the current law, the program expires in 2 years, 1981. The program will have to be extended at that time, which provides an excellent opportunity to review the approach adopted in 1977 and to change it if it is not satisfactory. If we are still not sure, the program can be extended for only a short period of time.

In addition to repealing the cap, the bill addresses the need to achieve greater efficiency in the food stamp program. State error rates are still too high. Questions have been raised by the General Accounting Office over the authorization of retailers which sell only token amounts of staple foods. Food stamp redemption controls need strengthening. Investigation of suspected violations should be expedited.

In my judgment, substantial savings could be achieved by greater efficiency in these areas, particularly from lowering the error rates. If we are able to save $100 million in penalties, I believe it is much less of a burden on the taxpayer, but we improve the public image of the program.

This legislation requires, therefore, that the Secretary conduct an intensive investigation of these issues and report back to Congress within a few months. While I am normally skeptical about asking for studies, with the food stamp program the precedent is rather good. It was S. Res. 58 which was passed in the 94th Congress that laid the foundation for the food stamp program. In my judgment, a special committee of the Finance Committee, the appointment of which is the intent of this bill, will be a one-time 3-year board. I believe there is a high degree of urgency relating to the development of both method and standards in the analysis of agricultural costs as they are developed at the production level.

The advent of the Agricultural Act of 1973 and the subsequent act of 1977, which mandated the Secretary of Agriculture to conduct cost of production studies provided only very sketchy directions as to standards and methodology. Under these circumstances it is surprising that the studies which were conducted in 1974 and published in 1976 were of any significant value considering the speed with which they were completed. There are areas in these studies which the agricultural community feel are of very comprehensive frame of mind. Cost of production statistics need to be resolved from the standpoint of accuracy as well as to their validity at the producer level.

Legislation to establish a board was introduced last year by Senator Robert Morgan of North Carolina. I have included this bill within this legislation because I think it is important enough to warrant consideration in an omnibus bill.

Senator Morgan has notified me that he intends to introduce his bill again later this week. This will provide the Congress with the option of considering the board under separate legislative authority. I believe this board is in the best interest of farmers and the Nation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record, as follows:

Public Law 480 or food-for-peace legislation was signed by President Eisenhower in 1954 with his strong endorsement. Since then over $30 billion worth of farm commodities have been exported under its provisions.

The great value of this program, in terms of assisting hungry and malnourished people in developing countries is impossible to comprehend. It is one of the most practical humanitarian steps of all time.

This is a time when the hungry of the world need food and our farmers need markets. In order to achieve the twin objectives of helping the hungry and malnourished in developing nations while helping American farmers expand their markets, this provision will establish a Public Law 480 minimum quantity of 7 million tons for each of the next 3 fiscal years.

I believe that Public Law 480, title I countries could use considerably more food assistance than these minimums. Certainly export supplies are more than adequate. This provision will meet these goals and should contribute to a more even flow of food assistance throughout the fiscal year since the minimum amounts will be provided for in the budgetary process rather than being subject to the whims of the Office of Management and Budget.

4. NATIONAL AGRICULTURAL PRODUCTION COST

This provision would establish a National Agricultural Production Cost and Statistical Standards Board for the purpose of implementing and standardizing methods and standards of production information as it relates to agricultural production. This would be a one-time 3-year board.

I believe there is a high degree of urgency relating to the development of both method and standards in the analysis of agricultural costs as they are developed at the production level.

The advent of the Agricultural Act of 1973 and the subsequent act of 1977, which mandated the Secretary of Agriculture to conduct cost of production studies provided only very sketchy directions as to standards and methodology.

Under these circumstances it is surprising that the studies which were conducted in 1974 and published in 1976 were of any significant value considering the speed with which they were completed. There are areas in these studies which the agricultural community feel are of very comprehensive frame of mind. Cost of production statistics need to be resolved from the standpoint of accuracy as well as to their validity at the producer level.

Legislation to establish a board was introduced last year by Senator Robert Morgan of North Carolina. I have included this bill within this legislation because I think it is important enough to warrant consideration in an omnibus bill.

Senator Morgan has notified me that he intends to introduce his bill again later this week. This will provide the Congress with the option of considering the board under separate legislative authority. I believe this board is in the best interest of farmers and the Nation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record, as follows:
amended by striking out "115 per centum of the current national average loan rate" and inserting "100 per centum of the current parity price".

TITLE II—MILK PRICE SUPPORT

Sec. 301. The second sentence of subsection (a) of the Agricultural Act of 1949, as amended (7 U.S.C. 1446 (a)), is amended by striking out "March 31, 1979" and inserting in lieu thereof "March 31, 1981".

TITLE III—SUGAR PRICE SUPPORT

Sec. 301. Effective only with respect to the 1979 through 1981 crops of sugar beets and sugar cane, respectively, shall be supported through the sugar support program authorized by this subsection, the Secretary shall establish minimum wage rates for the production of sugar, including, but not limited to, the following: (1) an amount equal to 70 per centum of the current parity price; and (2) an amount equal to 100 per centum of the current parity price.

TITLE IV—FOOD STAMP PROGRAM

Sec. 401. The first sentence of section 18 (a) of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended to read as follows: "The Secretary shall provide for the operation of the food stamp program authorized by this Act by the following:

(1) reducing error rates by increasing the accuracy of eligibility determinations;
(2) providing more effective monitoring and control of food coupon redemption; and
(3) providing more timely investigation and resolution of suspected violations.

The Secretary may in the report any other recommendations the Secretary deems desirable.

TITLE V—PUBLIC LAW 480

Sec. 501. The Agricultural Trade Development and Assistance Act of 1954 is amended by, adding at the end thereof a new section 201(b) of this Act, such as those minimums shall be a part of the total minimum requirements under this Act.

(b) The export of an aggregate quantity of seven million metric tons of each such fiscal year, under the titles II, III, and VII shall be mandatory unless (1) export supplies are not available as determined under section 401 of the Agricultural Act, or (b) the Secretary determines that the developing countries do not merit such quantity as gauged by (A) a lack of request for food assistance by the developing countries, or (B) a determination by the Food and Agriculture Organization of the United Nations that unfilled food requirements of the developing nations are less than seven million metric tons during such fiscal year.

(c) Should the minimum quantities required by this section be less than or equal to the criteria in subsection (b) of this section, the President shall report to the Congress the specific reasons for such shortfall.

TITLE VI—NATIONAL AGRICULTURAL PRODUCTION COST AND STATISTICAL STANDARD BOARD

ESTABLISHMENT OF BOARD; COMPOSITION

Sec. 601. (a) There is hereby established an advisory board to be known as the "National Agricultural Production Cost and Statistical Standards Board" (hereinafter in this title referred to as the "Board").

(b) The Board shall be composed of sixteen members appointed by the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary").

(1) The terms of the members first taking office shall expire as designated by the Secretary, and thereafter terms of all members shall be four years, except that the term of any person appointed to fill a vacancy on the board that occurs prior to the expiration of the term of the member whose term has expired shall be for the unexpired term of such member's predecessor.

(2) The Secretary shall appoint personally to the Board who are producers of one or more commodities designated as feed grains, food grains, and sugar crops, and livestock, or livestock products.

(3) Persons appointed to the Board shall have proven their competence to serve on the Board and that they consistently manage their agricultural operation with the assistance that they receive from the Secretary.

(4) The Secretary shall appoint at least one person to the Board who has proven their competence to serve on the Board and has a high level of education, experience, and training, has extensive knowledge of matters relating to the cost of producing agricultural commodities.

(5) The Secretary shall designate, by and with the advice and consent of the Senate, one member of the Board to serve as chairman and one member to serve as vice chairman for the term of the appointment of such member.

FUNCTION OF THE BOARD

Sec. 602. (b) The Board shall be the function of the Board to coordinate and assist in the development and improvement of cost of production and statistical standards that relate to the production of agricultural commodities in the United States.
In carrying out such function, the Board shall:

(1) counsel with the various economic agencies of the Department of Agriculture, universities, and producers groups for the purpose of changing adequate commodity standards among these parties for the measurement of production cost components that relate to the production of agricultural commodities;

(2) review the adequacy and accuracy of cost of production formulas, including the information as to the cost of producing the various agricultural commodities, and counsel with those involved in the development of such formulas and make recommendations for improvements in such formulas;

(3) review the adequacy of the parity formula, counsel with those involved in the analysis of the data used in such formula, and make recommendations for improvements in such formulas, including reasons for not implementing the recommendations of the Board.

(b) The Secretary shall report to the Board on the disposition of its recommendations, including reasons for not implementing the recommendations of the Board.

(c) The Board shall submit, annually to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, a report on the performance of the Board during the preceding year, including any findings or recommendations made by the Board with respect to its duties set forth in this title. The Board shall include in each such report a list of the recommendations made by the Secretary and the disposition made by the Secretary of such recommendations.

(d) The Board shall meet at least twice annually or more often if such meetings are necessary to meet the purposes of this Act.

OFFICE SPACE, EQUIPMENT; STAFF
Sec. 605. The Secretary shall provide the Board with such office space, equipment, and staff as may be necessary for the Board to perform its functions under this Act.

COMPENSATION; TRAVEL EXPENSES
Sec. 606. Members of the Board may receive any compensation for such member's services as a Board member, but may be paid travel expenses per diem instead of subsistence, as provided in the regulations issued under section 7 of the Federal Advisory Committee Act.

EXPIRATION OF BOARD
Sec. 605. The Board and the authority provided under this title shall expire December 31, 1981.

Mr. McGovern. Mr. President, I do not think the Nation will ever see the day when improvements to our food and fiber programs are not appropriate.

Though the Congress passed a monumental omnibus farm bill in the first session of the 95th Congress, we came back with several changes for the second session with respect to commodity programs.

And so in the 95th Congress there is need for improvement in several areas, not all of which are necessarily associated with the commodity end of the Department's business. Farmers are constantly visiting my office and I am on regular business trips to my home State. Without question, there is still uncertainty and unrest in the farm community. Though the parity ratio has improved somewhat over the past year, the composite ratio has only recently edged up to 72 percent and this has largely been due to improved prices for livestock. The parity index for wheat farmers still stands at a ridiculously low 55 percent and corn is but 54 percent. Given an annual wheat crop averaging about 2 billion bushels and cotton crops in the 6 billion bushel range, the prices received by farmers can hardly be called encouraging.

With these thoughts in mind, I have worked closely during the recess with my good friend from Kansas (Mr. Dolle), and we have fashioned a housekeeping bill for the Department covering a broad range of domestic interests which we feel would be useful and constructive. We hope that the Department will give our suggestions its serious and sympathetic consideration.

I can assure the Secretary of Agriculture that the provisions of this bill would be looked on by farmers as partial answers to a good many of their questions.

VARIABLE TARGET PRICE PROGRAM

There are few who question that the target price system is here to stay. Many of us question the figures the Department will accept as target goals. There are few even at the Department who will seriously state that the present target price on wheat, for instance, remotely resembles the cost of producing a bushel of wheat.

With that thought in mind, I have proposed that the Chairman of the Department of Agriculture, counsel with those involved in the development of such formulas and make recommendations for improvements in such formulas.

There should be little controversy in this title. The current milk program works well and the dairy community, I understand, is satisfied with it. The fact that farmers in the dairy business find themselves among the healthiest economic sectors of American agriculture is continued according to its present provisions.

SUGAR PRICE SUPPORT

I confess to my colleagues that sugar is not a commodity that raises high sentiment in South Dakota. I can state without fear of contradiction that there is not a single sugar beet grower in my State. Nevertheless, it is an important agricultural concern to many portions of the country and a major crop to South Dakota's closest neighbors, North Dakota and Minnesota.

The Sugar Act of 1979 supports sugar through loans or purchases at a level not in excess of 65 percent nor less than 52.5 percent of parity with an absolute floor of not less than 16.5 cents per pound raw sugar equivalent.

Though the sugar problem is not one I must face in talking to South Dakota farmers, I am acutely aware of the severe economic distress in sugar growing areas. Sugar, be it beet or cane, is an expensive crop to grow: machinery costs are high and current price returns are tragically low. Many beet growers have simply sold out or switched to other crops. If we are to maintain a viable sugar industry in the Nation we simply must provide the financial incentives to remain in business.

FOOD STAMP PROGRAM

Title IV of this legislation would prevent a serious, impending food stamp problem that could reduce benefits to all 16 million food stamp recipients.

The Food Stamp Act of 1977 estab-
lished specific authorization ceilings based on the economic forecasts at the time. Unfortunately, the forecasts under­estimated the food price inflation we have experienced in recent years and the predicted rise in the unemployment rate—the two factors that have the greatest impact on the cost of the program.

Food prices are now expected to rise almost 50 percent between 1977 and 1981. Unemployment is also expected to rise this year. With each 1 percent increase raising participation by 500,000 to 750,000 persons.

In short, it is extremely difficult to legislate specific authorization levels for a program which is intended to respond quickly to economic fluctuations. It was a poor idea to attempt to do so, and the cap should be repealed.

NATIONAL AGRICULTURAL PRODUCTION COST AND STATISTICAL STANDARDS BOARD

The Food and Agriculture Act of 1977 for the first time introduced the phrase "cost of production" into the lexicon of American agriculture. The great debate is on the variables involved in cost of production. Few could agree on formulas and there were just about as many committees as there were analysts.

Even today, farmers throughout the country seriously question the economic models used by the Department in computing cost of production. Though it is probably the aim of the Department to ultimately replace parity with cost of production as a guideline for commodity supports, I personally can inform the Department that parity is alive and well in South Dakota. It is as ingrained in their minds as their love for the land and the opportunity given to them to make things grow.

Given the state of cost of production at the Department of Agriculture, might it not make some sense to let the farmers in on it? Title VI of the Food and Agriculture Act of 1979 establishes a National Agricultural Production Cost and Statistical Standards Board of 16 members appointed by the Secretary. This requires that such members be producers of grains or livestock or cotton. The function of the Board is to advise the Secretary on financial statistical standards which relate to the production of agricultural commodities. It just might be that if there is input from actual producers, the Department might change the attitudes it has developed in the past.

So that there is no criticism of the Board being more Government, let me hasten to point out that the members serve on a volunteer basis. In some respects, this is a case of "let's let the farmers play in their own ball game" rather than allowing all the pocketbook decisions to be left in the hands of the Department of Agriculture employees who have no real stake in the outcome of the game.

I know that there is support for this concept out in the country and I think that it should be adopted.

PUBLIC LAW 480—FOOD FOR PEACE

As a former Administrator of the Food for Peace Program in the early 1960's, I continue to maintain an active interest in its progress. Over the last 24 years, $30 billion of farm commodities have been exported under this program. Unfortunately, in recent years the level of exports has fallen to an average of only 4 to 5 million metric tons under the three titles of the program. The tendency has been to cut back in fiscally short years or in years when there is a drop in production.

In order to fulfill the humanitarian intentions of this program, it is our judgment that the intent of the Congress could best be served if the Congress mandated a minimum level of participation. This assures the continuity of the program as well as giving underdeveloped countries advance knowledge of what they can expect. It also tends to place a greater level of control in the Congress than in the administration. For this reason, this title of the bill provides for a minimum of 7 million metric tons to be placed in the stream in each of the coming fiscal years.

Mr. President, I feel that this bill addresses itself to agriculture's pressing problems and urges its adoption.

By Mr. MUSKIE (for himself, Mr. ROTH, Mr. GLENN, Mr. ROBERT C. BYRD, Mr. CRANSTON, Mr. BUTCHER, Mr. CMIHOFER, Mr. PELL, Mr. HATFIELD, Mr. BACUS, Mr. BELL, Mon, Mr. BAYH, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. HARRY C. BYRD, Jr., Mr. CHAFEE, Mr. CHILES, Mr. CHURCH, Mr. COHEN, Mr. CULVER, Mr. DANFORTH, Mr. DeCONCINI, Mr. DOMENICI, Mr. DURENBERGER, Mr. DURKIN, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GARN, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HOBBS, Mr. HIXON, Mr. HUMPHREY, Mr. INOUYE, Mr. KENNEDY, Mr. JAVITS, Mr. LAXALT, Mr. LEAHY, Mr. McCLELLAN, Mr. McGovern, Mr. MATTIE, Mr. MATSUNAGA, Mr. METERBAUM, Mr. MOYNIHAN, Mr. MORGAN, Mr. NUNN, Mr. PACKWOOD, Mr. PRESSLER, Mr. PEURTO, Mr. PHELPS, Mr. PORTER, Mr. STAFFORD, Mr. STEVENS, Mr. STEWART, Mr. STONE, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS, and Mr. ZORINSKY):

S. 2. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every five years, and for other purposes; to be known as the Sunset Act of 1979.

Sunset Act of 1979

Mr. MUSKIE, Mr. President, it is with a sense of great expectation that I am reintroducing the Sunset Act of 1979, along with others.

I do so with a sense of optimism because at the end of the 95th Congress, the Senate passed the Sunset bill by a margin of 10 to 1, and I hope that we will witness a similar endorsement early in this Congress of this extremely important legislation.

We have just come through an election year in which one of the overriding concerns of the American public was that Government is not working as well as it should. People expect more from their tax dollars than they are getting. Sunset provides a way for Government to discipline its appetite for tax dollars, and do a better job with the resources at its command.

In the simplest sense, sunset proposes nothing more than a process through which Congress can begin to exercise greater control over the product of its legislation. Instead of individual programs we have created over the years and which affect the daily lives of all Americans in so many ways.

In its most far-reaching sense, sunset proposes nothing less than to make Government more effective, by improving the quality of services which Government programs are intended to provide.

Sunset attacks the notion that Government programs, once enacted, should remain forever on the books. Instead it proposes that a program should continue only if Congress decides that it is needed and is still working well. If a program cannot meet these conditions, it goes out of business.

Under sunset, virtually all Federal programs would come up for a systematic review and reauthorization on a rotating 10-year basis. The bill also proposes that similar programs be considered at the same time. We can see whether dozens, and sometimes hundreds of programs in a particular area are still needed.

I believe sunset should be enacted for a number of reasons:

First, it would complement the budget process as an important weapon in Government's battle against inflation, and thus provide an important tool in the fight against inflation.

Second, it would strengthen the congressional authorization process, the most important policy process the Congress has.

Third, it would enhance the ability of the Congress to respond to changing national problems and priorities. And, fourth, it would respond rationally and responsibly to the public mood which demands that Government programs be brought under control, and that tax dollars be spent more effectively.

In 1978, we made little, if any, progress in streamlining and simplifying the many programs on the books. Committee reform has helped. But we still have a number of Federal programs which are conflicting or overlapping.

State and local governments continue to cite excessive program fragmentation and red tape as a major obstacle to effective action. And, the GAO continues to churn out evidence of wasted dollars because of a program structure which has grown needlessly complex.

Mr. President, perhaps the most compelling reason for enacting sunset legislation is the need to bring Government spending under control in the battle against rising inflation.

What does sunset have to do with inflation? Clearly the President understands the nexus between the two. According to the latest Harris survey 76 percent of the American people view Federal spending as the principal cause of inflation. And a look at the projection for
future budgets bolsters the case for the public's concern.

As part of its 5-year projection for the first budget resolution for this year, the Budget Committee calculated the potential cost of 31 new program initiatives likely to come before Congress between now and 1983. This was by no means an exhaustive but did include such major items as national health insurance and additional defense expenditures.

The committee found that between 1980 and 1983, these 31 initiatives could cost as much as $416 billion in new spending. The committee also found, as did CBO, that with a moderate rate of growth between now and then, we could expect only about $120 billion in additional revenues to pay for these new demands.

Many of the initiatives the committee studied are programs we need—and the public wants to have, and there will undoubtedly be others before the next decade is complete.

Yet with the economy approaching full capacity—and with inflation on the rise—spending increases of the magnitude the committee is proposing, are clearly out of the question.

It is obvious from these numbers that we can only afford new programs by making selective cuts in programs we may not have but which we may not need. It would require a commitment from every one of us to put our favorite programs to the test—to see if they are still needed, or if there are other, better ways to spend our dollars. We simply can't afford it at the present rate of inflation.

It is the Congress which sets national policy, through the programs it enacts. If those programs have grown unresponsive and ineffective, it is we who must bear the blame. For it is our job not just to initiate new programs—but also to insure that old programs are working as well as they should.

Sunset offers us a unique opportunity to provide the extra spending discipline we need.

The sunset bill I have proposed is geared very specifically to the way Congress works. It seeks to remedy a congressional problem by building upon existing congressional processes—and use those processes more fully to help us do a better job.

In spite of the mystique of sunset, the approach taken in the bill now before us is very simple indeed.

Title I sets out a 10-year five-Congress schedule for the review and reauthorization of all Federal programs, with only a few exceptions. Within this schedule, programs are grouped by budget function and subfunction, in order to encourage review of programs with related purposes during the same period of time.

The bill requires that programs, including those now permanent—save the few exceptions—be specifically reauthorized in accordance with the schedule. To enforce this requirement, title II also provides that a point of order would lie against consideration of an appropriation for any program not so reauthorized.

These two provisions—the reauthorization requirement and the schedule for review—taken together, are the essence of the sunset bill. Either provision without the other would leave the process incomplete.

In formulating this legislation, Mr. President, we had two very simple goals in mind. We wanted to force a regular congressional decision on Federal programs. We wanted to force a regular congressional decision on Federal programs to be made in a broader context than in which they are made today.

To promote these goals, we sought a procedure as flexible as possible. We wanted a framework in which Congress could continue to do what it does best—to make political judgments and decisions about public policy.

We arrived from the assumption that no reform, no matter how well-intentioned or conceived, will work unless Congress wants it to. We realized that better decisionmaking cannot be legislated, it can only be encouraged and made easier to accomplish.

The bill before us meets these tests. It establishes a 5-year reauthorization process. But beyond a minimal threshold it does not dictate how that process should be carried out. I stress this point. Mr. President, the bill does not establish a reauthorization process. We imagine a process, but the bill allows every Congress to decide the process itself.

The legislation now before us has come a long way in the past 3 years. Those of us who have participated have learned a great deal about the nature of the Federal program structure. Through this learning process, many of us are steadily convinced that the need for sunset is real.

In an important way, having at our disposal the knowledge to make informed decisions concerning legislation we enact, is what sunset is all about.

The extent of support for the sunset idea is evidenced by the fact that legislation was attached to a major reauthorization bill more than one-half of the Senate and well over 100 Members cosponsored it in the House in both the 94th Congress and 95th Congress. The bill has been approved by both the Congressional Budget Office and the Rules Committee only after the most careful scrutiny, and then, in the final days of the last Congress, it was endorsed in this Chamber by an overwhelming vote.

More than anything else, Mr. President, sunset has opened up a much-needed dialog in the Congress on the important task of making Government more responsive and efficient. We welcome all who would like to join us in undertaking because we believe it is one in which liberals and conservatives alike have a vital stake.

Mr. President, I ask unanimous consent that the text of S. 2 be included in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

SEC. 2. 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 "Sunset Act of 1979."
January 15, 1979

CONGRESSIONAL RECORD—SENATE

703 Hospital and Medical Care for Veterans.
704 Compensation, Retired Pay, and Related
705 Matters, and Veterans' Burial Benefits.
706 Office of the Secretary of Veterans Affairs.
708 General Revenue Sharing, September 30,
709 1982.
710 Department of Defense—Military.
711 Atomic Energy Defense Activities.
712 Foreign Information and Exchange Act.
713 General Research and Development.
714 Other Natural Resources.
715 Farm Income Stabilization.
716 Higher Education.
717 Education and Training of Health Care
718 Personnel.
719 Income Security for Veterans.
720 Federal Litigative and Judicial Activities.
721 Executive Director and Management.
722 Central Fiscal Operations, September 30,
723 1984.
724 Defense Related Activities.
725 Mary Assistance.
726 International Financial Programs.
727 Space Flight.
728 Disaster Assistance and Displacement.
730 Conservation and Land Management.
731 Pollution Control and Abatement.
732 Other Transportation.
733 Programs included within subfunctional
category, and first reauthorization date:
734 801 General Property
735 802 General Science and Research.
736 803 Central Fiscal Operations, September 30,
737 1984.
738 804 General Property and Classify
739 805 General Science and Research.
739 806 Other Transportation.
740 807 Legislative Function.
741 808 National Security Assistance.
742 809 Housing and Community Development.
743 810 Education and Training of Health Care
744 Personnel.
745 811 Income Security for Veterans.
746 812 Federal Litigative and Judicial Activities.
747 813 Executive Director and Management.
748 814 Central Fiscal Operations, September 30,
749 1984.
750 815 Defense Related Activities.
751 816 Mary Assistance.
752 817 International Financial Programs.
753 818 Space Flight.
754 819 Disaster Assistance and Displacement.
756 821 Conservation and Land Management.
757 822 Pollution Control and Abatement.
758 823 Other Transportation.
759 901 Interest on the Public Debt, September
760 30, 1982.
761 902 Other General Government.
762 903 General Science and Research.
763 904 Higher Education.
764 905 Social Services.
765 906 Public Assistance and Other Income
766 Supplements.
767 907 Veterans Education, Training, and Re-
768 habilitation.
769 908 Federal Correctional Activities.
770 909 Central Personnel Management.
771 910 Other Intergovernmental Relations.
772 911 Conduct of Foreign Affairs.
773 912 Energy Supply.
774 913 Science and Technology.
775 914 Air Transportation.
776 915 Other Labor Services.
777 916 National Security Assistance.
778 917 Labor Standards and Regulations.
779 918 Interest on the Public Debt, September
780 30, 1980.
781 919 Interest on the Public Debt, September
782 30, 1982.
783 920 Federal Information and Policy Regu-
784 lation.
785 921 Postal Service.
786 922 Housing and Community Development.
787 923 Community Development.
788 924 Area and Regional Development.
789 925 Economic Development and Forestry.
790 926 Research and General Education Aids.
791 927 Health Research.
792 928 Health Insurance and Compensation.
793 929 Other Veterans Benefits and Services.
794 930 Criminal Justice Assistance.
795 931 General Property and Record Manage-
796 ment.
797 932 Interest on the Public Debt, September
798 30, 1980.
799 933 Interest on the Public Debt, September
800 30, 1982.
801 (c) (1) It shall not be in order in either
802 the Senate or the House of Representatives
to consider any bill or resolution, or amend-
803 ment thereto, which provides new budget
804 authority for a program for any fiscal year
805 beginning after the last fiscal year in
806 which such budget authority was
807 specifically authorized by a law which consti-
808 tutes a required authorization for such
809 program.
810 (b) For the purposes of this subsection,
811 the term "required authorization" means a
812 law which authorizes the enactment of new budget
813 authority for a program, which complies with
814 the provisions of paragraph (1) and is en-
815 acted during such fiscal year in which the
816 reauthorization date for such program occurs
817 or during a Congress after such date and
818 prior to the Congress in which the next au-
819 thorization date for such program occurs.
820 (2) An identification of any other programs
821 included within the same subfunctional
822 category, and first reauthorization date:
823 (A) Disaster Relief and Insurance.
824 (B) Federal Information and Policy Regu-
825 lation.
826 (c) Each committee having legislative
827 jurisdiction over a program included in sec-
828 tion 101 shall conduct a review of such pro-
829 gram under paragraph (b), unless the pro-
830 gram occurs, and shall submit to the
831 Senate or the House of Representatives, as
832 the case may be, a report containing its
833 recommendations and other information of
834 which are classified in the fiscal year 1979
835 budget under subfunctional category 752
836 (Federal legislative and judicial activities).
837 (d) Programs which are related to the
838 administration of the Federal judiciary and
839 the Executive branch included in subfunctional
840 category 701 (Legal activities).
841 (e) Programs included within subfunctional
category 752 (Federal legislative and judicial activities).
842 (f) Programs related to the administra-
843 tion of the Federal judiciary and the Ex-
844ecutive branch included in subfunctional
category 752 (Social services and Federal
845 employee retirement programs).
survivors and dependents, classified in the fiscal year in subfunctional category 506 (health care services) or in subfunctional category 306 (other natural resources).

(2) A retired pay of military personnel of the Coast Guard and Coast Guard Reserve, members of the Lighthouse Service (section 103) for which if authorized, and for annuitants payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting permanent appropria-

ions. Such annuity shall be payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting permanent appropriations. Such annuity shall be payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting permanent appropriations. Such annuity shall be payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting permanent appropriations. Such annuity shall be payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting permanent appropriations. Such annuity shall be payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting permanent appropriations. Such annuity shall be payable to beneficiaries of retired military personnel under the retired military personnel schedule affecting

(3) Any suggested grouping of similar pro-grams which would further the goals of this Act to make more effective comparisons be-
tween programs having like objective.

(4) Any concurrent resolution or bill pro-
posing changes in section 101(b) or 103(a) which has been reported by a committee be-
fore July 1, 1980, shall be referred to the House of Representatives through the Speaker of the House or the Senate to the Committee on Rules and Admin-
istration. Such committee shall report an opinion or bill containing its recommendations regarding the proposed changes by August 1, 1980, and consider. No such bill or resolution shall be

(5) The committee which has jurisdiction over the proposed change shall be in order to consider a bill or resolution reported pursuant to subsection (b), (c), (d), or (f) which propose changes in section 101(b) or 103(a.) for a pro-
gram before the final reauthorization date of the sunset reauthorization cycle then in progress. In the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of consid-
ering an amendment which meets the re-
makes of any subfunctional category and which is

(b) The report shall also set forth for each program whether the new budget au-
torization provided for that program has been

(c) The identification code and title of the appro-priation account in which budget au-
torization is to be made shall be reported in the annual report of the Comptroller General.

(d) The committee which is responsible for

(e) The report shall set forth for each program the following

(f) The report shall set forth for each program the following

(g) The report shall set forth for each program the following

(h) The report shall set forth for each program the following

(i) The report shall set forth for each program the following

(j) The report shall set forth for each program the following

Title II—Program Inventory

SEC. 201. (a) The Comptroller General and the Director of the Congressional Budget Office, in cooperation with the Director of the Congressional Research Service, shall prepare an inventory of Federal programs (hereafter in this title referred to as the 'program inventory').

(b) The purpose of the program inventory is to advise and assist the Congress in carrying out the requirements of titles I and III. Such inventory shall not in any way bind the committees of the Senate or the House of Representatives with respect to their responsi-
bilities under such titles and shall not in-
fluence, in the exercise of its oversight re-
sponsibilities of such committees, the Com-
troller General shall compile and maintain the inventory, the Com-

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bilities under such titles and shall not in-
fluence, in the exercise of its oversight re-
sponsibilities of such committees, the Com-
troller General shall compile and maintain the inventory, the Com-

(c) Not later than January 1, 1980, the Comptroller General, after consultation with the Director of the Congressional Budget Office and the Director of the Congressional Research Service, shall submit the program inventory to the Senate and House of Repre-
sentatives.

(d) In the report submitted under this section, the Comptroller General, after con-
sultation and in cooperation with and con-
sideration of the views and recommendations of the Director of the Congressional Budget Office, the Director of the Congressional Research Service, the bipartisan leadership of both chambers of Congress, the resources of this Act. Such groupings shall identify pro-
gram areas which include the following:

(e) The program inventory shall set forth for each program the following

(f) (1) It is the sense of the Congress that each program should be reauthorized not later than the first anniversary

(g) The program inventory shall set forth for each program the following

(h) The program inventory shall set forth for each program the following

(i) The program inventory shall set forth for each program the following

(j) The program inventory shall set forth for each program the following

(2) The committees of the Senate and the House of Representatives shall authorize the following:

(3) Any suggested grouping of similar pro-

(4) Any concurrent resolution or bill pro-
posing changes in section 101(b) or 103(a) which has been reported by a committee be-
fore July 1, 1980, shall be referred to the House of Representatives through the Speaker of the House or the Senate to the Committee on Rules and Admin-
istration. Such committee shall report an opinion or bill containing its recommendations regarding the proposed changes by August 1, 1980, and consider. No such bill or resolution shall be

(5) The committee which has jurisdiction over the proposed change shall be in order to consider a bill or resolution reported pursuant to subsection (b), (c), (d), or (f) which propose changes in section 101(b) or 103(a.) for a pro-
gram before the final reauthorization date of the sunset reauthorization cycle then in progress. In the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of consid-
ering an amendment which meets the re-
makes of any subfunctional category and which is

(b) The report shall also set forth for each program whether the new budget au-
torization provided for that program has been

(c) The identification code and title of the appro-priation account in which budget au-
torization is to be made shall be reported in the annual report of the Comptroller General.

(d) The committee which is responsible for

(e) The report shall set forth for each program the following

(f) The report shall set forth for each program the following

(g) The report shall set forth for each program the following

(h) The report shall set forth for each program the following

(i) The report shall set forth for each program the following

(j) The report shall set forth for each program the following

Title II—Program Inventory

SEC. 201. (a) The Comptroller General and the Director of the Congressional Budget Office, in cooperation with the Director of the Congressional Research Service, shall prepare an inventory of Federal programs (hereafter in this title referred to as the 'program inventory').

(b) The purpose of the program inventory is to advise and assist the Congress in carrying out the requirements of titles I and III. Such inventory shall not in any way bind the committees of the Senate or the House of Representatives with respect to their responsi-
port, not later than May 1, 1980, a revised program inventory to the Senate and the House of Representatives.

Sec. 205. (a) The Comptroller General, after the close of each session of the Congress, shall submit to the Senate and the House of Representatives a report with respect to each program included in the program inventory and each program established by law during such session, which includes the amendments to the program order, if authorized and the amount of new budget authority provided for the current fiscal year and each of the five succeeding fiscal years. If new budget authority is not authorized or provided or is authorized or provided for an indefinite fiscal years with respect to any program, the Director shall make projections of the amounts of such new budget authority necessary to be authorized or provided for any such fiscal year to maintain or expand the services of such program.

(c) Not later than one year after the first or any subsequent reauthorization date, the Director of the Congressional Budget Office shall prepare a report for each program pursuant to section 101(b) unless the committee explains in a statement in the report accompanying its proposed funding resolution the reasons for a later completion date, except that reports on programs scheduled for reauthorization in a committee’s plan adopted in 1981 may be submitted at any time until February 15, 1982.

(c) The estimated cost for each reexamination.

(b) The scheduled completion date for each program reexamination; Provided, That such date shall be the end of the Congress preceding the Congress in which the reauthorization date applicable to such program occurs.

The Director of the Congressional Budget Office shall include such a list in the report required by subsection (b). The committee with legislative jurisdiction over the affected programs shall study the affected provisions and make any recommendations they deem appropriate with regard to such provisions to the Senate and the House of Representatives.

Sec. 207. (a) The Director of the Congressional Budget Office shall prepare an annual report on the progress of congressional action on bills and resolutions reported by committees in the House and Senate which either House which authorizes the enactment of new budget authority for programs of like missions or objectives.

(b) An examination of each of the five succeeding fiscal years of a program, the Director shall make projections of the amounts necessary to maintain a current level of services for programs in the inventory.

(c) If it is not in order to consider a funding resolution reported by a committee of the Senate in 1981, and thereafter for the first session of a Congress unless:

(A) such resolution contains a statement describing the results of the reexamination;

(B) A statement of whether the reexamination is to be conducted (i) by the committee, or (ii) at the request and under the direction of or under contract with, the committee.

(C) The estimated cost for each reexamination.

(D) An assessment of the cost effectiveness of the program, including where appropriate, a cost-benefit analysis of the operation of the program, and shall include to the extent the committee deems appropriate, each of the following matters:

(1) An identification of the objectives intended for the program and the problem it was intended to address.

(2) An identification of any trends, developments, and alternatives which are likely to affect the future nature and extent of the problems or needs which the program is intended to meet, and an assessment of the potential primary and secondary effects of the proposed program.

An identification of any other program having potentially conflicting or duplicative objectives.

(3) A statement of the number and types of beneficiaries or persons served by the program.

(4) An assessment of the effectiveness of the program and the degrees to which the original objectives of the program or group of programs have been achieved.

(5) An assessment of the cost effectiveness of the program, including where appropriate, a cost-benefit analysis of the operation of the program.

(6) An assessment of the relative merits of alternative methods which could be considered by the committee.

(7) Information on the regulatory, privacy, and paperwork impacts of the program.

(8) Any report submitted under subsection (c) with respect to each program reexamination scheduled for completion during the preceding Congress, the committee has submitted for printing.

(4) It shall not be in order to consider an amendment to the section of a funding resolution described in paragraph (1) reported by a committee of the Senate in 1981, and thereafter for the first session of a Congress unless:

(A) such amendment would require reexamination of a program which has been reexamined by such committee under this title, shall, not later than six months before the reexamination report is due, which the program is intended to address and an assessment of the cost effectiveness of the program, including where appropriate, a cost-benefit analysis of the operation of the program.
the (s) of the Senate and the House of Rep­resentatives a report of its findings, recommend­ations, and institutional changes with respect to each of the matters set forth in section 302(d), and the Office of Management and Budget shall submit to such committee(s) such comments as it deems appropriate.

(b) With respect to programs selected for review pursuant to a plan adopted by such committee in 1981, the respective committees and department or agency may provide for a more appropriate time for submission of the report required by this section.

(2) An amendment to a funding resolution includes a resolution of the Senate which amends such funding resolution.

TITLE IV—CITIZENS' COMMISSION ON THE ORGANIZATION AND OPERATIONS OF THE EXECUTIVE BRANCH

Sec. 401. The President is authorized to be estab­lished a commission composed of fifteen independent instrumentalities of the United States, the Citizens' Commis­sion on the Organization and Operations of Government (hereinafter referred to as the "Commission").

Sec. 402. It is hereby declared to be in the public interest of the Congress to promote economy, efficiency, and improved service in the trans­action of the public business in the depart­ments, agencies, independent instrumentalities, and other authorities of the executive branch of the Government.

Sec. 403. The Commission shall conduct a nonpartisan study and investigation of the organization and methods of operation of all department committees for a year under instrumentation, and alternative means for the operation of the House of Represent­atives of the Senate, and the Committee on Govern­ment Operations of the House of Rep­resentative of the House of Represent­atives, as it deems advisable, and, not later than four years from the appointment and qualification of a majority of the Commission, a final report setting forth the Commission's find­ings and recommendations. The final report of the Commission shall include the recom­mendations of the appropriate congressional committees.

(c) At least once every year for two years after the submission of the final report, the Comptroller General shall report to the Con­gress on the status of actions taken on the Commission's recommendations and shall include in each report its comments on the status of actions taken on the Commission's recommendations.

Sec. 404. (a) The Commission shall be composed of fifteen members appointed from among individuals with extensive experience in or knowledge of United States Govern­ment as follows:

(b) Five members appointed by the President by and with the advice and consent of the Senate.

(c) Five members appointed by the President pro tempore of the Senate, three upon recommendation of the majority leader and two upon recommendation of the minority leader of the Senate.

(d) Five members appointed by the Speaker of the House of Representatives, three upon recommendation of the majority leader and two upon recommendation of the minority leader of the House.

(e) Eight members of the Commission shall constitute a quorum, but the Commission may establish procedures for the purpose of holding hearings.

Sec. 405. (a) The Commission or, on the authorization of a majority of the Commission, any sub­committee or member thereof, may, for the main­taining of the purposes of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondences, memoranda, papers, and documents as the Commission or such sub­committee or member deems to be necessary.

(b) Subpoenas shall be issued under the signature of the Chairman or any member of the Commission to any individual designated by the Commission and shall be served by any person designated by the Chairman or such member. Any member of the Commission may administer oaths to witnesses appearing before the Commission.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness, or to testify, or to produce any evi­dence in obedience to any subpoena duly served under the authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission that any such willful disobedience by any person to the United States attorney for any judicial district in which such disobedience occurs is found, such attorney may proceed by inform­ation for the prosecution of such person for such disobedience.

(4) The Commission is authorized to secure directly from the head of any department, independent agency, instrumental­ity, or other authority of the executive branch of the Government, available information in which the Commission deems useful in the discharge of its duties. All departments, agencies, independent instrumentalities, and other authorities of the executive branch of the Government shall cooperate with the Commission and furnish all information re­quested by the Commission in accordance with existing law.

Sec. 406. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission shall have the power—

(1) to appoint and fix the compensation of an Executive Director and such additional staff personnel as it deems necessary in ac­cordance with the provisions of title 5, United States Code, for the performance of the competitive service, and chapter 51 and sub­chapter III of chapter 53 of title 5, United States Code; and

(b) in the case of the Executive Director, the rate equal to that of level V of the Executive Schedule under section 5310 of title 5, United States Code; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary temporary and intermittent services for which payment shall be made by reimbursement from funds of the Commission in such amount as may be authorized by the Chairman and the Administrator of the General Services Administration.

Sec. 407. (a) The Chairman of the Com­mission shall receive compensation at a rate equal to the rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the Vice Chairman shall receive compensation at a rate equal to the rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.
AGENCY REFORM PLANS

SEC. 502. (a) Not later than the first day of February in the first session of the Ninety-seventh Congress, the Ninety-eighth Congress, the Ninety-ninth Congress, the One-hundredth Congress, and the One-hundred and first Congress, the President shall submit an analysis containing the information required under subsection (c), and the President shall submit a legislative plan containing the information called for in subsection (b) as follows:

(1) By April 1, 1981, a plan with respect to regulation of securities, trade practices, banking and communications matters by the following agencies:
   (A) Securities and Exchange Commission
   (B) Federal Trade Commission
   (C) Office of Comptroller of the Currency
   (D) Federal Deposit Insurance Corporation
   (E) Federal Communications Commission.

(2) By April 1, 1983, a plan with respect to regulation of surface transportation and safety matters by the following agencies:
   (A) National Highway Traffic Safety Administration
   (B) Interstate Commerce Commission.

(3) By April 1, 1985, a plan with respect to regulation of energy and maritime transportation matters by the following agencies:
   (A) Federal Maritime Commission
   (B) Federal Energy Regulatory Administration
   (C) Nuclear Regulatory Commission.

(4) By April 1, 1987, a plan with respect to regulation of air transportation matters by the following agencies:
   (A) Civil Aeronautics Board
   (B) Pipeline and Hazardous Materials Administration.

(5) By April 1, 1989, a plan with respect to regulation of energy and maritime transportation matters by the following agencies:
   (A) Federal Maritime Commission
   (B) Federal Energy Regulatory Administration
   (C) Nuclear Regulatory Commission.

(b) All other members of the Commission who are no longer employees of the Federal Government shall receive compensation at the rate of $200 for each day such member is engaged in the performance of the duties vested in the Commission.

(c) Members of the Commission shall be reimbursed for subsistence, or other necessary expenses incurred in connection with their activities as members of the Commission.

Sec. 408. The Commission shall cease to exist ninety days after the submission of its final report.

Sec. 409. There is authorized to be appropriated until September 30, 1984, without fiscal year limitations, the sum of $4,000,000 to carry out the provisions of this title.

Sec. 410. The Commission shall be subject to the Federal Advisory Committee Act.

TITLE V—REGULATORY IMPACT

Sec. 501. (a) The Congress finds that the Government regulation can at times be more of a burden than a benefit to American consumers, American businesses, and to the American economy as a whole.

(1) Regulatory policies often have contributed to increasing market conditions and beneficial changes which have fostered the competitive impact of such decisions, or without adequate provision for public participation in such decisions.

(2) Some regulatory policies harm both individual businesses and society as a whole. In addition to the obvious economic costs and benefits involved in such decisions, without due consideration of the competitive impact of such decisions, the relative costs and benefits to American consumers, American businesses, and to the American economy as a whole.

(3) Too often, regulatory agencies have neglected economic issues, and have failed to act in a timely and responsive manner.

(4) Frequent use of inefficient after-the-fact case-by-case adjudication, rather than general rulemaking, by most regulatory agencies has burdened business with excessive paperwork and unreasonable delays, impaired the ability of many industries to adopt to changing market conditions and beneficial new technology, and contributed to price rises.

(5) By consistently failing to take into consideration the costs and benefits involved in such decisions, without due consideration of the competitive impact of such decisions, the relative costs and benefits to consumers, American businesses, and to the American economy as a whole.

(b) It is the further purpose of this title to require that the President submit an analysis containing the information required under subsection (a), and the President shall submit a legislative plan containing the information called for in subsection (b) as follows:

(1) the purposes for which each agency was established;

(2) significant changes which have occurred in the areas regulated by each agency, and the continued appropriateness of those original purposes;

(3) the net impact of the agency and the degree to which it has accomplished its purposes;

(4) the timeliness of agency decisionmaking;

(5) the cost-effectiveness and efficiency of the operations of each agency;

(6) the extent to which agency actions may contribute to inflation and price inflation; and

(7) consideration of practical alternative approaches to achieving presently demonstrated regulatory needs.

(c) A legislative plan submitted by the President pursuant to subsection (a) shall include specific legislation following up on the analysis and recommendations submitted by the President with respect to agencies or designated units thereof which are referenced in paragraphs (1) through (5) of subsection (a), and may include:

(1) recommendations for the transfer, consolidation, modification, or elimination of agency functions, or the establishment, according to their relative effectiveness, as "excellent," "adequate," or "unsatisfactory," and
Nothing in this Act shall require the public disclosure of matters that are specifically authorized under criteria established by an Executive order or to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order, or which are properly cleared for public release by law. In addition nothing in this Act shall require any committee of the Senate or the House of Representatives to disclose publicly information the disclosure of which is governed by Senate Resolution 400, Ninety-fourth Congress, or any other rule.

The Designation and Ranking of Programs.--The Management Report shall include recommendations for administrative or congressional improvement during that Congress.

The Management Report shall include the report of the Director of Management and Budget required under section 603 of this Act, including the President's recommendations and proposed actions pursuant to it.

In his report the Director shall identify any programs that are contradictory to other Federal programs and recommend corrective measures.

Any provision of this Act which is enacted as an exercise of the rulemaking power of the Senate or the House of Representatives may be, setting forth the regulations that it contains, by a majority vote of the Members voting.

To assist in the review or reexamination of a program, the head of an agency which administers such program and the head of any other agency, when requested, shall provide to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program such studies, information, analyses, reports, and assistance as the committee may request.

Six months prior to the first reauthorization date specified for a program in section 101(b) the head of the agency which administers such program or the head of any other agency, when requested by a committee of the Senate or the House of Representatives, shall conduct a review of those regulations currently promulgated and in use by that agency which the committee specifically has requested to be reviewed and submit a report to the Senate or the House of Representatives as the case may be, setting forth the regulations that agency intends to retain, eliminate, or modify if the program is reauthorized and stating the basis for its decision.

On or before November 1 of the year preceding the Congress in which occurs the reauthorization date for a program, the Comptroller General shall furnish to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program such analyses, reports, and assistance as the committees of the Senate and the House of Representatives shall request.

The committee may request to assist it in conducting reviews or evaluations of programs.

SEC. 702. Nothing in this Act shall require the public disclosure of matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order, or which are properly cleared for public release by law. In addition nothing in this Act shall require any committee of the Senate or the House of Representatives to disclose publicly information the disclosure of which is governed by Senate Resolution 400, Ninety-fourth Congress, or any other rule.

SEC. 703. (a) The provisions of this section and sections 101(a), 101(b), 101(c), 101(e), 101(f), 101(g), 104(a), 104(c), 104(d), 104(e), 104(f), 104(g), title III (except section 303) section 705, and section 706 of this Act are enacted by the Congress:

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) In the Senate, paragraphs (2) and (5) of section 101(c) shall also be treated as amendments to amendments IV and VI of the Standing Rules of the Senate.

(c) Any provision of this Act which is enacted as an exercise of the rulemaking power of the Senate or the House of Representatives may be, setting forth the regulations that it contains, by a majority vote of the Members voting.

To assist in the review or reexamination of a program, the head of an agency which administers such program and the head of any other agency, when requested, shall provide to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program such studies, information, analyses, reports, and assistance as the committee may request.

Six months prior to the first reauthorization date specified for a program, the head of the agency which administers such program or the head of any other agency, when requested by a committee of the Senate or the House of Representatives, shall conduct a review of those regulations currently promulgated and in use by that agency which the committee specifically has requested to be reviewed and submit a report to the Senate or the House of Representatives as the case may be, setting forth the regulations that agency intends to retain, eliminate, or modify if the program is reauthorized and stating the basis for its decision.

On or before November 1 of the year preceding the Congress in which occurs the reauthorization date for a program, the Comptroller General shall furnish to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program such analyses, reports, and assistance as the committees of the Senate and the House of Representatives shall request.

The committee may request to assist it in conducting reviews or evaluations of programs.

(b) On or before October 1 of the year prior to the congressional reauthorization date for a program, the President, with the cooperation of the head of the executive department or independent establishment, shall provide to the Congress a "Regulatory Duplication and Conflicts Report" for all such programs scheduled for reauthorization in the next Congress.

(2) Each such regulatory duplication and conflicts report shall contain:

(A) Identify regulatory policies, including data collection requirements, of such programs which are, or which tend to be, duplicative of or in conflict with rules or regulations or regulatory policies of State or local governments;

(B) Identify the regulatory policies, including data collection requirements, of such programs which are, or which tend to be, duplicative of or in conflict with rules or regulations or regulatory policies of State or local governments;

(C) Include recommendations which address the conflicts or duplications identified in subsections (A) and (B).

(3) The regulatory duplication and conflict report submitted pursuant to subsection (b) shall be referred to the committee(s) of the House of Representatives in whose jurisdiction over the programs affected by the report.

SEC. 705. (a) For purposes of this section and title I, the term "required authorization waiver resolution" means only a resolution of the House or the Senate that:

(1) which is introduced by the chairman of a committee pursuant to subsection (b);

(2) which waives the requirement that section 101(c) (2) of this Act for the purpose of allowing consideration of a bill or resolution providing a new budget authority for a program for more than one fiscal year in an amount which does not exceed the amount of new budget authority required to maintain the current level of services being provided during the fiscal year preceding the fiscal year for which new budget authority would be provided; and

For purposes of this section, such current level of services shall be the level provided initially from the report submitted to the Congress pursuant to title IV of the Congressional Budget Act of 1974 and shall be certified by the Director of the Congressional Budget Office and

(3) the matter after the resolving clause of which is as follows: "That it is in order in the Senate (House of Representatives) to consider a bill (resolution) providing new budget authority for...

"(with the first blank space being filled with identification of the program, the second blank space being filled with the fiscal year for which new budget authority would be provided; and the third blank space being filled with the amount of new budget authority necessary to maintain the current level of services for such program for the fiscal year for which such new budget authority would be provided).

For purposes of this section, the chairman of the committee of the Senate or the House of Representatives having legislative jurisdiction over a program for which a required authorization waiver resolution is introduced under this section shall be deemed to have the authority to conduct such hearings as would be necessary to consider a bill (resolution) providing new budget authority for a program for more than one fiscal year in an amount not to exceed the amount of new budget authority required to maintain the current level of services for such program for the fiscal year for which such new budget authority would be provided.

SEC. 706. (a) For the purposes of this section:

(1) the term "program" means an organized set of activities carried out pursuant to separate statutory authorization or for which appropriations are specifically allocated by the Federal Government, and which can be evaluated in terms of relative effectiveness in pursuing a governmental goal, but shall not include national foreign intelligence activities.

(2) The term "executive department" shall have the meaning given it in section 101 of title 5, United States Code.

(3) The term "independent establishment" shall have the meaning given it in section 104 of title 5, United States Code, except that it includes the United States Postal Service and the United States Postal Service Board of Governors, the Consumer Commodity Administration of the Department of Commerce, the United States Tariff Commission, and the Federal Trade Commission, but does not include the General Accounting Office or the Independent Regulatory Agencies.

TITLE VII—MISCELLANEOUS

SEC. 701. Section 206 of the Budget and Accounting Act, 1921 (31 U.S.C. 15), is amended by inserting immediately before the closing semicolon the following: "or the Comptroller General or the Director of the Office of Technology Assessment shall transmit the budget of the Congress under section 201 of this Act for the fiscal year".
January 15, 1979

CONGRESSIONAL RECORD—SENATE

(1) A bill authorizing the enactment of new budget authority for the same program or programs has been vetoed by the President and such veto has been sustained by either the House of Representatives or the Senate, or both, and no limitation of debate has been agreed to; or

(2) A resolution authorizing the enactment of new budget authority for the same program or programs has been introduced; or

(c) A required authorization waiver resolution relating to a program introduced in, or reauthorized by, the Senate or the House of Representatives shall be referred to the appropriate committee of the Senate or the House of Representatives, as the case may be, except that any resolution introduced, received after September 1 of the second session of a Congress shall immediately be placed on the appropriate calendar. With respect to any resolution still pending before a committee on September 1 of the second session of a Congress, the committee shall be automatically discharged and the resolution placed on the appropriate calendar.

(d) The provisions of section 912 of title 5, United States Code, relating to the consideration of resolutions of disapproval of reorganization plans shall apply to the House of Representatives and the Senate to the consideration of required authorization waiver resolutions.

The history of sunset in the Senate is a long one. It is a history filled with careful study and lengthy hearings, but also with unfortunate delays which prevented its final passage in 1976 and again in 1978. I do not see how there can be further profitable study of this legislation. Rather, it is time for the Senate to pass it promptly so that the House of Representatives will have adequate time to consider and adopt it.

The sunset process is of particular importance now, because of the bleak outlook for Federal finances over the next few years. Congress is about to embark on the difficult course of balancing the Federal budget; controlling the growth of Federal spending; alleviating the overkill of regulatory activity; and restraining the swelling Federal bureaucracy. I know that this is a lot to claim for one proposal. But I have been working on this idea for years, and my friend and colleague from Maine—and I am convinced it can lead to more effective and responsible congressional control over our Government, without sacrificing a single essential Government service. In fact, it should enhance the provision of truly necessary Government services.

Simply stated, the bill would terminate most Federal spending programs automatically on a regular schedule. Then, after a careful review by the appropriate Senate committee, the Senate and the House of Representatives would decide whether to continue the program—or modify it—or terminate it. The two parts go together—the possibility of termination forces a review—and the review assures that the decision to continue or not continue the program will be made by Congress. It is really a very simple mechanism—like all good mechanisms. It is also good because it builds on the existing practice of reauthorization and reorganization.

We need legislation of this kind because the American people know we are not doing our job of stemming the tide of growth of Federal spending. They know we are not doing our best to provide effective programs to meet their needs, but are choosing the easy way of trying to overwhelm problems with a multitude of duplicative programs. This is clear from my constituent mail. I think the perennially low performance ratings that Congress gets shows this. So I have felt for a long time that Congress should act to control government before the electorate forces action upon us.

In considering this legislation it is important that the Senate dispense with further lengthy review and discussion. Sunset passed the Senate overwhelmingly last fall and it must do so again this year. Sunset are not new or difficult to understand. Both Senator MUSKIE and I introduced our original versions of sunset legislation in the 94th Congress. These proposals were studied by two Senate committees and a staff study group representing all committees. The Senate debated them at length before passing the legislation in 1978.

The bill makes it very clear that the Attorney General may become involved only as a last resort, when State and local authorities have proven unable or unwilling to correct the injustices. Ideally, the Attorney General should never need to intervene.

Mr. President, the Attorney General's authority to become involved under this legislation has occasioned much concern. The Attorney General has occasionally intervened to litigate on behalf of the mentally ill, the mentally retarded, juvenile delinquents, and the incarcerated in instances where abuse has occurred. Sometimes the Federal district courts have requested the help of the Attorney General. Recent court rulings have questioned the Attorney General's authority to become involved when civil rights of institutionalized persons have been violated. This bill would provide him with explicit authority, if all possible alternatives have been used.

This legislation has the support of the American Bar Association, and other legal organizations. The problems addressed with this legislation have nagged our society for a long time. I believe this bill will extend the basic rights most of us take for granted to those who are now denied them.

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Mr. President, this legislation is not free to intervene until all State measures have been exhausted to resolve the problems. The Attorney General should become involved only as a last resort, when State grievances procedures have been used, and he must inform the State of the resources available to correct the injustices.

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of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

Mr. HELMS. Mr. President, when, by the terms of article V, the legislature of two-thirds of the States petition Congress to call a convention for proposing amendments, Congress is obligated to provide for such a convention. This procedure, often referred to as the "amendment by convention," is defined and codified in the Federal Constitution as follows:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall, at the request of the legislature of two-thirds of the States, call a convention for proposing amendments to this Constitution or additional articles to be added thereto; which amendments proposed by the Convention and ratified as provided by the Article" (Article V).

During the last Congress I introduced S. 1880, the Federal Constitutional Convention Procedures Act. This legislation, with the exception of several technical changes, is substantially reproduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr., which passed the Senate in March of 1976. It is identical to the legislative which I am introducing today.

Writing in the Michigan Law Review 10 years ago, Senator Ervin wisely stated: "the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the States to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the States to originate the amendment of errors pointed out by experience, as Madison expected them to do."

My legislation specifically provides that upon receipt of valid applications from two-thirds of the States requesting a convention on the same subject, Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment for which the convention is being called. My bill further provides that the convention may not propose amendments on other subjects, that the delegates to the convention must take an oath to that effect, and that if it does propose amendments in violation of the act, Congress may refuse to submit them to the States for ratification.

I believe that when a significant number of States call on Congress to propose a convention limited to a specific subject, that the States, with the concurrence of the Senate and House of Representatives, shall be entitled to act favorably on the proposed amendment.

The legislation provides an even-handed, non-partisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes were not found in the former Senator Ervin's March, 1968, issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was recently reprinted in the spring, 1977, issue of the Human Life Review.

The Founding Fathers clearly intended the convention method to be a workable, although not easy, method of balancing inaction in Congress.

During the last Congress I introduced S. 1880, the Federal Constitutional Convention Procedures Act. This legislation, with the exception of several technical changes, is substantially reproduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr., which passed the Senate in March of 1976. It is identical to the legislative which I am introducing today.

Writing in the Michigan Law Review 10 years ago, Senator Ervin wisely stated: "the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the States to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the States to originate the amendment of errors pointed out by experience, as Madison expected them to do."

My legislation specifically provides that upon receipt of valid applications from two-thirds of the States requesting a convention on the same subject, Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment for which the convention is being called. My bill further provides that the convention may not propose amendments on other subjects, that the delegates to the convention must take an oath to that effect, and that if it does propose amendments in violation of the act, Congress may refuse to submit them to the States for ratification.

I believe that when a significant number of States call on Congress to propose a convention limited to a specific subject, that the States, with the concurrence of the Senate and House of Representatives, shall be entitled to act favorably on the proposed amendment.

The legislation provides an even-handed, non-partisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes were not found in the former Senator Ervin's March, 1968, issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was recently reprinted in the spring, 1977, issue of the Human Life Review.

Mr. President, perhaps the best analysis of the problems involved in proposing amendments through a constitutional convention is contained in a letter from former Senator Ervin for the March, 1968, issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was recently reprinted in the spring, 1977, issue of the Human Life Review.

Mr. President, I am unanimous in the conclusion that the following excerpts from former Senator Ervin's article and the text of the bill be printed at this point in the RECORD:

There being no objection the excerpts and bill were ordered to be printed in the RECORD, as follows:

S. 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act."

Sec. 1. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

Sec. 2. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 or section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, without regard to the provisions of the legislature's action by the Governor of the State.

(b) Each copy of the application so made by any State shall contain:

(1) the date on which the legislature adopted the resolution;
(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature;
(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certified copy of the resolution signed by the presiding officer of each house of the State, or, if there be no such officer, the person who is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after the receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of Representatives, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

Sec. 5. (a) An application submitted to the Congress by a State legislature shall remain effective for a period of 10 years after the date it is received by the Congress, except that whenever within a period of seven calendardays after the date of any two-thirds of the several States have each submitted an appli-
January 15, 1979

CONGRESSIONAL RECORD—SENATE

CXXV—12-Part 1

CONVENTION CALLING FOR A CONSTITUTIONAL CONVENTION

Sec. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district. All members of such convention shall be official proceedings of the convention.

(b) The convention shall be convened not later than one year after adoption of this Act.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the convention, the presiding officer shall transmit to the Governor and the presiding officer of each house of the legislature of each State:

(i) a copy of the record of its proceedings; and

(ii) a duly certified copy thereof to the States, or within such period as may be prescribed by law.

(e) Acts of ratification shall be by convention, or by the legislature of each State, as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments thus adopted, the States pursuant to this Act shall act as the Congress may direct or as specified in subsection (c) of this section.
other period of time as may be prescribed by the States.

III. QUESTIONS RAISED BY THE BILL

Before going to specific issues and matters of detail, it seems appropriate to discuss briefly two threshold problems posed by the framers of the Constitution evidently intended to be superior to the other or easier of accomplishment. The Constitution itself. Second, the final 

OPEN OR LIMITED CONVENTION?
Perhaps the most important issue raised by the Convention was the power of the Congress to limit the scope and authority of a convention convened under article V. Congress holds that neither of the two methods of amendment was expected by the framers to be superior to the other or easier of accomplishment. There is certainly no indication that the national government was intended to promote individual amendments while the state legislatures were to be concerned with the general welfare. On the contrary, there is strong evidence that what the members of the convention were concerned with in both the federal and state governments was the nature of the compromises to satisfy the divergent interests needed for ratification of their efforts.

Footnotes at end of article.

January 15, 1979

CONGRESSIONAL RECORD—SENATE
CONGRESSIONAL RECORD—SENATE

January 15, 1979

PROVISION IN ARTICLE V FOR TWO EXCEPTIONS TO THE REQUIREMENT THAT THE CONVENTION OF THE STATES MAY BE CONVoked BY CONGRESS

Provision in article V for two exceptions to the requirement that the convention will be called by the Congress may change its mind and ratify a particular amendment that might eventually be proposed by the states. To conceded to the Congress any discretion to call a convention, is that it may change its mind and ratify a particular amendment that would in effect destroy the role of the states.

The constitution as written by Madisom and Hamilton, subsequent to the 1787 Convention, sustains this construction. In a letter on the subject to Madison, Hamilton explained that the question concerning the calling of a convention “will not belong to the Federal Legislature. If two-thirds of the states, or Congress cannot refuse to call it: if not, the other mode of amendments must be pursued.”

The fifth article of the plan of the congress will be obliged, “on the application of the legislatures of two-thirds of the states (which at present amounts to nine) to call a convention for proposing amendments, and the Congress shall then consider whether there has been a sufficient number of states to call a convention.” The nature of the amendment or amendments proposed by the Congress are determined solely by Congress. It has been felt that there should be a “reasonable contemporaneous” expression by

SUFFICIENCY OF STATE APPLICATIONS

Assuming the Congress may not weigh the wisdom or unimportance of an application requesting the calling of a constitutional convention, does it have the power to judge the validity of an application? If the Congress was to hold that the legislative procedures adopted for such applications? Clearly the Congress has some such power. The fact alone that Congress is the agency for calling the convention upon the receipt of the requisite number of state applications suggests that it must have some discretion to interpret the validity of those applications. The importance of withdrawal of the courts undermines the necessity for Congress to act with any such power in the Congress. The question, then, concerns the extent of that power.

It has been contended that Congress must have the power to judge the validity of state applications and that such power must include the authority to look beyond the content of an application and its formal compliance with article V, to the legislative procedures followed in adopting the application. The Congress has the power to reject applications, particularly if that power is not carefully circumscribed, to avoid avoiding the obligation to call a convention. The result would be that the Congress might apply a blanket rejection of all applications on subjects it did not consider appropriate for amendment, leaving us in effect with only one amendment process.

One further important point should be mentioned. Most of the states obviously do not now understand their role in designating subjects or problems for resolution by amendment, and many of them do not even know where to send their applications. By setting forth the formal requirements with respect to content of state applications and describing the congressional officers to whom they must be transmitted, the bill furnishes guidance to the states on these questions and promises to avert the future some of the problems that have arisen in the current effort to convene a convention. The bill also requires that all applications received be signed in the Congressional Record and that copies be sent to all members of Congress and to the legislature of each state. In this way, the element of congressional surprise can be eliminated, and each state can be given prompt and full opportunity to join in any call for a convention in which it concurs.

Footnotes at end of article.

THE ROLE OF STATE GOVERNMENTS

The argument has been made that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests upon the assumption that the article V intended state participation in the process to involve the whole legislative process of the defined in the Constitution. I do not agree with that argument. We do not have here any question of the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of the voice of the people of a state in expressing the possible need for a change in the fundamental laws.

Closely analogous court decisions support this interpretation. The Supreme Court in Francis v. Tappan, 230 U.S. 488 (1913), interpreted the term "legislatures" in the ratification clause of article V to mean the representative lawmaking bodies of the states, since ratification of a constitutional amendment "is not an act of legislation within the proper sense of the word." Certainly the term "legislatures" should have the same meaning with the application clause and the ratification clause of article V. Further support is found in the decision in Hollingsworth v. Virginia, 170 U.S. 1 (1898), in which the Court held that a constitutional amendment approved for proposal to the states was not the application clause and the ratification clause of article V. The Supreme Court has held that questions concerning the reservation of prior ratifications or rejections of amendments proposed by the Congress are determined solely by Congress. Presumably, then, the question of reservation of an application for a constitutional convention is also political and nonjusticiable.

Although the Congress has previously taken the position that a state may not rescind it prior ratification of an amendment, it has taken no position concerning rescission of applications for a constitutional convention. The question of whether the Congress should consider whether there has been a reasonable contemporaneous expression by the states to each substantive amendment that might eventually be proposed. The bill therefore provides that a state may rescind at any time before its application is included among a number of applications from two-thirds of the states, at which point the obligation of the Congress to call a convention becomes fixed. Incidentally, the bill also provides that an application may rescind its prior ratification of an amendment proposed by the convention up until the time of ratification by an absolute majority of three-fourths of the states, and that a state may change its mind and ratify a proposed amendment that it previously has rejected.

The Congress and the courts have agreed that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests upon the assumption that the article V intended state participation in the process to involve the whole legislative process of the states by their elected representatives. I do not agree with that argument. We do not have here any question of the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of the voice of the people of a state in expressing the possible need for a change in the fundamental laws.
three-fourths of the states that an amendment proposed by the convention to effectuate a consent of the states and the federal government. It is, therefore, necessary to conclude that a consensus in favor of the amendment exists among the people, and that it is the concern for children is also well-grounded and deserve a strong likelihood that some state which may be made prior to the Year One may have been proposed by the Vice President and the relationship between the states is the one that the amendment makes under the Constitution by the same processes by which it ratified, except that no state may rescind after that amendment has been validly ratified by three-fourths of the states. When three-fourths of the states have ratified a proposed amendment, the Administrator of General Services will issue a proclamation that the amendment is a part of the Constitution, effective from the date of the last necessary ratification.

IV. CONCLUSION
There is some evidence that the current effort to require the Congress to call a constitutional convention to propose a reapportionment amendment has failed and that the danger of a constitutional crisis has passed. The two additional applications needed to bring the total to forty-four have not been received and there is a strong likelihood that some applicant states will rescind their applications. Even if the need for legislation to implement article V remains, there may be other attempts to require the Congress to arbitrate the matter by three-fourths of the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process and, in the absence of legislation, the same unanswered questions will return to plague the Congress. This legislative bill timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues entrenched by competing views on state apportionment or any other substantive issue.

Some have argued that the convention method of amendment is an anomaly in the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process and, in the absence of legislation, the same unanswered questions will return to plague the Congress. This legislative bill timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues entrenched by competing views on state apportionment or any other substantive issue.

S. 4. A bill to provide assistance and coordination in the provision of child care services for children living in homes provided by state and local governments, the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process and, in the absence of legislation, the same unanswered questions will return to plague the Congress. This legislative bill timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues entrenched by competing views on state apportionment or any other substantive issue.

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Mr. President, I include in the Record at this point a chart providing a detailed breakdown, by age, of the increasing participation of working mothers in the labor force in every category between 1977 and 1978.

<table>
<thead>
<tr>
<th>Age of child</th>
<th>March 1977</th>
<th>March 1978</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5</td>
<td>50.7</td>
<td>52.9</td>
<td>+4.3</td>
</tr>
<tr>
<td>6 to 11</td>
<td>58.3</td>
<td>62.0</td>
<td>+7.9</td>
</tr>
<tr>
<td>(12 to 17)</td>
<td>(59.1)</td>
<td>(60.3)</td>
<td>+1.2</td>
</tr>
<tr>
<td>18 to 24</td>
<td>68.9</td>
<td>72.6</td>
<td>+3.8</td>
</tr>
<tr>
<td>(25 to 34)</td>
<td>(71.3)</td>
<td>(72.5)</td>
<td>+1.2</td>
</tr>
<tr>
<td>(35 to 44)</td>
<td>(72.6)</td>
<td>(74.6)</td>
<td>+2.0</td>
</tr>
<tr>
<td>(45 to 54)</td>
<td>(73.1)</td>
<td>(75.1)</td>
<td>+2.0</td>
</tr>
<tr>
<td>(55 to 64)</td>
<td>(73.3)</td>
<td>(75.3)</td>
<td>+2.0</td>
</tr>
<tr>
<td>65 and over</td>
<td>(73.4)</td>
<td>(75.4)</td>
<td>+2.0</td>
</tr>
</tbody>
</table>


These figures illustrate without any doubt that a majority of mothers of children under the age of 18 are in the labor force and that the percentage of working mothers—particularly mothers of younger children is growing every year. Yet, it is clearly indicated that there has been no corresponding growth in the availability of licensed child care for the children of these working mothers. The contrary appears to be true. Existing programs are severely overtaxed, lengthy waiting lists prevail for admission to centers and there is a great deal of uncertainty about what is happening to the hundreds of thousands of children whose mothers are working and for whom there are simply not enough licensed child-care openings. Census data tells us that at least 2 million school-age children between the ages of 7 and 13 are simply left alone without any supervision; and that another 20,000 pre-school children under the age of 6 are left alone while a parent works.

CALIFORNIA STATISTICS

Mr. President, since my August statement I have been presented with additional data on the dimension of the child-care problem in my own State of California. A commission formed by Wilson Riles, the California Superintendent of Public Instruction, very recently completed a study that in the 5-year period between 1978 and 1984, despite the decline in birth rate, the number of children under 14 years in California whose mothers work will increase by 215,000. By 1984, 52.4 percent of children under 6 years in California will have mothers who work—compared to 40.4 percent in 1978, and 61.1 percent of children over 6 years in California will have mothers who work—compared to 59.5 percent in 1978.

In addition, 23 percent of children under 14 years of age will be living in a one-parent family in California by 1984. The number of children that will be in a one-parent family are 1 million children in California who have working mothers and who need care and are unable to care for themselves. This figure excludes 372,000 children who may not need care while the mother works but another relative is available to care for them.

Yet, in California there are only 124,000 subsidized child-care spaces and 169,000 other licensed child-care spaces. This means that out of 1 million children in California whose mothers work, less than one-third or approximately 300,000 children can be served in licensed child care. If population trends and social indicators continue to follow the same trends across the Nation, the growing number of working mothers may soon be reaching crisis proportions.

EXISTING FEDERAL CHILD-CARE PROGRAMS

Mr. President, the Federal Government presently subsidizes child care either directly through social services programs aimed at welfare recipients and families living below the poverty line or indirectly through the child-care tax credit under the Internal Revenue Code. It is estimated that the Federal Government contributes about $500 million a year to the cost of child care through the child-care tax credit. However, because of the nature of the tax credit and the structure of our tax system—the credit is not refundable and, on the average, four person families with incomes below $7,500 do not pay any Federal income taxes—largely of use to middle and upper income families. According to the Congressional Budget Office, two-thirds of the tax expenditure funds is to families with incomes over $15,000.

The major direct Federal spending for child care is through title XX of the Social Security Act. This program, aimed primarily at welfare recipients and families living below the poverty line, provides for a number of social services for families; one of the authorized uses to which these funds may be put is child care. HEW estimates that in fiscal year 1977 about $800 million of the $2.7 billion for title XX was used for child-care services.

There are, additionally, a number of smaller federally supported programs involving child care aimed at welfare recipients or families living below the poverty line, such as the Head Start program and programs administered by other agencies as the Community Services Administration, the Department of Agriculture, the Department of Health and Human Services, and the Department of Housing and Urban Development. Some of these programs are focused upon special populations, such as Native Americans through the Department of the Interior programs, or provide specialized support to child-care programs, for example, the child-care food program operated by the Department of Agriculture. Overall, the Congressional Budget Office has estimated that the Federal Government provides approximately $1.5 billion a year for child care or child-care-related services under these various programs.

However, Mr. President, our present Federal activities provide little or no assistance to low-income working families, whose incomes are too low to benefit from the tax credit and too high to qualify for assistance under title XX or other programs targeted at welfare recipients or below-poverty-line families. These families, struggling to stay in the labor force and often unable to receive any financial help for child care and are unable to find reasonably quality child care at prices they can...
afford in the present marketplace. Indeed, the data indicate that there are not sufficient funds to meet the needs of all families who can afford them, let alone those who cannot.

Finally, not only are many low-income working families who need assistance finding adequate care for their children left out of most Federal programs, the Federal Government's participation in the area of child care can best be characterized as fragmented. Federal programs spread throughout a half dozen Federal agencies, with numerous conflicting and overlapping regulations, excessive redtape, and an overall absence of coordination or focus. There are virtually no activities by the Federal Government to provide any substantial assistance to the States in upgrading their child care to provide any substantial assistance to the States in upgrading their child care to provide any substantial assistance to the States in upgrading their child care to provide any substantial assistance to the States in upgrading their child care to provide any substantial assistance to the States in upgrading their child care.

Section 3 provides that nothing in the act shall be construed to authorize any Federal agency or private organization or any individual associated therewith to interfere with, or to intervene in, any child-rearing decision of parents.

Section 4 provides for State participation under the Act through the submission of certifications to the Secretary of Health, Education, and Welfare of a State plan which provides for the specification of a State agency to be responsible for administration and enforcement of State plans which is to be designed to meet the need for child-care services within the State for pre-school children and school-age children, within plan to meet the need for services for migrant children, handicapped children, children with limited English-language proficiency, and for children having special needs. The State agency specified under the plan is also to be responsible for coordinating, to the maximum extent feasible, the provision of services under this Act with other child-care programs and services assisted under any State or other Federal provision of law, and with other appropriate services, including health and nutritional services, available to such children under other Federal and State plans.

Section 4 further provides that funds shall be distributed within the State, in accordance with the plan developed, to child-care providers who are licensed by the State and meet the quality standards developed by the Secretary for all child-care programs and services assisted under this Act. The distribution of these funds to eligible child-care providers may be by grant or contract or by alternative payment arrangements such as vouchers. Section 4 further provides that priority will be given to child-care providers that provide priority for services for children on the basis of family need, taking into account factors such as family income, family size, and special needs of children from households with a single parent and, to the maximum extent feasible, provide for an economic mix of children enrolled in the program. The State agency is also charged with the responsibility of distributing funds to a variety of child-care centers in each community, including both child-care centers and family day-care providers. The State plan also must provide for a system of performance measures, based upon family income and size, as well as establishment of procedures for data collection to show how the child-care services are being met by programs assisted under the Act, and the degree of unmet child-care needs within the State.

Section 4 specifically provides that the State plan must include the provision, by grant or contract, for the establishment or support of information and referral services to help identify and assist child-care services and for the training of child-care personnel. It also provides that the State plan must include provisions for the implementation of State licensing of child-care providers, establishment of procedures for meaningful parental involvement in State and local planning, monitoring, and evaluation of child-care services provided under the Act, and assurances that funds received under the Act will be used to supplement, and not supplant, existing Federal funds used for the support of child-care services and related programs. Section 4 provides that, for each fiscal year, the State may not use more than 10 percent of the funds received for administration of the program.

Section 4 further provides, as part of the State plan requirements, for the establishment of a State advisory panel on child care, consisting of at least 25 percent of parents of children receiving child-care services under the Act, at least 25 percent representatives of child-care programs and services provided under the Act, representatives of different types of child-care programs, and at least 25 percent professionals in the field of child development and related fields.

The State advisory panel is responsible for advising the State agency on the preparation of, and policy matters arising in the administration of, the State plan, and for the review and evaluation of child-care programs and services provided under the Act and other provisions of the Act, and to make recommendations to the Secretary. Section 4 provides for sufficient funds to be made available under the State plan for the State advisory panel to carry out its functions and to obtain the services of such professional, technical, and clerical personnel as necessary.

Section 4 provides that the Secretary shall approve any State plan which meets the requirements set forth in the Act, and provides that the Secretary may not disapprove any State plan, except after reasonable notice, an opportunity to correct deficiencies in the plan, and notice of an opportunity for a hearing on the grounds for the disapproval. Finally, section 4 provides that the specified State agency shall provide the Secretary with a concise report on an annual basis describing activities, results, and performance of the State agencies in meeting the objectives of the State plan and the purposes of the Act.

Section 5 relates to the national administration of the Act. The Act is directed to designate an identifiable administrative unit within HEW and an individual within that administrative unit responsible for the provisions of this Act and for coordination of other activities within HEW relating to child care. The Secretary is also directed to maintain such unit such staff and resources as are necessary to carry out effectively its functions under the Act. Section 5 also provides for the establishment of a National...
The National Advisory Panel is made responsible for reviewing Federal policies with respect to child-care services and advising the Secretary with respect to the standards developed for programs receiving assistance under the act.

Section 5 further provides that the Secretary, with the assistance of the National Advisory Panel, shall prepare not later than 12 months after the date of enactment of the act, proposed standards for programs receiving assistance under the act. Section 5 provides that the proposed standards shall cover factors having a demonstrated impact on the quality of child care, including, but not limited to, such factors as group size and composition in terms of the number of teachers and the number and ages of children, the qualifications of the child-care providers, and the physical environment, parental involvement, and necessary support services for child-care programs. These standards shall be published in the Federal Register for public comment and distributed to each State advisory panel and State agency designated or established under the act.

Mr. President, I have received several inquiries as to how the proposed standards under this act will relate to the Federal Interagency Day Care Regulations—FIDCR—which are currently being revised by HEW and are applicable to child-care programs receiving assistance under title XX of the Social Security Act. These regulations require that child-care programs must be individualized, and not to exceed a certain size.

Section 5 also provides that the Secretary, with the assistance of the National Advisory Panel, shall develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers. Section 6 provides that the Secretary, with the assistance of the National Advisory Panel, shall develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers.

The report also suggested that the existing regulations be rewritten to improve their ability to further the well-being of children. The efforts now underway to rewrite these regulations appear to be in line with the guidelines for standards set forth in this act. It is my expectation that the FIDCR—when eventually completed—will be appropriate for application to programs supported under this act and that the same standards will be applied to all child-care programs supported by Federal funds.

However, in light of the undue delays and length of time that it has taken HEW to complete its appropriateness report and begin the ask of rewriting FIDCR, our bill has been drafted in such a manner as to stand alone at this point in time without any cross-reference to FIDCR.

Section 7 provides that States receiving assistance under the act shall submit to the Secretary a report outlining the current status of child-care licensing within the States, the deficiencies, if any, in the existing licensing program, a plan for improving the States’ licensing program, and the types of assistance the State requires to make improvements in its licensing program. Section 7 also provides that each report must be submitted not less than 12 months after it first receives a payment under the act. Section 7 also authorizes the Secretary, with the assistance of the National Advisory Panel, to establish regulations to carry out these provisions.

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Section 9 also provides for reallocation of any State’s allotment which is not utilized by the State.

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Section 10 provides for the Secretary to make payments to each State having a plan approved under section 4 in the amount allotted under section 9 and provides that payments under the act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

Section 11 authorizes the Secretary, after reasonable notice and opportunity for hearing, to withhold payments to any State where there has been a substantial failure to comply with any provision or any requirement set forth in the State plan of that State or of any applicable provision of this act. Section 11 authorizes the Secretary in his discretion to limit further payments to the State in such cases to programs or projects under the State plan, or portions thereof, not affected by such failure.

Section 12 provides for the Secretary to carry out reviews and evaluations of the programs and activities carried out under this act and the FIDCR. Section 12 authorizes the Secretary, with the assistance of the General Accounting Office, to consult with appropriate committees of the Congress and with representatives of the executive branch, to examine representative samples of actual programs, identify fiscal and administrative problems and determinants of success or failure and to make such reviews and evaluations can best be disseminated and utilized to achieve the purposes outlined. Section 12 also directs the Secretary to prepare and transmit to the President and the Congress or before March 1 of each year a concise report of activities and progress under this act.

Mr. President, the evaluation and oversight provisions of our bill were developed with the assistance of the General Accounting Office. Last year, the Comptroller General released a report with respect to improving congressional oversight efforts. That report outlined a process for planning and carrying out congressional oversight programs. GAO staff provide great assistance to us in designing and drafting these provisions, and I am deeply appreciative of their efforts in this act and in building effective oversight mechanisms into our legislative efforts.

Section 13 sets forth definitions of the various terms utilized in the act.
"child" is defined as any individual who has not attained the age of 15. A "child" may be a natural parent, foster parent, or legal guardian with whom the child resides.

Section 14 authorizes the appropriation of such sums as may be necessary for demonstration projects, for each of the four succeeding fiscal years to carry out the provisions of the Act. Section 14 further provides that of the sums appropriated for any fiscal year, 75 percent shall be used for making grants under section 4, relating to grants for carrying out the State plan, 5 percent shall be used for making grants under section 6 relating to demonstration projects, 5 percent shall be used for making grants under section 7, relating to funding assistance; 5 percent shall be used for making grants or contracts under section 8(a) relating to Project Head Start, the reasonable expenses of the National Advisory Panel on Child Care Needs and Services—and training and technical assistance—shall be used for making grants under section 8(b), and 10 percent shall be used for making grants under section 9, relating to professional personnel. Section 14 also provides that no funds are authorized to be appropriated for any fiscal year unless funds appropriated for the preceding fiscal year to carry out part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, are at least equal to the funds appropriated for such part for fiscal year 1979.

CONCLUSION

Mr. President, I believe that the proposed Child Care Act of 1979 addresses an ever-growing—need in this country for a comprehensive, coordinated approach to child care. I know that there will be some who will question the feasibility of proposing a comprehensive child-care bill at this time of budget constraints. Yet, there is simply no question that the demand and need for child care will continue to grow. If we take steps today to design an efficient and cost-effective mechanism for meeting those needs, we will be able to weigh the short-term expenditure. Indeed, child care itself is a long-term investment in the future. Short-term expenditures may be almost immediately offset by increased tax revenues derived from parent earnings and reductions in governmental and other expenditures necessitated by the effects of lack of adequate child-care arrangements. Some social costs such as juvenile delinquency, and child abuse and neglect may also be reduced by prudent and cost-effective children's health-care policies, some of which we have discussed in this legislation.

Mr. President, I am deeply grateful to the many individuals and organizations who participated in our hearings a year ago and who provided us with their insights and guidance in the development and formulation of this legislation. I believe that with the introduction of this legislation we are taking a major step toward ensuring good child care and family care measure which is so sorely needed and so long-awaited. I look forward to working with my colleagues and all of the interested individuals and organizations toward that end. We have scheduled hearings before the Subcommittee on Children and Human Development on this legislation on February 6 and 21, and plan to continue the process of refining and perfecting the bill after those hearings.

Mr. President, I ask unanimous consent that the text of S. 4 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4

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 "Child Care Act of 1979.

STATEMENT OF FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) the number of children living in homes; where both parents work or where children are living with a single parent who work, has increased dramatically over the last ten years; and

(2) the number of licensed child-care openings is far short of the number required for children in care services.

(3) existing child-care programs are frequently filled to capacity and often have long waiting lists into which families seeking care are put.

(4) the lack of available child-care services results in many children being left without supervision.

(5) rise in school vandalism, juvenile alcoholism, and serious juvenile crimes has been accompanied by an increase in the number of school-age children with working parents and without resources for after school supervision.

(6) many parents are unable to afford adequate child-care services and do not receive any financial assistance for such services through any established program.

(7) the years from birth to age six are especially important in the development of a child and the care children receive during this period is critical to the developmental process.

(8) making adequate child-care services and all native services for working parents promotes and strengthens the well-being of families and the national economy.

(9) there is a lack of coordination among existing child-care programs receiving Federal and State funds among such programs and other programs providing services to children and their families, and an absence of a central administration on child-care programs and services at the Federal level.

(b) Recognizing that the parent is and must continue to be primary influence in the life of the child and that the parent has ultimate responsibility for decisions on how child will be raised, it is the purpose of the Act—

(1) to provide assistance to States in improving the quality of and coordination among child-care programs and provide additional resources for child-care services;

(2) to provide mechanisms for assessing the extent of the need for child-care services in the Nation;

(3) to provide coordination at all governmental levels of child-care programs and other services for children and their families;

(4) to promote coordination and funding among child-care programs and other services for children and their families;

(5) to provide assistance to families whose financial resources are insufficient to pay the full cost of necessary child-care services; and

(6) to strengthen the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable child-care facility.

PROTECTION OF PARENTAL RIGHTS

Sec. 3. Nothing in this Act shall be construed to authorize any public agency or private organization associated therewith to interfere with, or to intervene in, any child-rearing decision of parents.

STATE ACTIVITIES

Sec. 4. (a) Any State desiring to participate in a program authorized by this Act shall apply to the Secretary not less often than biennially, in such detail and form as the Secretary deems necessary. Each such plan shall, including health and nutritional services, be provided—

(1) to make an assessment of child-care needs in the State and an assessment of the effectiveness of programs and services under this Act and other provisions of law in meeting such needs;

(2) develop a plan designed to meet the need for child-care services within the State for preschool children and school-age children, with special attention to the need for services of migrant children, handicapped children, children with limited English language proficiency, and other groups of children having special needs;

(3) coordinate, to the maximum extent feasible, the provisions of services under this Act with other child-care programs and services assisted under any State or other Federal provisions of law, and with other appropriate services, including health and nutritional services, to available to such children under other Federal and State programs; and

(4) prepare the reports required under subsection (d) of this section;

(b) The State shall—

(A) funds under this Act shall be distributed within the State in accordance with the plan submitted to the Secretary under this section and shall be used for services provided only by child-care providers who—

(1) are licensed in the State or have applied for a renewal of such license and are likely to be approved for renewal; and

(2) meet the standards prescribed under section 5(c);

(3) funds shall be distributed to all eligible child-care providers by contract or grant, or both; the funds shall be provided to parents for use by parents with eligible children in such State or other Federal programs as are not covered by the funds, and such funds shall be available to eligible providers other than the Federal and State programs and services provided;

(C) priority will be given to child-care providers in the State that provide assurance that—

(1) priority for services will be given to children on the basis of family need, taking into account family income and family size, and the special needs of children from households with a single parent;

(2) each such child-care program will, to the maximum extent feasible, provide for an adequate mix of children enrolled;

(3) funds will be distributed to eligible child-care providers by contract or grant, or both, and the funds shall be provided to eligible children and families who need such services;

(4) provide for the establishment of fee schedules for the child-care services provided and family income adjusted for family size for children receiving services assisted under this Act;

(5) provide for the establishment of programs and other programs providing services and other programs providing services.
(A) how the child-care needs of the State are being met by programs assisted under this Act; (B) the degree to which child-care needs are being met by programs assisted under this Act or other programs; (C) the extent to which the availability of child-care services and care in the State is satisfied, including the extent to which child-care needs are being met; (D) the amount of funds to be allocated to such States, the Northern Mariana Islands, and the Virgin Islands, the Secretary shall assure that funds sufficient for the purpose of this paragraph are made available to each State panel from funds available for the administration of the State plan; (E) the State shall approve any State plan, and any modification thereof, that is submitted to the Secretary under this section and specify the amount of funds to be allocated to such State plan; (F) provide, for each fiscal year, that the State will use for administration of the State plan an amount not to exceed 10 percent of the funds distributed to such State, except that in the case of Guam, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, the State will use an amount not to exceed 5 percent of the funds distributed to such State, for administrative costs; and (G) provide for the establishment of a State Advisory Panel in accordance with subsection (b) of this section and specify the amount of funds to be allocated to such panel.

(b) The Secretary shall establish the State Advisory Panel to carry out the functions under this subsection.

(b) (1) Each State Advisory Panel shall-

(A) advise the State on the preparation of, and policy matters arising in the administration of, the State plan submitted under subsection (b) of this section;

(B) review and submit comments to the State agency on the State plan, and

(C) review and evaluate child-care programs assisted under this Act and provisions of law in the State and the progress of such programs and services in meeting the State in the provision of child-care services and make recommendations, as appropriate, on the development of State policies and programs and the provision of child-care services; and

and submit, through the State agency created or designated under clause (1) of subsection (a) of this section, such recommendations and evaluations, together with such additional comments, as that State agency deems appropriate, to the Secretary;

(3) Each State Advisory Panel shall meet within thirty days after the beginning of each fiscal year, place, time, and manner of its future meetings, except that such panel shall not have less than two public meetings each year, at which the public is given an opportunity to express views concerning the administration and operation of the State plan, and to contract for such other services as may be necessary to enable the panel to carry out its functions under this Act. The Secretary shall assure that funds sufficient for the purpose of this paragraph are made available to each panel from funds available for the administration of the State plan.

(c) The Secretary shall approve any State plan, and any modification thereof, that is submitted to the Secretary under this section, and specify the amount of funds to be allocated to such State plan.

(1) The Secretary shall approve any State plan, and any modification thereof, that is submitted to the Secretary for the purpose of this paragraph, if such plan complies with the provisions of subsections (a) and (b) of this section, and the Secretary determines that the State plan except after reasonable notice an opportunity to correct deficiencies in the plan and notice of the time and place of such meetings.

(d) For the purpose of providing information to the Secretary and the Congress to aid in the planning, implementation, and effectiveness of programs under this Act, the State agency specified under subsection (c) of this section shall, as the Secretary designates, develop such reports and data as may be necessary to carry out the purposes of this Act. The report submitted under this subsection shall contain the results of the data collection, reviews, and evaluations of the plan pursuant to subsections (a) (6) and (b) (2) (C) of this section.

NATIONAL ADMINISTRATION

SEC. 6. (a) (1) The Secretary shall designate an identifiable administrative unit and an individual in charge of such unit within the Department of Health, Education, and Welfare to carry out the provisions of this Act and other activities with respect to the regulations proposed under this Act, except where the regulations are national in scope.

(b) (1) The Secretary shall establish within six months after the date of enactment of this Act within the Office of the Secretary a National Advisory Panel on Child Care Needs and Services which shall be composed of not less than fifteen members-

(A) of which at least 25 percent will be professionals in the field of child development and related fields.

(2) The Secretary shall establish, as the Secretary determines necessary, the Secretary is authorized to establish regulations to carry out the provisions of this section.

LICENSING IMPROVEMENT GRANTS

SEC. 7. (a) Each State receiving assistance under this Act shall prepare a report to be submitted to the Secretary outlining the procedures for data collection and evaluation designed to show (in a manner not inconsistent with guidelines established by the Secretary)-

(A) how the child-care needs of the State are being met by programs assisted under this Act; (B) the degree to which child-care needs are being met by programs assisted under this Act or other programs; (C) the extent to which the availability of child-care services and care in the State is satisfied, including the extent to which child-care needs are being met; (D) the amount of funds to be allocated to such States, the Northern Mariana Islands, and the Virgin Islands, and not less than one-third of the members serving on the National Advisory Panel shall be individuals who are serving on, or have served on, a State Advisory Panel established by a State under section 4 (b) of this Act.

(b) (1) Each State Advisory Panel shall-

(A) advise the State on the preparation of, and policy matters arising in the administration of, the State plan submitted under subsection (b) of this section;

(B) review and submit comments to the State agency on the State plan, and

(C) review and evaluate child-care programs assisted under this Act and provisions of law in the State and the progress of such programs and services in meeting the State in the provision of child-care services and make recommendations, as appropriate, on the development of State policies and programs and the provision of child-care services; and

and submit, through the State agency created or designated under clause (1) of subsection (a) of this section, such recommendations and evaluations, together with such additional comments, as that State agency deems appropriate, to the Secretary;

(3) Each State Advisory Panel shall meet within thirty days after the beginning of each fiscal year, place, time, and manner of its future meetings, except that such panel shall not have less than two public meetings each year, at which the public is given an opportunity to express views concerning the administration and operation of the State plan, and to contract for such other services as may be necessary to enable the panel to carry out its functions under this Act. The Secretary shall assure that funds sufficient for the purpose of this paragraph are made available to each panel from funds available for the administration of the State plan.

(c) The Secretary shall approve any State plan, and any modification thereof, that is submitted to the Secretary under this section, and specify the amount of funds to be allocated to such State plan.

(1) The Secretary shall approve any State plan, and any modification thereof, that is submitted to the Secretary for the purpose of this paragraph, if such plan complies with the provisions of subsections (a) (6) and (b) (2) (C) of this section, and the Secretary determines that the State plan except after reasonable notice an opportunity to correct deficiencies in the plan and notice of the time and place of such meetings.

(d) For the purpose of providing information to the Secretary and the Congress to aid in the planning, implementation, and effectiveness of programs under this Act, the State agency specified under subsection (c) of this section shall, as the Secretary designates, develop such reports and data as may be necessary to carry out the purposes of this Act. The report submitted under this subsection shall contain the results of the data collection, reviews, and evaluations of the plan pursuant to subsections (a) (6) and (b) (2) (C) of this section.

(b) The Secretary shall publish the proposed standards in the Federal Register after distribution of the proposed standards to each State panel and State agency designated or established under section 4 (a) (1). (3) (b) After taking into consideration any comments received by the Secretary with respect to the regulations proposed under paragraph (1) of subsection (c) of this section, the Secretary shall approve or disapprove, as the Secretary determines necessary, the regulations published in the Federal Register.

(c) Each State necessary to carry out the functions under this Act.

and submit, through the State agency created or designated under clause (1) of subsection (a) of this section, such recommendations and evaluations, together with such additional comments, as that State agency deems appropriate, to the Secretary;
current status of child-care licensing within the State, in preparing its licensing program, the plan of the State for expanding its licensing program to cover all types of child-care facilities (including centers for children being cared for in their own homes, by a relative, or on a less than full-time basis in a noncommercial, neighborhood setting), the number of or limited enrollment (or occasional child-care arrangements) and the types of assistance the State requires to make improvements in its licensing program.

(b) The Secretary is authorized to make grants to any State by submitting a report under subsection (a) of this section for the purpose of developing, improving or implementing its child-care licensing program. No grants may be made under this section unless the State submits an application to the Secretary therefor at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(c) The Secretary shall, with the assistance of the National Advisory Panel on Child Care Needs and Services and with the cooperation of the National Conference of Uniform Commissioners of State Laws, develop a Model State Licensing of Child Care Providers program to the State requirements to improving licensing of child-care providers.

TRAINING AND TECHNICAL ASSISTANCE

Section 10 is authorized to make grants to and enter into contracts with institutions of higher education, State and local public agencies, and private organizations to procure and provide training to teachers and administrative personnel involved in child-care programs, to recruit and train low-income parents for child-care positions, to provide specialized training in early childhood education for certificated teachers who are unemployed, to train information and referral workers, to train persons providing services to handicapped children, immigrant children, and children with limited English-language proficiency, and to develop and improve teacher certification criteria for child-care programs.

(2) The Secretary is authorized to provide technical assistance to States in planning, developing, and conducting child-care services, in the development, expansion, and improvement of child-care programs, and in the development and conduct of teacher or child-care-provider training programs with special attention to the factors described in paragraph (1) of this subsection.

(3) A grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

ALLOTMENTS

Sec. 9. (a) From the sums appropriated pursuant to section 14 (a) for each fiscal year, the Secretary shall allot not more than one per centum among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Commonwealth of the Northern Mariana Islands according to their respective needs.

(b) From the remainder of such sums, the Secretary may allocate

(1) to each State the amount which bears the same ratio to 50 per centum of such remaining funds as the number of children living in households having incomes which are below equal to the median income of the United States for families of the same size, as determined in accordance with criteria established by the Secretary, in such State bears to the number of such children in all States.

(2) from the amount which bears the same ratio to 50 per centum of such remaining funds as the number of children who reside in households having incomes which are below equal to the median income of the United States for families of the same size, as determined in accordance with criteria established by the Secretary, in such State bears to the number of such children in all States.

For the purpose of this subsection, the term "State" means the 50 States, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(c) That portion of any State's allotment under subsection (a) for a fiscal year which the Secretary determines will not be required for the period such allotment is available shall be available for reallocation from time to time, at such date or dates during such period as the Secretary may fix to other States in proportion to the original allotment of such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum of the Secretary's estimates will be needed in such State and will be used for such period for carrying out State plans approved under this Act, and the total amount by which such funds are reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated under this subsection during a year shall be deemed part of its allotment under subsection (a) of this section for such year.

PAYMENTS

Sec. 10. (a) From the amounts allotted to each State under section 9 of this Act, the Secretary shall pay to each State having a plan approved by him under section 4 a grant in an amount equal to the total sums to be expended by the State under the plan for the fiscal year for which the grant is to be made.

(b) Payments under this Act may be made in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

WITHHOLDING OF GRANTS

Sec. 11. Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State, finds

(1) that there has been a failure to comply substantially with any provision or any required set-in-rental that State approved under section 4; or

(2) that in the operation of any program or activity of such plan, there is a failure to comply substantially with any applicable provision of this Act, the Secretary shall notify the State that no further payments may be made to such State under this Act (or in the discretion of the Secretary, payment to the State shall be limited to programs or projects under the State plan or portions thereof, not affected by such failure) until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

REVIEW AND EVALUATION

Sec. 12. (a) The Secretary shall make reviews and evaluations of programs and activities carried out under this Act (to be conducted by persons not directly or indirectly involved in administration of the programs or activities to be reviewed or evaluated) and conduct studies of child-care needs for the purpose of providing information needed as

(1) enabling the Congress and the Executive Branch to agree upon specific, realistic objectives and its likelihood of achievement for programs and activities carried out under this Act;

(2) determining whether the programs and activities established and carried out under this Act at the Federal, State, and local levels will be likely to achieve progress toward such objectives and expectations; and

(3) assuring that sufficient data necessary to ascertain such progress is collected and made available to the Congress and the Executive Branch.

(b) In carrying out reviews, evaluations, and studies under this section, the Secretary shall

(1) ascertain the specific objectives and expectations for achievement regarding programs and activities carried out under this Act of appropriate managers and policymakers in the Executive Branch and of appropriate committees of the Congress;

(2) compare the objectives and expectations for achievement with the actual operation and results of programs and activities included in the actual operation and results of such programs and activities at the Federal, State, and local levels;

(3) compare the objectives and expectations for achievement with the actual operation and results at the Federal, State, and local levels;

(4) determine how the results of such reviews, evaluations, and studies can best be disseminated and utilized to achieve the program described in subsection (a) of this section; and

(c) The Secretary shall prepare and transmit to the President and the Congress on or before March 1 of each year a concise report containing

(1) a statement of specific, realistic objectives and expected progress toward such objectives over the next year for the programs and activities carried out under this Act, and a statement relating to the expected progress toward such objectives;

(2) the results of all comparisons made under subsection (b) of this section, including comparisons necessary for judging the effectiveness with which such State plans, and objectives of such plans, are carried out at the State and local levels;

(3) the results of efforts under subsection (b) of this section, including recommendations (or both) with respect to any legislative action deemed necessary or desirable for achieving the purposes set forth in subsection (a) of this section; and

(4) plans for reviews, evaluations, and studies under this section for the ensuing year, including a statement detailing the programs and activities (or parts thereof) carried out under this Act to be the subject of such reviews, evaluations, and studies.
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the expiration of three years after the completion of a program, project, or activity authorized under this Act, or in the case of any Federal facility referred to in the provisions of this Act, in the possession of the Secretary or the Comptroller General may be related or pertinent to the grants authorized to be made under this Act.

DEFINITIONS

Sec. 13. As used in this Act—

(1) "child" means any individual who has not attained the age of fifteen;

(2) "parent" includes any natural parent, foster parent, or legal guardian with whom the child resides;

(3) "Secretary" means the Secretary of Health, Education, and Welfare; and

(4) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

Sec. 14. (a) There are authorized to be appropriated for fiscal year 1980 and for each of the four succeeding fiscal years such sums as may be necessary for carrying out the provisions of this Act. Of the sums so appropriated—

(i) 50 per centum shall be used for making grants under section 4, relating to grants for carrying out the State plan; 5 per centum shall be used for making grants under section 6, relating to demonstration projects; 5 per centum shall be used for making grants or contracts under section 8, relating to the provision of training for day care personnel; 10 per centum shall be used for carrying out the provisions of sections 8, 9, and 10; and 15 per centum shall be used for carrying out the provisions of sections 9, 10, and 11.

(b) No funds are authorized to be appropriated for any fiscal year unless funds appropriated for the preceding fiscal year are carried forward to and used for the current fiscal year.

(c) No fiscal year shall be entitled to receive any funds under this Act, if such year has not been preceded by a fiscal year for which there was an appropriation for not less than 100 per centum of the amounts authorized to be appropriated for such fiscal year.

Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator C ранстон, in considering the Child Care Act of 1979, a measure designed to improve and expand quality child care services to children and their families in this country. Essentially, this legislation embodies many of the recommendations that were made by witnesses that testified before the Subcommittee on Child and Human Development on child care issues during the 95th Congress. The Senate Committee on Human Resources, Subcommittee on Child and Human Development held extensive hearings examining the role of the Federal Government in child care to determine what changes should be made to make the ongoing effort more responsive to those who must find acceptable or undesirable care facilities or who must find ways to care for their children, and those who cannot afford them without assistance.

As we all know, the Federal Government has long been involved in the provision of child care services. The purpose is to provide critical child care services to American families has been intense, but struggle falls far short of meeting the ever-burgeoning needs in this area. Senator Cранстон has ably demonstrated in his statement that millions of children of all ages are in need of appropriate child care services because of working parents.

Statistics released by the U.S. Department of Labor in March of 1977 and data from DHEW in 1978 estimate that there were 6.4 million children in the Nation under the age of 5 years whose mothers worked. This data also illustrates that there are 22.4 million children from 6 to 17 years of age whose mothers work. In light of this data, it can be shocking that even today there are only 1.6 million licensed child care openings available in the entire country. The programs are overtaxed, insufficient, and often result in young children that are left alone without any supervision whatsoever.

An evaluation of current Federal activities reveals that there is a scarcity of assistance to low-income working families. While struggling to stay off of welfare assistance and in the labor force, these low-income families find the door to well-deserved quality child care care closed. Unfortunately, the approach to child care for low- and moderate-income families has been scattered or fragmented at best. To address this problem, the Child Care Act of 1979 has been drafted to assist in improving the coordination and quality of child-care programs on the local, State, and Federal level. This measure would also seek to promote a diverse selection of quality child-care services for all children and families who need such services.

The need for an implemented effort to expand child care services is undeniable. In my own State of New Jersey, child care advocates have been strident in their commitment to improve and expand existing child care services. The consensus is, there is a need for an increased role of the Federal Government to expand existing child care services. To illustrate, Commissioner Ann Klein, of the Department of Human Services stated:

"We believe that the greatest need of this State, and others, is for a general increase in the level of Federal support for day care programs."

Day care services in New Jersey have expanded over the past decade, but the demand for child care services, for low and moderate working women has catapulted out of sight. While there is insufficient data to pinpoint the exact extent of the need in New Jersey, Commissioner Klein stated in her testimony before the Subcommittee on Child and Human Development:

"One study conducted during April through June 1978 by the New Jersey Department of Human Services estimated that there were 250,000 children in the single working mother child care category and 1 million children in need for some type of day care. This group was described as having the "severest need" because of the correlation of working conditions and the difficulties of one-adult, poor families and all kinds of social pathology from child abuse to children in trouble with the police."

Another study conducted in three communities in Union County, New Jersey, revealed that 51 percent of the children age 12 or younger needed some form of day care. In this study, 77 percent of the mothers who were employed during the past year said they needed day care, and 42 percent had problems with day care that interfered with their employment.

A provision in this new bill would address this problem of insufficient data and would facilitate the assessment of the need for child care services throughout the country.

In Newark, N. J., it is estimated that at least 50,000 children are in need of full-time child care because of working parents in training. Subcommittee witness, Rebecca Doggett Andrade of the Tri-City Citizen Union for Progress, Inc., stated: "This figure includes parents who would like early childhood programs for educational and social purposes. Nor does this figure include any calculation of how many of the 77,000 children in public school need after-care."

In the past, the consideration of child development legislation invoked the protest of individuals that interpreted that approach to abrogate or interfere with the rights and responsibilities of parents in the rearing of their children. As an example, the proposed child care bill is based on the assumption that the rearing of the child is a significant influence on children and one of the most important institutions in our country, and would in no way interfere with the rights and responsibilities of the family. In fact, an essential provision of the bill ensures the protection of parental rights and declares:

"Nothing in this Act shall be construed to authorize any public agency or provide non-profit organization or any individual associated thereto to interpret or, in any way, interfere with, or to intervene in, the child rearing decision of parents."

Grace Ibanez de Friedman of the Puerto Rican Congress, another New Jersey witness, states before the Child and Human Development Subcommittee:

"Good child care involves the parent intimately. He/she should make policy decisions about who should care for and help develop the child and under what conditions."

Fundamentally, the bill is fashioned to strengthen the functioning of families by seeking to assure that parents are not forced to place a child in an unacceptable or undesirable care facility or arrangement because they lack of adequate facilities or resources.

Mr. President, I believe that the adoption of this comprehensive child care bill can provide the needed initiative to:

- upgrade existing child care programs;
- expand child care eligibility criteria to include those groups most in need of such services;
- improve the coordination of the myriad overlapping child care programs; increase the level of funding to the States for the development and expansion of child day care services to day care programs across the country. This bill represents a sound and realistic approach to a vital national problem.

Mr. RIEGLE. Mr. President, I am
pleased to join with Mr. CRANSTON in introducing the Child Care Act of 1979. Our bill provides essential assistance and coordination in improving the quality and quantity of child care services, especially for children with working parents. As members of the Subcommittee on Child and Human Development during the 95th Congress, Chairman CRANSTON and I have confronted the problems of millions of American families where both parents work outside the home. Many child development specialists have advocated varied programs to deal with this problem, but congressional inaction has resulted only in a dearth of workable programs designed to improve child care services. The Child Care Act of 1979 is a comprehensive approach that I feel will be effective, efficient, and, most of all, humane through targeting assistance to families with working parents.

Millions of children with either both parents or their only parent working require some form of assistance, especially through arrangements that accommodate single-parent families. Parents deserve assurances that their children will be safe and well cared for. The cost of the individual family can afford.

One of the most important features of this bill is the clear protection of parental rights, enforcing our national tradition against intervention in parental child-rearing decisions. In addition, parents and their representatives will participate in State and National advisory panels to assure that their needs and those of the children being served, are met.

The Congress has historically reflected the need for child care services in this Nation. In so doing, we have ignored the cry of need to improve the environment for developing our greatest natural resource—our children.

Mr. McGOVERN. Mr. President, I am pleased to be a cosponsor of the "Child Care Act of 1979". In this, the International Year of the Child, I cannot think of a better day than today to demonstrate our commitment to children than to offer legislation enabling parents to provide their children with the best care possible.

I commend Senator CRANSTON for seeing the need for such services and working to create what I feel is a much needed service for children and families. This bill requires States to develop or participate in a program authorized by the Child Care Act, to develop a plan which will best meet the needs for child care services in the State for sponsored children and school-age children. Among other things, it requires coordination at all levels of government with other child care programs and services, and promotes a diversity of child care arrangements.

I am pleased that this bill also provides for mechanisms to assess the extent of the need for child care services in this country, at the State and Federal level, and at the State and Federal level, has been throwing money at programs with little justification for their need. At a time when fiscal austerity is uppermost in people's minds, child care advocates must have the hard facts as to why our policies are needed.

It is exciting to think that in a few years we will have a coordinated national child care plan and would we know how many children needed child care, how many were receiving care, the type of care received, and the effects of that care have on the family. Our commitment to children should be such that each State is aware of the needs of children and families and have coordinated efforts to see that families are receiving these services.

By Mr. CHILES:

S. 5. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Government Affairs.

Mr. CHILES. Mr. President, today, I am introducing the Federal Acquisition Reform Act. This legislation repeals the two laws governing procurement in Federal Government. Chasing replaces them with a single, modern statute which is designed to stimulate competition and encourage innovation.

The Federal Acquisition Reform Act builds on legislation, S. 1264, that I introduced during the 95th Congress. The Subcommittee on Federal Spending Practices held 5 days of hearings on S. 1264 and heard testimony from 20 witnesses representing the executive branch, the General Accounting Office, the academic community, the legal community, and the private sector. The Senate committee received more than 80 written comments on the bill from a wide range of interested parties. As a result of the hearings and comments, as well as extensive discussions with executive agencies and the General Accounting Office, the committee revised S. 1264, and the revised version was adopted by the Senate Governmental Affairs Committee and reported to the full Senate. At that time the Armed Services Committee expressed its interest in reviewing S. 1264. I am introducing this bill to that committee in order to benefit from the experience and expertise of the Defense Department's procurement activities has provided them with. A special working group, headed by Senator MORGAN and Senator GOLDWATER, conducted 2 days of hearings on the bill, but the Congress adjourned before the committee could take further action on the bill. During the last several months, the subcommittee has worked to accommodate the concerns raised during these Armed Services Committee hearings. I believe that these concerns have been handled in large part, and I am confident that, if any differences remain, they can be quickly resolved.

Senators have submitted their views on S. 1264 during the Armed Services Committee hearings, and his comments reflected a thoughtful, comprehensive, and balanced assessment of the bill. We have worked with the Senator from Wisconsin and his capable staff during the last several months and I feel that, as a result of our discussions, the bill has been and will continue to be improved.

The Federal Acquisition Reform Act was not drafted overnight. Its origins date back to the 2½ years of work by the Commission on Government Procurement. The Commission, a congressionally created bipartisan body composed of experts from the private sector and the public sector issued its final report in 1973. Later, a first effort to implement the legislative recommendations of the Procurement Commission by introducing a bill, S. 905. The bill was written, but the Congress adjourned before the full Senate and for enactment into law.

Before outlining some of the changes incorporated into this bill, let me say that the major objectives of the bill remain unchanged. This bill would consolidate and modernize the statutory framework governing Federal Government procurement, and establish a single, simple procurement regulation with Government-wide applicability. It vests the authority to regulate and enforce that regulation with one agency, the Office of Federal Procurement Policy, to ensure that the current fragmentation of procurement regulations does not recur.

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Finally, section 508 has been modified to require agencies to refer suspected contract violations to the Justice Department for appropriate action. It also now vests the responsibility for investiga-
tions in the Department of Justice, in order to ensure that there is an identifiable unit within the Government responsible for such inves-
tigations.

There are a number of laws and regu-
lations on the books today which allow action to be taken against persons who violate the law while participating in the acquisition process. The GSA investiga-
tions have shown that these laws simply
are not being enforced or even worse, that
no one seems to understand that such
laws exist. I have included new sanctions
in this legislation for these reasons. First,
I believe that a statute which established
basic policies and procedures for the Fed-
eral acquisition process should also con-
tain a mechanism which set our penalties
for violations of its provisions.

It helps assure that the implementa-
tion of new procurement procedures and
the enforcement of penalties of penal-
ing those procedures takes place at the
time, and establishes a link be-
tween the two from the contract. Sec-
ondly, it is important to iden-
tify who the Congress expects to en-
force these sanctions. By vesting a great
measure of this responsibility in agency
inspectors general and the FBI, we facili-
tate congressional oversight of the ac-
quisto process and create focal points
within the executive branch to which
allegations of violations may be referred.

I have also revised that provision of
the bill which deals with multiple award
schedules. Currently, GSA lists thou-
sands of items on multiple award
schedules, and the Government purchases
over $2 billion of mostly commercial
supplies each year through these sched-
ules. The recent investigations into the
purchasing practices of GSA have re-
vealed serious problems with the opera-
tion of the multiple award schedule
program, and have indicated that a more
effective program could have saved the
Government a significant amount of
money. I want to stress that the lan-
guage in the bill today is by no means
set in concrete. It simply indicates the
direction in which I think the Govern-
ment needs to move on multiple award
schedules. I believe that the present sys-
tem could be vastly improved by reduc-
ing the number of items on the sched-
ules, by stressing price, not discounts, as
the basis for awards, and by creating
stringent justification procedures when-
ever an agency wants to use anything
but fixed-priced items. The General
Accounting Office is reviewing the cur-
rent multiple award schedule program,
and plans to have a study completed some-
time this spring. I have begun to look
at the procurement system of our States
to see how they operate, and to de-
termine if there are lessons the Fed-
eral Government can learn from the
States. One important step we should
take is to stress market research and
analyses in Federal purchasing. The Fed-
eral Government ought to look be-
fore it leaps, so to speak, and that means
using market research to estimate the
cost of the Federal Government's what
products can meet these needs, who sells
these products and how they can be most
effectively obtained.

There have been many discussions in com-
petitive negotiations which is in section
303 of S. 1294 has been modified. As
revised, it now strikes a balance by per-
mitting full and meaningful discussions
during negotiations while prohibiting
those abusive practices, like auctioneer-
ing and technical leveling, which have
compromised the integrity of the system
and led to buy-ins and cost overruns in
the past.

The issue of U.S. purchases from for-
egien governments and interested organi-
zations has not been addressed in the
bill. I understand the concern certain
executive agencies, especially the De-
partment of Defense, have over the ab-
ence of such a provision.

As I have indicated in the past, how-
ever, the impact such a provision would
have on efforts to achieve a measure of
common sense in our relationship with our
NATO partners makes it appropriate
that any proposal be reviewed by the
Armed Services Committee. I understand
discussions are under way to correct
this into this very problem and I would plan
to give great weight to any proposals
it makes to resolve this important

In the last fiscal year the Federal Gov-
ernment spent over $50 billion on the
purchase of supplies and services in more
than 100 million contract actions. The
Defense Department alone used more
than 35,000 persons in over 600 offices
in spending $85.2 billion for the acquisi-
tion of products and services. Yet, these
activities, which are immense in scope
and in economic impact, are controlled
by two different 30-year-old laws, each
of which has been amended at different
times without regard to the other. Fur-
thermore, past reforms in procurement
have focused on a particular aspect of
the process, or have attempted to redress
a symptom of the system. This
fragmented approach has resulted in a
dual regulatory system, one for the mil-
tary agencies and another for civilian
agencies. Studies by the Commission on
Government Procurement revealed more
than 30 troublesome inconsistencies be-
tween the two regulatory systems.

For example, major inconsistencies in-
clude:

Competitive discussions: The Armed
Services Act requires but the Federal
Property Act does not, that proposals for
negotiated contracts be solicited from
a maximum of qualified sources, and that
discussions be conducted with all sources
in a competitive range.

Truth in negotiations: The Armed
Services Act requires but the Federal
Property Act does not, that contractors
and subcontractors submit cost or pricing
data.

Negotiation authority for research and
development: Both acts require agency
head approval to negotiate research and
development contracts. Under the
Armed Services Act someone below the
head of the agency can approve con-
tracts up to $100,000. Under the Fed-
eral Property Act, the limit is $25,000.

Negotiation of certain contracts in-
volving high initial investments: The
Armed Services Act includes, but the
Federal Property Act excludes, the expec-
tation to the advertising requirement for
negotiating certain contracts requiring
high initial investment.

Specifications accompanying invita-
tions for bid: The Armed Services Act
states that an inadequate specification
makes the procurement invalid. Com-
parable language is not found in the
Federal Property Act.

I could go on for hours citing other
examples of restrictions, inconsistencies,
and areas for which there is no guidance
whatsoever. These inconsistencies have
been magnified in the flowdown from
statute to regulation to actual practice.
This cripples the Government by creat-
ing confusion and paperwork with acts
inhibit many businesses, especially
small ones, from competing for Govern-
ment contracts.

This procurement reform legislation
seeks to substitute effective competition
for regulation in Federal spending.

Nearly everyone shares the popular
resentment over Government regula-
tions, but no one has estimated the damage
greater than in Federal contracting.

But although it is popular to call for
eliminating Government regulations, we
have to think for a moment. These regu-
lations grew for an apparent reason: To
achieve gain control and accountability. In Fed-
eral spending practices, the regulatory
controls grew, I believe, because effecti-
ve competition was dying as the pri-
mary control mechanism.

It is not enough to eliminate regula-
tions, we need to put effective competi-
tion back to work in their place. That is
why the new contracting legislation is
aimed at relieving a range of Govern-
ment surveillance requirements—but
only for those companies who operate in
a competitive environment.

I believe however, that the business com-
plaints about being buried under Govern-
ment paperwork, private firms should
welcome this approach. Contractors who
do business with the Federal Govern-
ment have to stand up and be
counted in the harsh light of open com-
petition, however, and I am afraid our
current contracting policies have got-
ten some big contractors' eyes adjusted
to doing business by cost-plus candle-
light.

The bill also seeks to design Federal
spending practices to unleash a techno-
onic offensive to meet the Nation's needs.

Unless and until we can begin to un-
stack the layers of managers and man-
agement from Congress on down, and un-
less and until we begin to open com-
petition to work instead of enforced
regulatory stagnation, and unless and
until we do these things—we are going
to fail to use the most valuable and scarce
natural resource: the cre-
ative talent of American businesses.

Talk about American industrial pro-
ductivity. Talk about standard of living.
Talk about agricultural output. Talk about balance of trade and strength of the American dollar shifting military balance. Talk about any of these things, and the odds are that one word will constantly appear: technology. New products and new services to meet growing needs.

Federal spending practices set the economic tone for this country. They set the rules by which major corporations lean to do business, especially high technology firms which are heavily, if not totally, dependent on Federal nourishment.

This new Federal acquisition legislation is designed to convert those Federal spending practices from insensible inhibitions into positive promoters of new technology. It is founded on the proposition that the Federal Government ought to contract with the person offering the best product at the lowest price, not the fellow most adept at filling out forms.

Mr. President, I ask unanimous consent that the bill be placed in the Recorn at this point.

There being no objection, the bill was ordered to be printed in the Recorn, as follows:

S.8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

Section 1. Short Title.—This Act may be cited as the “Federal Acquisition Reform Act.”

(b) Table of Contents.—

Sec. 1. Short title; table of contents.
Sec. 2. Declaration of policy.
Sec. 3. Definitions.

—REGULATORY GUIDANCE

Sec. 101. Acquisition methods.
Sec. 102. Regulatory compliance.
Sec. 103. Contracting Officers Compliance Code; Enforcement.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

Sec. 201. Criteria for use.
Sec. 202. Invitation for sealed bids.
Sec. 203. Evaluation, award, and notifications.

TITLE III—ACQUISITION BY COMPETITIVE NEGOTIATION

Sec. 301. Criteria for use.
Sec. 302. Solicitations.
Sec. 303. Evaluation, award, and notifications.

Sec. 304. Noncompetitive exceptions.
Sec. 305. Price and cost data and analysis.
Sec. 306. Access and record keeping by Executive Agencies and the Comptroller General.

TITLE IV—ACQUISITION BY SIMPLIFIED SMALL PURCHASE METHOD

Sec. 401. Criterion for use.
Sec. 402. Solicitations and awards.

TITLE V—GENERAL PROVISIONS

Sec. 501. Contract types.
Sec. 502. Warranty against contingent fees.
Sec. 503. Cancellations and rejections.
Sec. 504. Multiyear contracts.
Sec. 505. Advance, partial, and progress payments.
Sec. 506. Remission of liquidated damages.
Sec. 507. Determination and findings.
Sec. 508. Enforcement and Penalty.
Sec. 509. Government surveillance requirements.
Sec. 510. Maintenance of regulations.
Sec. 511. Payment of funds due.
Sec. 512. Publication of information.
Sec. 513. Revisions of thresholds.
Sec. 514. Sunset for specifications.
Sec. 515. Minimum business participation.
Sec. 516. Limitation on contract claims.

TITLE VI—DELEGATION OF AUTHORITY

Sec. 601. Delegation within an executive agency.
Sec. 602. Joint acquisitions.

TITLE VII—PROTESTS

Sec. 701. Purpose.
Sec. 702. Jurisdiction.
Sec. 703. Proceedings.
Sec. 704. General provisions.
Sec. 705. Finality of review.

TITLE VIII—APPLICATION OF SUBSEQUENT LAWS

Sec. 801. Applicability.
Sec. 802. Separability.

TITLE IX—AMENDMENTS AND REPEALS

Sec. 901. Amendments.
Sec. 902. Repeals.

DECLARATION OF POLICY

Findings

Sec. 2. (a) The Congress hereby finds that—

(1) the laws controlling Federal purchasing have become outdated, fragmented, and needlessly incorporate inhibitions into positive promoters of new technology.

(2) these deficiencies have contributed to significant inefficiency, ineffectiveness, and waste in Federal purchasing.

(3) a new consolidated statutory base is needed, as recommended by the Commission on Government Procurement.

(4) further, existing statutes need to be modernized to focus on effective competition and new technology in that—

(a) national productivity rests on a base of competitive industry applying new technology in its goods and services; and

(b) Federal spending practices can encourage the Nation’s business community by stimulating effective competition and the application of new technology.

Policy

Sec. 2. (b) It is the policy of the United States that when acquiring property and services for the use of the Federal Government, the Government shall, whenever practicable rely on the private sector, and shall act so as to—

(1) meet public needs at the lowest total cost;

(2) maintain the independent character of private enterprise by substituting the incentives and constraints of effective competition for regulatory controls;

(3) encourage innovation and the application of new technology as a primary consideration by stating agency needs and analyzing the markets of prospective suppliers will have maximum latitude to exercise independent business and technical judgments in offering a range of competing alternatives;

(4) maintain and expand the available Federal supply base by judicious acquisition practices designed to assure Government contracting with new and small business concerns to the maximum practicable extent;

(5) make review of review and examination of those pertinent Federal laws and regulations applicable to the awards of contracts; and those contracts that may impact the performance of contracts, including, for example, Federal laws and agency rules relating to air and water environment, and to occupational safety requirements;

(6) provide opportunities to minority business firms to grow through Government contracts;

(7) initiate large scale productions only after the item, or equipment to be acquired has been proven adequate by operational testing;

(8) provide contractors with the opportunity to earn a profit on Government contracts commensurate with the economic cost of meeting public needs and comparable to the profit opportunities available in other markets requiring similar investments technical and financial risks and skills;

(9) rely on and promote effective competition; to assure the efficient Federal government of alternative offers that provide a range of concept design performance, price, total cost, service, and delivery, so that the competitive entry of new and small sellers. Effective competition is generally characterized by—

(A) timely availability to prospective sellers of information required to respond to agency needs;

(B) independence of action by buyer and seller;

(C) efforts of two or more sellers, acting independently of each other, to respond to an agency need by creating, developing, demonstrating, or offering products or services that those already in existence or must be created, developed, demonstrated, and evaluated. Acquisition inclusions such as cost functions as determinations of the particular agency need; solicitation; selection of sources; award of contracts; contract financing; contract performance; and contract administration.

The term “executive agency” means an executive department as defined by section 101 of title 5, United States Code; for an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5 United States Code; the United States Postal Service, the Tennessee Valley Authority or the Bonneville Power Administration.

The term “agency head” means the head of an executive agency as defined in subsection (b).

The term “contracting officer” means any person who, either by virtue of his position or by appointment in accordance with applicable regulations, has the authority to enter into and administer contracts and make determinations and findings with respect thereto. The term also includes the authorized representative of the contracting officer, acting within the limits of his authority.

The term “property” includes personal property and leaseholds and other interests therein, but excludes real property in being and leaseholds and other interests therein.

The term “total cost” means all resources consumed or to be consumed in the property being acquired or used by the enterprise. It may include all direct, indirect, recurring, nonrecurring, and other related costs incurred in design, development, test, evaluation, production, operation, maintenance, disposal, training, support of use, and its useful life span, whether each factor is applicable.
businesses to the acquisition of property and services and to insurance compliance within the Department of Justice. Any violation of the code of conduct by a contracting officer shall be reported to the Attorn­
y general of the United States. The Director of the Office of Federal Procurement Policy shall, in connection with any investiga­
tion under paragraph (1), the Inspector General of the United States, the Committee on Government Operations of the House of Representatives, and the Committee on Government Operations of the Senate. Each executive agency shall provide­
ning the methods of investigations conducted under subsection (c).
(2) The Office of Federal Procurement Policy shall review the reports received under paragraph (1) and shall compile and submit to the Congress a report on the investiga­tions conducted under subsection (c) by all executive agencies and their disposition, together with any recommendations for legis­
lation which might be appropriate.
(1) At the close of each calendar year the Office of Federal Procurement Policy shall report to the Congress and the Office of Federal Procurement Policy.

102. REGULATORY GUIDANCE

ACQUISITION METHODS

Sec. 101. Except as otherwise authorized by law, an executive agency shall acquire property or services in accordance with the cri­
terions set forth in this Act.

REGULATORY COMPLIANCE

Sec. 102. (a) (1) The Administrator for Federal Procurement Policy shall establish guidelines and standards for contracting officers, as provided by the appropriations Acts and contracts and services which must conform to it if it is to satisfy its intended use.

(b) The term "unsolicited proposal" means a written offer to perform a proposed effort, submitted to an agency by an in­
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dividual or organization solely on its own initiative, with the objective of obtaining a contract, and not in response to an agency request for proposals.
solicitation may be restricted to concerns eligible to participate in small business set-asides or other such authorized programs.

(b) (1) Each solicitation shall include both the evaluation factors and the manner in which the importance of all significant factors to be used during competitive evaluation and for final contract selection, if the solicitation is determined as a primary or significant factor, the Government’s evaluation shall be based only on those factors on the total cost to meet the agency need.

(2) Any changes in the evaluation factors or the relative importance of such factors shall be communicated promptly in writing to all offerors.

(c) To the maximum extent practicable and consistent with agency needs, solicitations shall encourage effective competition by:

(1) setting forth the agency need in functional terms so as to encourage the application of a variety of technological approaches and elicit the most promising competing alternatives;

(2) not prescribing performance characteristics based on a single approach, and

(3) not prescribing technical approaches or innovations obtained from any potential competitor.

(d) If either the Government or an offeror identifies inadequacies in the solicitation which would prevent the submission of offers on a cost basis for the agency’s needs or requirements, clarification of intent shall be made to all offerors in a timely manner on an equal basis.

(e) The preparation and use of detailed product specifications in a solicitation shall be subject to prior approval by the agency head. Such approval shall include written justification to be made a part of the official contract file, delineating the circumstances which preclude the use of functional specifications and which require the use of detailed product specifications.

EVALUATION, AWARD, AND NOTIFICATIONS

Sec. 305. (a) Written or oral discussions shall be conducted with all offerors who submit proposals in a competitive range. An initial offer may be accepted without discussion when it is clear that the agency need would be satisfied on fair and reasonable terms without such discussions, and the solicitation has advised all offerors that award may be made without discussions. Discussions shall not disclose the strengths or weaknesses of any other propose, and all resultant technical approaches or innovations obtained from any potential competitor.

(b) When awards are made for alternative approaches selected on the basis of the factors contained in the solicitation, whether for design, development, demonstration, or delivery, the contractors shall be sustained in competitive position through the use of all pertinent technical evaluation techniques are strictly prohibited. Acquisition techniques include, but are not limited to, indicating to an offeror a price which might be met to obtain further consideration, or informing him that his price is not low in relation to another offeror, or making multiple requests for best and final offers.

(c) Until selection is made, information concerning the award shall not be disclosed to any offeror having management responsibilities, except that offerors who are eliminated from the competition may be informed prior to awards.

(d) A contract shall be awarded to one or more responsible offerors whose proposal(s), as evaluated in accordance with the terms of the solicitation, provide the Government with the greatest advantage. The Government, notification of award to all unsuccessful offerors shall be made with reasonable promptness.

(e) Notwithstanding any other provision of this Act, the use of multiple award type schedules is authorized. However, competitive methods shall be used: (1) to limit the number of items subject to negotiation or contract award in the same solicitation, and (2) to obtain the lowest competitively priced items which meet the minimum essential requirements of the Government.

NONCOMPETITIVE EXCEPTIONS

Sec. 304. (a) Compliance with the procedures prescribed in sections 302 and 303 is not required if the solicitation (1) states the preferred means of acquisition from an unsolicited proposal, or if the agency head determines that it is in the best interest of the Government to enter into a noncompetitive contract:

(1) That such determination, together with the reasons therefor, is in writing, and conforms with regulations issued by the Administrator for Federal Procurement Policy, pursuant to sections 305 and 306, and if (1) and

(2) (A) for all contracts except those stemming from the acceptance of an unsolicited proposal, such a contract shall be publicized pursuant to section 512 at least thirty days in advance of solicitation of an offer from the prospective contractor; or, at least thirty days in advance of the proposed award date, when earlier notice is impracticable. Such notice shall include a description of the property or services to be acquired, the name of the prospective source, and the objective of the work, and the reason for selection of the source. If, after such notice, other sources demonstrate an ability to meet the required capability, the solicitation or an invitation for sealed bids shall be issued to all such prospective offerors; or

(B) in the case of those contracts stemming from the acceptance of an unsolicited proposal, notice of intent to award such a contract shall be made to all offerors in a competitive range on or prior to award pursuant to section 512 of this Act. Such notice shall include a description of the property or services to be acquired, the name of the prospective source, and the time for accomplishment of the work:

(c) To the maximum extent practicable and consistent with agency needs, solicitations shall encourage effective competition by:

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(1) Whenever the price of a negotiated prime contract or a price adjustment pursuant to a contract modification is expected to exceed $50,000, notification or an invitation for sealed bids shall be issued to all such prospective offerors;

(2) for any subcontract price or price adjustment pursuant to a modification thereto for which price data are required by the Administrator for Federal Procurement Policy pursuant to this Act, to be used to analyze and evaluate the reasonableness of:

(a) A subcontract price—where evaluation of subcontract proposals is required to assure the reasonableness of the prime contract price, or

(b) A subcontract price adjustment pursuant to a prime contract modification.

(3) Except as provided in subsection (b) (2), cost data shall be obtained and cost analysis techniques used to analyze and evaluate the reasonableness of:

(a) A subcontract price—where evaluation of subcontract proposals is required to assure the reasonableness of the prime contract price, or

(b) A subcontract price adjustment pursuant to a prime contract modification.

(3) Except as provided in subsection (b) (2), cost data shall be obtained and cost analysis techniques used to analyze and evaluate the reasonableness of:

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tractor and his subcontractors which involve tractors and the contract, subcontract, or con-
tract or to the amendment thereof, in-
cluding all such books, records, and other data that the contractor or subcontractor, or their successors in interest, has or may acquire, concerning performance of the contract or subcontract.
(b) Until three years after final payment under a contract or a subcontract negotiated or administered by the Comptroller General of the United States or his author-
ized representative is entitled to inspect the plans and specifications, drawings, documents, or other papers, records, or other data of the contrac-
tor and his subcontractors which directly per-
tain to and involve transactions relating to the negotiation, pricing, or performance of the contract or subcontract.
(2) If the provisions of subsection (b) may be waived for any contract or subcon-
tact with a foreign contractor or subcontract-
tractor, it shall be in accordance with regulations, or orders as the Administrator for Federal Procurement Policy shall prescribe the pro-
duress to be utilized by the agencies for the simplified small purchase method.
(b) The contracting officer shall choose the method for the acquisition of property or services under subsection (a) which is most advantageous to the Government.
(c) A contracting officer may not, for the purpose of utilizing the simplified small purchase method permitted under subsection (a), divide a contract with a total anticipated contract price in excess of $10,000 into smaller contracts which each have an anticipated contract price of less than $10,000.

SOLICITATIONS AND AWARDS
Sec. 402. The contracting officer shall use the simplified small purchase method est-
ablished pursuant to this title to obtain competition to the extent practicable, and may award the contract to the offeror whose offer is most advantageous to the Government. The contracting officer shall not be bound to advertise a contract or to award it on the basis of the lowest price.

The preferred contract type shall be fixed price consistent with the nature of the work to be performed and the risk to be assumed by the Government and the con-
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tector.
submitted on ---, 19--, under section 505 (e) of the Federal Acquisition Act of 1979, the blank spaces therein being appropriately filled.

(3) For the purposes of this subsection—
(A) continuity of session is broken only by an adjournment sine die; and
(B) the days on which either House is not in session at adjournment and more than three days to a day certain are excluded in the computation of calendar days of continuous session.

REMISSION OF LIQUIDATED DAMAGES
Sec. 506. Upon the recommendation of the Agency head, the Comptroller General of the United States may permit, all or a portion of, any liquidated damages provided by the contract for delay in performing the contract.

Sec. 507. (a) Determination, findings, approvals, and decisions provided for by this Act may be made with respect to contracts individually or with respect to classes of contracts and shall be final.

(b) Each determination, approval, or decision, and findings, shall be in writing and shall be retained in the office of the Contracting Officer.

ENFORCEMENT AND PENALTY
Sec. 508. (a) If the contracting officer or any other agency employee has reason to believe that a proposed offer, offer, or contract has been made by a contractor in carrying out the provisions of a contract or subcontract or amendment thereto evidences a violation of the criminal or antitrust laws, the matter shall be referred, in accordance with the procedures prescribed by the Attorney General, to the Attorney General of the United States for appropriate action.

The agency head shall render needed assistance to the Attorney General in any investigation and prosecution commenced in connection with activities under this Act.

The Federal Bureau of Investigation is primarily responsible for the investigation of conclusive bidding and other improper conduct that evidences a violation of the criminal or antitrust laws. The matter shall be referred, in accordance with the procedures prescribed by the Attorney General, to the Attorney General of the United States for appropriate action.

(c) The waiver provided for in 509(a) shall not affect the General Accounting Office access-to-records authority as set forth in section 306 of this Act.

MAINTENANCE OF REGULATIONS
Sec. 510. Notwithstanding any provision of law, an agency, including an executive agency, may make any determination, finding, decision, or order in effect on or before the date of enactment of this Act which is affected by any provision of or amendment or repeal made by this Act, shall remain in effect until the earlier of—

(1) its repeal by the Administrator for Federal Procurement Policy or
(2) the date two years after the date of the enactment of this Act.

An agency shall not amend any regulation referred to in the preceding sentence without the prior approval of the Administrator.

PAYMENTS OF FUNDS DUE
Sec. 511. A clause shall be included in every contract awarded by the United States pursuant to this Act which shall provide for interest to be paid by the Federal Government to the contractor on any amount due to the contractor for more than thirty days.

Interest shall accrue and be paid at a rate which shall be determined by the Secretary of the Treasury, taking into consideration current private commercial rates of interest for new loans maturing in approximately one year.

PUBLICATIONS OF INTENT
Sec. 512. It shall be the duty of the Secretary of Commerce, and he is empowered, to obtain notice of all proposed acquisitions of above $10,000, from any executive agency engaged in acquisitions in the United States; and to publish such notices in the daily publication "United States Department of Commerce Synopsis of the United States Small Business Administration, Office of Sales, and Contract Awards", immediately after the necessity for the acquisition is established; except that nothing herein shall require publication of such notices with respect to those acquisitions—

(1) which for security reasons are of a classified nature; or
(2) which involve perishable subsistence supplies, or
(3) which are for utility services and the acquiring agency in accordance with applicable law has declared its concern with whom the award will be made; or
(4) which are of such unusual and compelling emergency that the Government would be seriously injured if notice were required to be published thirty days in advance of the proposed contract award date. In all cases, notice shall be published at the earliest practicable opportunity; or
(5) which are made by an order placed under a standing contract; or
(6) which are made from another Government department or agency, or a mandatory source; or
(7) for which it is determined in writing by the procuring agency, with the concur­rence of the Administrator of the Small Business Administration, that advance publicity is not appropriate or reasonable.

REVISIONS OF THRESHOLDS
Sec. 513. At least every five years beginning with the third year after enactment of this Act, the Administrator for Federal Procurement Policy shall review the prevailing costs of labor and materials and may revise the amounts stated in sections 305, 401, 509, and 512 or any price revisions thereof, not withstanding any other provision of law, to reflect an increase or decrease by at least 10 per cent in the costs of labor and materials. At least sixty days in advance of its effective date, the Administrator shall report to Congress any such revision which by itself or in cumulatively with other revisions, represents 50 per cent or more increase.

SUNSET FOR SPECIFICATIONS
Sec. 514. All specifications shall be reviewed at least every five years, and those which have been designated by the Administrator for Federal Procurement Policy as superseded shall be removed.

MINORITY BUSINESS PARTICIPATION
Sec. 515. The Administrator for Federal Procurement Policy is authorized and directed to initiate, in consultation with the Small Business Administration, periodic reviews of acquisition programs within the executive branch with the objective of making procurement programs more effective and assuring that minority businesses have full opportunity to compete for contracts.

LIMITATION ON CONTRACT CLAIMS
Sec. 516. Any claim by an executive agency against a contractor under a contract awarded or a contract awarded pursuant to this Act shall be made within six years from the date of final payment under the contract.

TITLE VI—DELEGATION OF AUTHORITY
DELEGATION WITHIN AN EXECUTIVE AGENCY
Sec. 601. Each agency head may delegate to the Secretary of Commerce, and he is empowered, to obtain notice of all proposed acquisitions of above $10,000, from any executive agency engaged in acquisitions in the United States; and to publish such notices in the daily publication "United States Department of Commerce Synopsis of the United States Small Business Administration, Office of Sales, and Contract Awards", immediately after the necessity for the acquisition is established; except that nothing herein shall require publication of such notices with respect to those acquisitions—

(1) which for security reasons are of a classified nature; or
(2) which involve perishable subsistence supplies, or
(3) which are for utility services and the acquiring agency in accordance with applicable law has declared its concern with whom the award will be made; or
(4) which are of such unusual and compelling emergency that the Government would be seriously injured if notice were required to be published thirty days in advance of the proposed contract award date. In all cases, notice shall be published at the earliest practicable opportunity; or
(5) which are made by an order placed under a standing contract; or
(6) which are made from another Government department or agency, or a mandatory source; or
(7) for which it is determined in writing by the procuring agency, with the concur­rence of the Administrator of the Small Business Administration, that advance publicity is not appropriate or reasonable.

JOINT AQUACULTURE
Sec. 602. (a) To promote the acquisition of property or services by one executive agency for another executive agency, and to facilitate joint acquisitions—

(1) the Agency head may, within his agency, delegate functions and assign responsi­bilities relating to the acquisition and contract award to another level, such as an Assistant Secretary or comparable level.

(2) the heads of two or more executive agencies may by agreement delegate acquisi­tion functions and assign responsi­bilities from one agency to another of those
agencies, or to an officer or employee of another of those agencies; and

(2) No more executive agencies may create joint or combined offices or exercise acquisition functions and responsibilities as if they were under the authority of the Comptroller General to settle the accounts of the United States under the Budget and Accounting Act, 1921, as amended. A copy of the decision shall be furnished to the interested party by the executive agency or agencies involved.

(c) There shall be no ex parte proceeding in protests before the Comptroller General unless such protest is filed with the General Accounting Office. A copy of the protest or document submitted shall be transmitted to the parties in controversy for their information. The protest shall contain the very reason alleged to vitiate the contract and shall be signed by his or his delegate and

shall be issued under the authority of the Comptroller General to settle the accounts of the United States under the Budget and Accounting Act, 1921, as amended.

(c) The Comptroller General is authorized to dismiss any protest he determines to be frivolous on its face, does not state a valid basis for protest.

(d) Where the Comptroller General has declared that a solicitation, proposed award, or award of a contract does not comport with law or regulation, he may further declare the entitlement of an appropriate party to bid and proposal preparation costs. In such cases the Comptroller General may remand the matter to the agency involved for a determination as to the amount of such costs.

Sec. 704. The Comptroller General shall issue such procedures, not inconsistent with this section, in the execution of the protest decision function. He may delegate his authority to other officers or employees of the General Accounting Office.

Sec. 705. Any person adversely affected or aggrieved by the action, the failure to act, of an agency, or of the Comptroller General, with respect to any award hereunder may obtain judicial review thereof to the extent sections 706 through 706 of title 5, United States Code, including determinations necessary to resolve disputed material facts or when otherwise appropriate.

Sec. 706. The Comptroller General shall have authority to decide any protest submitted by an interested party by any agency or Federal instrumentality. An interested party is a firm or an individual whose direct economic interest is affected by the award. At any time thereafter may obtain judicial review thereof to the extent sections 706 through 706 of title 5, United States Code, including determinations necessary to resolve disputed material facts or when otherwise appropriate.

Sec. 707. (a) The Agriculture Department Appropriation Act, 1923, is amended by striking out "in the open market", in the first proviso on the page forty-second Statutes at Large, page 12279.

(b) Section 101(d) and 104 of the Department of Agriculture Organic Act of 1944 (48 Stat. 1227, 482) are amended by striking out "in the open market".

(c) Section 2356(b) of title 10, United States Code, is amended by striking out the last sentence.

(d) Sections 4504 and 9504 of title 10, United States Code, are each amended by striking out everything after "United States" and inserting in lieu thereof a period.

(e) Sections 4508 and 9508 of title 10, United States Code, are each amended by striking out the second sentence.

(m) Clause (2) of section 502(c) of the Act of May 12, 1945 (70 Stat. 1701(b)(2)), is amended by striking out "without regard to section 3709 of the Revised Statutes", and inserting in lieu thereof a period.

(n) Section 502(e) of the Act of December 31, 1970 (84 Stat. 1784; 12 U.S.C. 1747k(b)), is amended by striking out "without regard to section 3709 of the Revised Statutes", and inserting in lieu thereof a period.
tion 5 of title 41" and inserting in lieu thereof of the "Federal Acquisition Act of 1977" and by deleting the amount of such contract exceeds $1,000.

(1) Section 5002 of title 38, United States Code, is amended by inserting the comma after "work" and striking out the remainder of the section.

(2) The Act of October 19, 1940, as amended (46 Stat. 1109; 41 U.S.C. 6a, b(a), is amended by striking out section 2, and by striking out "without regard to the provisions of section 3709 of the Revised Statutes, as amended," in subsection (a). The Act of July 27, 1905 (79 Stat. 276; 41 U.S.C. 6a-1) is amended by striking out section (c) and references to section 3709 of the Revised Statutes in sections relating to Architect of the

(3) Section 11 of the Act of June 30, 1938 (60 Stat. 529, renumbered section 12 in 68 Stat. 313; 41 U.S.C. 44), is amended to read as follows: "Sect. 12. The provisions of this Act respecting the inclusion of representations with respect to minimum wages shall apply only to purchases or contracts relating to such industries as have been the subject matter of a determination by the Secretary of Labor.

(4) Section 356(b) of the Act of July 1, 1944, as added October 18, 1968 (82 Stat. 1175; 42 U.S.C. 263d(b)), is amended by striking out the second sentence in this provision of the Revised Statutes and 41 U.S.C. 5 in clause (3), and by striking out the parenthetical phrase "negotiation or otherwise" in clause (4).

(x) Section 1(b) of the Act of October 14, 1940 (46 Stat. 1109; 41 U.S.C. 632(b)), is amended by striking out the reference to section 3709 of the Revised Statutes in the first parenthetical phrase, and by striking out the proviso and inserting in lieu thereof: "Provided, That the cost plus a percentage of cost system shall not be used.

(ii) Section 832(g) of title 16, United States Code, is amended by striking out the following: "Any...

(jj) Section 5012 of title 38, United States Code, is amended by striking out the second sentence in subsection (a) and all of subsection (c).

(kk) Section 832(g) of title 16, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$10,000.

(3) The Agricultural Act of 1949 as amended established a price support program for milk at a price level that the Secretary of Agriculture, in consultation with the Secretary of Labor, determined necessary to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production and assure a level of farm income adequate to maintain productive capacity sufficient to meet future anticipated needs.

This basic legislative directive to the Secretary focuses on maintaining dairy production on U.S. farms so as to meet the demands of American consumers. At the time the Food and Agriculture Act of 1977 was passed, the minimum dairy price support level was set at 80 percent of parity, an increase over the 55 percent minimum provided under the 1949 act. This provision was effective only through March 31, 1979, however, rather than through 1981 as was the case with most provisions of the 1977 legislation.

The shorter term of the provision was for a sound reason. Conditions in the dairy industry can, and do, change rapidly. By adopting the higher minimum support level for a 2-year period, it was felt that it would provide for an assessment of conditions this year, 1979, and afford the opportunity to make whatever adjustments were necessary.

As the 96th Congress convenes, we face a situation where the demand for milk and dairy products is very strong, economic alternatives are relatively good for dairy farmers and there is a need to put force behind the legislative directive embodied in the dairy price support law. For these reasons, I am introducing legislation which will continue the 80 percent of parity minimum price support level through September 30, 1981.
creases at the consumer level is to take those actions that will assure the needed introduction of meat products and further increase the prices for these products have increased, raising the index was 216.8. The index for all items—the major cost factor in a dairy operation are up from a year ago. On this basis, dairy farmers are faced with their operations that will bring forth the milk needed by the consumers of the Nation.

We are not talking here about increasing the level of price assurance. This is simply an extension of the provision of the 1977 Food and Agriculture Act.

VETERANS’ HEALTH CARE AMENDMENTS OF 1979

Mr. CRANSTON. Mr. President, I am today introducing, for appropriate reference, S. 7, the proposed “Veterans’ Health Care Amendments of 1979,” a bill to revise and improve certain health-care programs of the Veterans’ Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans’ Affairs.

BACKGROUND

This legislation is the culmination of a 7-year effort by the Senate Veterans’ Affairs Committee and the Senate to improve health services to our Nation’s veterans. It incorporates provisions to establish a program of readjustment counseling for Vietnam-era veterans, to enhance the VA’s drug and alcohol treatment and rehabilitation programs, and to provide for a new program of preventive health-care services for veterans with service-connected disabilities. I have introduced legislation containing substantially similar provisions in the previous four Congresses—S. 2108, 92d Congress; S. 284, 93d Congress; S. 2908 94th Congress; and S. 1693, 95th Congress. Each of these provisions, but the House did not act on them. Thus, the effort of the Senate Veterans’ Affairs Committee and the Senate to provide these greatly needed services has been frustrated.

This year, however, I am confident that we will be able to achieve enactment. As evidenced at the close of the last Congress, the programs is now more widely and clearly recognized than ever before. The administration requested readjustment counseling and alcohol treatment legislation, which I introduced in the Senate as S. 3021, on May 2, 1978, and S. 3101, on May 18, 1978, respectively. Subsequently, the Senate made two reports to the Congress on Vietnam-era veterans on October 10, 1978, urging the Congress to enact his proposals—which are very similar to a bill I am introducing today—for a program of readjustment counseling for Vietnam-era veterans and for VA authority to contract with community halfway houses, therapeutic communities, and psychiatric residential treatment centers for the treatment and rehabilitation of veterans with drug and alcohol dependency or abuse disabilities. In addition, Mr. President, I am extremely pleased that the leadership of the House Veterans’ Affairs Committee is now fully supportive of these programs and are working with the last session of Congress, in an effort to achieve enactment of these measures I entered into extensive negotiations with the chairman of the House Veterans’ Affairs Committee in an effort to arrive at a fair and reasonable compromise of the concerns of the two bodies regarding health-care programs, and would be of tremendous value and need to our Nation’s veterans. In addition to provisions for readjustment counseling, alcohol and drug abuse treatment, and preventive health services, the Senate bill also contains several important modifications, the major provisions of H.R. 5025, the proposed Veterans Administration Medical Facilities Acquisition Act, as passed by the House in the 92d Congress, would authorize the House and Senate Veterans’ Affairs Committees of construction or acquisition of major VA health-care facilities. It also contained amendments to title 38 of the United States Code relating to other veterans’ health-care benefits and administrative and personnel matters. Unfortunately, due to the parliamentary logjam in the House and the Senate at the end of the last session, clearance of this measure was not achieved. Although I am deeply disappointed that the legislation was not enacted last session, I was very gratified with the assurances I received from Chairwoman Satterfield and the chairman of the Senate Veterans Affairs Committee (Mr. Roberts) that they would do everything possible to achieve passage of this legislation early in the 96th Congress.

SUMMARY OF PROVISIONS

Mr. President, the bill being introduced today represents a further refinement and revision of the agreement we reached last session. I would like to summarize briefly the highlights of this legislation.

READJUSTMENT COUNSELING FOR VIETNAM-ERA VETERANS

Mr. President, S. 7 would provide for the establishment of a program of readjustment counseling to any veteran who served on active duty during the Vietnam era who requests such counseling within 2 years from discharge or release or within 2 years after the date of enactment, whichever is later. The bill would also provide that, in the event of another declaration of war, the Administrator would be required to recommend to the Congress, within 6 months of such declaration, whether the readjustment counseling program should be extended to veterans of such war, necessary follow-up mental-health services would be authorized, including services for family members of eligible veterans where essential to the effective treatment and rehabilitation of the veteran.
With respect to former service personnel who are not eligible for readjustment counseling services because they were discharged or released from active-duty service under conditions other than honorable or who would otherwise be ineligible, the legislation would require the VA to provide referral services to help them use non-VA mental health services and, if pertinent, to advise such individuals on the treatment of their discharges which might lead to eligibility for VA benefits. Provision is also made for the Chief Medical Director to train such professional, paraprofessional, and lay personnel as necessary to carry out this program effectively and for the Administrator to cooperate with the Secretary of Defense in notifying veterans of potential eligibility under the program.

Drug and Alcohol Dependence or Abuse Program

Mr. President, S. 7 would also provide for the establishment of a special pilot program for the treatment and rehabilitation of veterans with alcohol or drug dependence or abuse disabilities. Under this program, the Administrator would be authorized to enter into contracts for alcohol and drug treatment for veterans in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities. A report on the Administrator's findings and recommendations based on the first 3 years of the experience under the pilot program would be required.

In addition, the VA would be directed to cooperate with the Secretary of Labor and the Director of the Office of Personnel Management with respect to employment opportunities for rehabilitated former addict veterans. In the cases of former service personnel who are not eligible for VA alcohol and drug treatment and rehabilitation services, because they were discharged or released from active-duty service under conditions other than honorable, or who would otherwise be ineligible, the legislation would require the VA to provide referral services to help them use non-VA services necessary to make determinations of eligibility for VA benefits. Provision is also made for the Chief Medical Director to train such professional, paraprofessional, and lay personnel as necessary to carry out this program effectively and for the Administrator to cooperate with the Secretary of Defense in notifying veterans of potential eligibility under the program.

Preventive Health-Care Services

Mr. President, the proposed measure would also establish a 5-year pilot program of preventive health services providing for: First, the provision of such preventive health-care services as the Administrator may deem feasible and appropriate for veterans with a 50-percent-or-more disability rating and for veterans receiving treatment involving a service-connected disability; second, the use of interdisciplinary health-care teams in providing such services; third, a maximum expenditure of $25 million in any fiscal year to carry out this program; and fourth, inclusion of a comprehensive report on this program in the Administrator's annual report to the Congress.

Examination for Service-Connected Disabilities

Mr. President, this legislation would clarify the statutory hierarchy of outpatient patient treatment services provided by contract care under title 38, United States Code, by providing that medical examinations for service-connected disability compensation claims included in the third priority for outpatient care along with nonservice-connected care for veterans with service-connected disability ratings. In addition, it would make clear that examinations for eligibility for service-connected health care would also be included in the third priority.

Outpatient Dental Services for Former POW's and 100-Percent Service-Connected Disabled Veterans

Mr. President, the proposed legislation would extend all outpatient dental care to former POW veterans who were prisoners of war for more than 6 months or who have 100-percent service-connected disabilities. These provisions are derived from H.R. 898 and H.R. 12018 which were introduced in the House last Congress.

Service-Connected Care For Filipino Veterans in the United States

Mr. President, the bill would provide eligibility for care to Filipino veterans and new Philippine Scouts to receive hospital care, nursing home care, and medical services for their service-connected disabilities at VA facilities in the United States. The anomalous situation presently exists that these Filipino veterans of World War II, while eligible for VA-financed care in the Philippines—although no funds for such purposes have been appropriated for the current fiscal year—are not eligible for any VA care in the United States, even if the care would be for service-connected disabilities and they had become citizens of this country. This provision would authorize service-connected care for these Filipino veterans in the United States and is derived from section 307 of H.R. 5029 as passed by the Senate last Congress.

Nonservice-Connected Contract Care

Mr. President, the proposed legislation would restore limited authority to expand the circumstances under which veterans would be eligible for contract outpatient treatment—so-called fee-base care—for non-service-connected disabilities by revising certain amendments to chapter 17 of title 38 made by Public Law 94-581, the Veterans' Omnibus Health Care Act of 1976. It would provide that, if the general conditions for the provision of contract care are satisfied—that facilities are capable of providing the required care in an economical fashion, because of geographic inaccessibility—veterans eligible for regular aid-and-attendance or housebound benefits may be provided fee-base care if, on the basis of medical necessity, it is determined that "the medical condition of such veteran precludes appropriate treatment in a VA-operated or other Government facility."

Second, the measure would provide special authority for contract diagnostic services necessary to make determinations of eligibility for "obviate" care at VA facilities that do not have the capability of performing such diagnostic services.

These provisions are derived from section 101 of H.R. 5027 as passed by the Senate last Congress.

Conventions of Contract Care

Mr. President, this bill would provide for a full report on the VA's use of its contract care authorities, to be submitted annually on February 1, beginning in 1980.

Convention Health Care

Mr. President, S. 7 would authorize the Administrator to contract with veterans' organizations recognized by the VA under section 3402 of title 38 to furnish emergency medical services at the national conventions of such organizations. The provision of such services would be on a reimbursable basis except that reasonable travel costs required for health-care services rendered to veterans entitled under law to such care. This provision was included as section 307 in the Senate version of H.R. 5029 in the last Congress.

Construction and Acquisition of Medical Facilities

Mr. President, as I have indicated, this legislation includes several modifications. The provisions of H.R. 5025, the proposed "Veterans' Administration Medical Facilities Acquisition Act of 1977," which was passed by the House in the 95th Congress. A major feature of this part of the bill would provide the House and Senate Committees on Veterans' Affairs with a substantial role in the planning for and the approval of funding for major VA medical facilities as part of the congressional authorization and appropriations processes. Thus, the bill would provide that "no appropriation shall be made" for the construction, alteration, or acquisition of any VA medical facility costing more than $2 million, or for the lease of any VA medical facility costing more than $500,000, without the House and Senate Veterans' Affairs Committees having adopted resolutions approving the project. This process would apply to both administration-requested projects and those initiated by the Congress.

In order to obtain the committees' approval for a particular administration-proposed facility, the Administrator would submit to the committees a "prospectus" for the facility, which would include a detailed description of the project, including cost estimates. If funds were not appropriated for a facility within 1 year after approval, either committee would be able to rescind approval, by resolution, before an appropriation is made.

This legislation is also designed to modify existing legislation concerning planning for construction and acquisition of VA medical facilities by requiring the VA to submit two annual reports to the committees. Finally, it would restore a 5-year plan for construction, replacement, and alteration of the most needed new or replacement medical facilities, a priority listing of the 10, or more, hos-
with their official duties in certain limited circumstances; second, provide for confirmation by the Senate of the Deputy Administrator of Veterans’ Affairs; third, make technical revisions in the provisions relating to benefits for overseas VA employees; and, fourth, make amendments needed to conform to the conditions specified in clause (1) (B) of section 308 of Public Law 95-588, the Veterans’ Affairs Act, and make various minor, technical, and conforming amendments to the provi-
sions of title 38, United States Code, relating to the construction and acquisition of VA facilities.

STANDARDS FOR FOREIGN ADOPTIONS

Mr. President, S. 7 would require, in order for VA benefits to be paid to or on behalf of a child who was adopted and is residing outside the United States, that there be certain assurances that the adoptive parent actually assumed the parental role and responsibilities. Thus, it would require that the adoptive child be under age 18 at the time of the adoption, be receiving one-half or more of such child’s annual support from the veteran, be residing with the veteran except in certain specified circumstances, and not be residing with the child’s natural parent unless the natural parent is not capable of residing with the child. After the veteran’s death, such an adoption would be recognized for VA benefits purposes only if the veteran was entitled to and did receive a dependent’s allowance or similar benefit for the child at any time during the year before the veteran’s death, or if the above requirements were met for at least 1 year prior to the veteran’s death. This provision is derived from section 201 of H.R. 5029 as passed by the Senate last Congress.

STUDY OF BENEFITS PAID OUTSIDE THE UNITED STATES

Mr. President, the bill would also require the VA to conduct, in consultation with the Secretary of State, a comprehensive study of the issues involved in the payment of benefits to persons residing outside the 50 States and the District of Columbia. This study would be required to be performed in conjunction with a similar study, mandated by section 308 of Public Law 95-588, the Veterans’ and Survivors’ Pension Improvement Act of 1978, regarding the payment of benefits to veterans residing outside the United States. This study would require both reports to be combined for submission. This provision is also derived from H.R. 5029 as passed by the Senate last Congress.

MISCELLANEOUS PROVISIONS

Mr. President, the proposed legislation would also make some changes in title 38 of the United States Code with respect to administrative and personnel matters. Specifically, it would, first, permit payment by non-Federal agencies, organizations, and individuals for travel expenses of certain VA employees in connection with their official duties in certain limited circumstances; second, provide for confirmation by the Senate of the Deputy Administrator of Veterans’ Affairs; third, make technical revisions in the provisions relating to benefits for overseas VA employees; and, fourth, make amendments needed to conform to the conditions specified in clause (1) (B) of section 308 of Public Law 95-588, the Veterans’ Affairs Act, and make various minor, technical, and conforming amendments to the provisions of title 38, United States Code, relating to the construction and acquisition of VA facilities.

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include such consultation, counseling, training, services, and expenses as are described in sections 601(b)(5) of this title.

"(c) Upon receipt of a request for counseling under this section from any individual who has been discharged or released from active military, naval, or air service but who is not eligible for such counseling, the Administrator shall—

(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining mental health care and services from federal and non-federal agencies and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment, training, and related mental health services; and

(2) if pertinent, advise such individual of other options and sources of information available to the individual to help the individual identify potential eligibility for the readjustment counseling and related mental health services as authorized by paragraph (1) of this subsection, the Administrator shall approve

"(b) The Administrator, in consultation with the Secretary of Labor and the Director of the Office of Personnel Management, may take appropriate steps to ensure that all Federal, State, local, and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment, training, and related mental health services to veterans who have been provided treatment and rehabilitative services under this title for alcohol or drug dependence or abuse disabilities and have been determined by competent medical authority to be sufficiently stable to be employable, and (2) provide all possible assistance to the Secretary of Labor in placing such veterans in such opportunities if the Secretary of Labor so requests.

"(e) The Administrator, in cooperation with the Secretary of Defense, shall take such appropriate steps as may be practicable, in obtaining treatment and rehabilitative services outside the Veterans Administration; and

(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining mental health care and services from sources outside the Veterans Administration; and

(b) In the event of a declaration of war by the Congress after the date of the enactment of this Act, the Administrator of Veterans Affairs, not later than 6 months after the date of such declaration, shall determine and recommend to the Congress whether eligibility for the readjustment counseling and related mental health services provided for in section 612A of title 38, United States Code (as added by subsection (a) of this section) should be extended to the veterans of such war.

SERVICES FOR VETERANS WITH ALCOHOL OR DRUG DEPENDENCE OR ABUSE DISABILITIES; PILOT PROGRAM

SEC. 104. (a) Subchapter II of chapter 17 is amended by adding at the end thereof the following new section:

"§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities; pilot program.

(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under chapter 17 of title 38 with respect to services furnished to any veteran who has been discharged or released from active military, naval, or air service but who is not eligible for such counseling, the Administrator shall—

(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining mental health care and services from sources outside the Veterans Administration; and

(b) The table of sections at the beginning of chapter 17 is amended by adding after the item relating to section 620 the following new section:

"766. Purpose

The purpose of this subsection is to provide for a preventive health-care services pilot program under which the Administrator may, to the extent feasible and appropriate, provide for preventive health-care services, and to determine the cost-effectiveness and medical advantages of furnishing such preventive health-care services.

"802. Services

For the purposes of this subsection, the term "preventive health-care services" means—

(1) periodic medical and dental examinations;

(2) patient health education (including nutrition education);

(3) maintenance of drug use profiles; patient drug monitoring, and drug utilization ascertainment;

(4) mental health preventive services;

(5) substance abuse prevention measures; screening for immunizations against infectious disease;

(6) genetic counseling concerning inheritance of genetically determined diseases;

(7) routine vision testing and eye care services;

(10) periodic reexamination of members of likely target populations (high-risk groups) for selected diseases and for functional and cognitive decline of specific organs, together with attendant appropriate remedial intervention; and

(11) other health-care services as the Administrator may determine to be necessary to provide effective and economical preventive health care.

§ 663. Preventive health-care services

(a) In order to carry out the purposes of this subsection, the Administrator, within the limits of Veterans' Administration facilities and in accordance with regulations which the Administrator shall prescribe, may furnish to any veteran described in section 612A(f) of this title, and to any veteran receiving care and treatment under this chapter involving alcohol or drug dependence, such preventive health-care services as the Administrator determines are feasible and economical.

(b) In carrying out the pilot program authorized by this subsection, the Administrator may not furnish preventive health-care services after the last day of
the fifth fiscal year following the fiscal year in which the program is initiated.

(c) In carrying out this subchapter, the Administrator shall emphasize the utilization of existing health-care teams composed of various professional and paraprofessional personnel.

(2) The Administrator may not expend more than $25,000,000 in any fiscal year to carry out the program provided for in this subchapter or, in any fiscal year in which such program is in effect for a period of less than a full fiscal year, not more than an amount that bears the same ratio to $25,000,000 as such period (considered as a fraction of a year) bears to one year.

§ 604. Reports

The Administrator shall include in the annual report to the Congress required by section 214 of this title a comprehensive report on the administration of this subchapter, including such recommendations for additional legislation as the Administrator considers necessary.

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

SUBCHAPTER III—CONSTRUCTION, ALTERATION, LEASE, AND ACQUISITION OF MEDICAL FACILITIES

§ 601. Definitions

(1) The term 'medical facility' means any hospital, nursing home care and medical services in the United States.

(2) The term 'Veterans' Administration' means the Veteran's Administration facilities for veterans entitled to hospital, nursing home, or domiciliary care or medical services.

(3) The term 'medical services' includes medical services to Commonwealth Army veterans and new Philippine Scouts.

(4) The term 'construction' and the similar term 'alteration' shall mean the construction or alteration, as the case may be, of such medical facility, that the Administrator considers necessary.

(c) The Administrator may, in his discretion, cause to be made surveys, designs, plans, working drawings, specifications, procedures, and other similar actions as are necessary for the construction, alteration, or expansion of such medical facility and as are carried out after the completion of the advanced planning (including all project requirements and preliminary plans) for such medical facility.

(d) The term 'construction' means any facility or part thereof which is, or will be, under the jurisdiction of the Administrator for the provision of health-care services (including hospital, nursing home, or domiciliary care or medical services), including any necessary building and auxiliary structure, excluding any national convention of such organization unless required by the Administrator.

§ 602. Acquisition of medical facilities

(a) The Administrator shall provide medical facilities for veterans entitled to hospital, nursing home, or domiciliary care or medical services under this title.

(b) No medical facility may be constructed or otherwise acquired or leased except in accordance with the provisions of this subchapter.

(c) In carrying out this subchapter, the Administrator—

(1) shall provide for the construction and acquisition of medical facilities in a manner that results in the equitable distribution of such facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility; and

(2) shall give due consideration to the necessity for use as a medical facility and to the nature of such medical facility.

(3) In order to assure compliance with section 5001(a) of this title, in the case of any outpatient medical facility for which it is proposed to lease space and for which a qualified lessor and an appropriate leasing arrangement are available, the Administrator may acquire a lease for such facility within 12 months after funds are made available for such purpose.

(b) Whenever the Administrator considers it to be in the interest of the United States to construct a new medical facility to replace an existing medical facility, the Administrator (1) may demolish the existing facility and use the site on which it is located for the site of the new medical facility, or (2) in the judgment of the Administrator it is more advantageous to construct such medical facility on a different site in the same locality, may exchange such existing facility and the site thereof for such medical facility.

(c) Whenever the Administrator determines that any site for the construction of a medical facility is not suitable for that purpose, the Administrator may use such site or any part thereof to be used for that purpose or may sell such site.

§ 5004. Congressional approval of certain medical facility acquisitions

(a) In order to ensure the equitable distribution of medical facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in each particular facility—

(1) no appropriation may be made for the construction, alteration, or acquisition (not including exchanges) of any medical facility.

(2) and no appropriation may be made for the construction, alteration, or acquisition (not including exchanges) of any medical facility.
construction, alteration, or acquisition is first approved by a resolution adopted by each committee; and

(b) no appropriation may be made for the purchase of any space for use as a medical facility at an average annual rental of more than $500,000 unless such space is annually approved by a resolution adopted by each committee.

(b) In the event that the President or the Administrator proposes to the Congress the funding of any construction, alteration, lease, or other acquisition to which subsection (a) of this section is applicable, the Administrator shall submit to each committee, on the same day, a prospectus of the proposed medical facility. Such prospectus shall include—

"(1) a detailed description of the medical facility to be constructed, altered, leased, or otherwise acquired under this subchapter, including a description of the location of such facility;

"(2) an estimate of the cost of the United States to do so.

"(b) The Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms. The Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

"(c) The estimated cost of any construction or other acquisition that is approved under this section may be increased by the Administrator in the contract for such construction, alteration, lease, or other acquisition by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction labor costs and other acquisition costs, as the case may be, from the date of transmittal of such prospectus to the committees to the date such funds are appropriated. Such increase may not exceed 10 per centum of such estimated cost.

"(d) In the event of any medical facility approved for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section, such funds have not been appropriated within one year after the date of such approval, either such committee may by resolution rescind its approval at any time thereafter before such funds are appropriated.

"(e) The Administrator proposes that funds be used for a purpose other than the purpose for which such funds were appropriated, the Administrator shall promptly notify each committee, in writing, of the particulars involved and the reason why such funds were not used for the purpose for which appropriated.

"(f) The Administrator may accept gifts or donations for any of the purposes of this subchapter.

§ 5006. Construction contracts

(a) The Administrator may carry out any construction or alteration authorized under this subchapter by contract. If the Administrator considers it to be advantageous to the United States to do so, the Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms.

(b) In the event that the President or the Administrator proposes to the Congress the funding of any construction, alteration, lease, or other acquisition to which subsection (a) of this section is applicable, the Administrator shall submit to each committee, on the same day, a prospectus of the proposed medical facility. Such prospectus shall include—

"(1) a detailed description of the medical facility to be constructed, altered, leased, or otherwise acquired under this subchapter, including a description of the location of such facility;

"(2) an estimate of the cost of the United States to do so.

"(b) The Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms. The Administrator may require such services for any medical facility authorized to be constructed or altered. The Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

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"(d) In the event of any medical facility approved for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section, such funds have not been appropriated within one year after the date of such approval, either such committee may by resolution rescind its approval at any time thereafter before such funds are appropriated.

"(e) The Administrator proposes that funds be used for a purpose other than the purpose for which such funds were appropriated, the Administrator shall promptly notify each committee, in writing, of the particulars involved and the reason why such funds were not used for the purpose for which appropriated.

"(f) The Administrator may accept gifts or donations for any of the purposes of this subchapter.

§ 5007. Reports to congressional committees

(a) In order to promote effective planning for the orderly construction, replacement, and alteration of medical facilities in accordance with the comparative urgency of the need for the services to be provided by such facilities, the Administrator shall submit to each committee an annual report on the construction, replacement, and alteration of medical facilities authorized under this subchapter for each fiscal year ending on June 30 of each year (beginning in 1979) and shall contain—

"(1) a five-year plan for the construction, replacement, and alteration of medical facilities that, in the judgment of the Administrator, are most in need of construction, replacement, or alteration;

"(2) a list, in order of priority, of not less than ten hospitals that in the judgment of the Administrator are most in need of construction or alteration, and of any, as determined by the Administrator, in construction labor costs and other acquisition costs, as the case may be, from the date of transmittal of such prospectus to the committees to the date such funds are appropriated. Such increase may not exceed 10 per centum of such estimated cost.

"(d) In the event of any medical facility approved for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section, such funds have not been appropriated within one year after the date of such approval, either such committee may by resolution rescind its approval at any time thereafter before such funds are appropriated.

"(e) The Administrator proposes that funds be used for a purpose other than the purpose for which such funds were appropriated, the Administrator shall promptly notify each committee, in writing, of the particulars involved and the reason why such funds were not used for the purpose for which appropriated.

"(f) The Administrator may accept gifts or donations for any of the purposes of this subchapter.

§ 5008. Contributions to local authorities

"The Administrator may make contributions to local authorities toward, or in lieu of, the costs of traffic control, road improvement, or other services adjacent to a medical facility if considered necessary for safe ingress or egress.

§ 5009. Garages and parking facilities

"(a) The Administrator may construct, alter, operate, and maintain, in any of medical facilities authorized under this subchapter, garages and parking facilities for the accommodation of privately owned vehicles of employees of such facilities and any veterans having business at such facilities.

"(b) In the event that the President or the Administrator proposes to the Congress the funding of any construction, alteration, lease, or other acquisition to which subsection (a) of this section is applicable, the Administrator shall submit to each committee, on the same day, a prospectus of the proposed medical facility. Such prospectus shall include—

"(1) a detailed description of the medical facility to be constructed, altered, leased, or otherwise acquired under this subchapter, including a description of the location of such facility;

"(2) an estimate of the cost of the United States to do so.

"(b) The Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms. The Administrator may require such services for any medical facility authorized to be constructed or altered. The Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

"(c) The estimated cost of any construction or other acquisition that is approved under this section may be increased by the Administrator in the contract for such construction, alteration, lease, or other acquisition by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction labor costs and other acquisition costs, as the case may be, from the date of transmittal of such prospectus to the committees to the date such funds are appropriated. Such increase may not exceed 10 per centum of such estimated cost.

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"(1) a detailed description of the medical facility to be constructed, altered, leased, or otherwise acquired under this subchapter, including a description of the location of such facility;

"(2) an estimate of the cost of the United States to do so.

"(b) The Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms. The Administrator may require such services for any medical facility authorized to be constructed or altered. The Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

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"(d) In the event of any medical facility approved for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section, such funds have not been appropriated within one year after the date of such approval, either such committee may by resolution rescind its approval at any time thereafter before such funds are appropriated.

"(e) The Administrator proposes that funds be used for a purpose other than the purpose for which such funds were appropriated, the Administrator shall promptly notify each committee, in writing, of the particulars involved and the reason why such funds were not used for the purpose for which appropriated.

"(f) The Administrator may accept gifts or donations for any of the purposes of this subchapter.

§ 5005. Structural requirements

(a) Each medical facility (including each nursing home facility for which the Administrator contracts under section 620 of this title and each state home facility constructed or altered under section 5001 of this title) shall be of fire, earthquake, and other natural disaster resistant construction in accordance with standards established by the Administrator. Those medical facilities that, in the judgment of the Administrator, are most in need of construction, replacement, or alteration;

(b) A list, in order of priority, of not less than ten hospitals that in the judgment of the Administrator, are most in need of construction or replacement; and

(c) General plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each medical facility included in the five-year plan required under clause (1) of this subsection.

(b) The Administrator shall submit to each committee not later than January 31 of each year (beginning in 1981) a report showing the location, space, cost, and status of each of the construction, alteration, lease, or other acquisition of which has been approved under this section. (d) In the case of the second and each succeeding report made under this section, it shall be uncorrected as of the date of the last preceding report made under this subsection.
children adopted under laws of foreign countries.

Sec. 401. Paragraph (4) of section 101 is amended—

(1) by inserting "(A) before "the" and redesignating clause (B) as clauses (I), (II), and (III), respectively; and

(2) by adding at the end of such paragraph the following new subparagraph:

"(4) The purpose of subparagraph (A) of this paragraph. In the case of an adoption under the laws of any jurisdiction other than a State (as defined in section 101(20) of this title and including the Commonwealth of the Northern Mariana Islands—"

"(1) a person residing outside any of the States shall not be considered to be a legally adopted child of a veteran during the lifetime of such veteran for purposes of this subparagraph a Commonwealth Army veteran or new Philippine Scout, as defined in section 1768 of this title (unless such person—"

"(I) was less than eighteen years of age at the time of adoption;"

"(II) is receiving one-half or more of such person's annual support from such veteran; and"

"(III) is not in the custody of such person's natural parent, unless such natural parent is such veteran's spouse; and"

"(IV) is residing with such veteran (or in the case of divorce following adoption, with the divorced spouse who is also an adoptive parent) except for periods during which such person is residing apart from such veteran (or such divorced spouse) for purposes of full-time attendance at an educational institution or during which such person or such veteran (or such divorced spouse) is confined in a hospital, nursing home, other health-care facility, or other institution; and"

"(4) a person shall not be considered to have been a legally adopted child of a veteran as of the date of such veteran's death and thereafter unless—"

"(1) at any time within the one-year period immediately preceding such veteran's death, such veteran was entitled to and was receiving in respect of such veteran's dependent or similar monetary benefit under this title for such person; or"

"(2) at a period of at least one year prior to such veteran's death, such person met the requirements of clause (1) of this subparagraph;"

"STUDY OF BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

Sec. 402. (a) The Administrator of Veterans' Affairs, in consultation with the Secretary of State, shall carry out a comprehensive study of benefits payable under the
provisions of title 38, United States Code, to persons who reside outside the fifty States and of the District of Columbia. The Administrator shall include in such study—

(1) an analysis of the issues involved in the payment of benefits to persons who reside outside the fifty States and the District of Columbia, together with analyses of such aspects of the economy of each foreign country and each territory, possession, and commonwealth of the United States in which a substantial number of persons receiving such benefits reside as are relevant to such issues (such as the rate of inflation, the standards of living and health care, educational, housing, and burial costs);

(2) an analysis of the issues involved in the payment of such benefits as the result of actions under laws other than the laws of any of the fifty States or the District of Columbia;

(3) an analysis of the amounts and methods of payment of benefits payable to persons entitled, by virtue of sections 107 and 1798 of such title, to benefits under chapters 11, 13, and 35 of such title;

(4) estimates of the present and future costs of providing such benefits under such title to persons described in clauses (1) and (3);

(5) an evaluation of the desirability of continuing to maintain the Veterans’ Administration Regional Office in the Republic of the Philippines, taking into consideration (A) the current and expected future workload of such office, (B) the estimated interregional fiscal year 1986 through 1988 costs of continuing to maintain such regional office, (C) the feasibility and desirability of transferring appropriate functions of such regional office to the United States Embassy in the Republic of the Philippines, and (D) a provisional plan, which the Administrator shall develop, for the closing of such office and so transferring such functions, together with cost estimates for fiscal years 1986 through 1988, the implementation of such plan assuming that such office is closed before October 1, 1981; and

(6) an evaluation of the effects of the amendments to such title made by section 501 of this Act.

(b) Not later than February 1, 1980, the Administrator shall report to the Congress and to the President on the results of such study together with the Administrator’s recommendations therefor, and shall submit the reports of such studies as a combined report.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. Section 4108 is amended by adding after subsection (c) the following new subsection:

“(d) Notwithstanding any other provision of law, the Administrator may prescribe regulations establishing conditions under which officers and employees of the Department of Medicine and Surgery who are nationally recognized medical investigators in medical research may be permitted, in connection with their attendance at meetings or in performance of work, to spend time in conjunction with the functions or activities of the Veterans’ Administration, or in connection with such functions or activities of the Veterans’ Administration, or in connection with activities related thereto concerned with functions or activities of the Veterans’ Administration, to attend meetings or in connection with non-Federal agencies, organizations, and individuals, for travel and such reasonable

subsidence expenses as are approved by the Administrator pursuant to such regulations, but only in the absence of paid or unpaid employees to cover the cost of such expenses or deposited to the credit of the appropriation from which the costs are paid, as may be provided in such regulations.”

CONFIRMATION OF DEPUTY ADMINISTRATOR OF VETERANS’ AFFAIRS

SEC. 502. (a) The absence of section 210(d) is amended by striking out “by the Administrator” and inserting in lieu thereof “by the President, and with the advice and consent of the Senate”.

(b) The amendment made by subsection (a) shall take effect on July 1, 1979.

OVERSEAS AUTHORITIES

SEC. 503. (a) Section 230 is amended by striking out subsection (c).

(b) Section 235 is amended—

(1) by striking out “or to the Veterans’ Administration offices in Europe, established pursuant to section 230(c) of this title”;

(2) in clause (2), by striking out “and (7)” and inserting in lieu thereof “(7), and (11);”;

(3) by striking out after subsection (c) the following new clauses:

“(6) Section 5724a(a) (3) of title 5 (relating to subsistence expenses for 30 days in connection with the return to the United States of the employee and such employee’s immediate family).

“(7) Section 5724a(a) (4) of title 5 (relating to the sale and purchase of the residence or settlement of an unexpired lease of the employee when transferred from one station to another station and both stations are in the United States, its territories or possessions, or the Commonwealth of Puerto Rico)

(c) (1) The section heading of section 235 is amended by striking out “oversea” and inserting in lieu thereof “overseas”.

(2) The (a) Section to section 235 in the table of sections at the beginning of chapter 3 is amended by striking out “overseas” and inserting in lieu thereof “overseas”.

CONFORMING AMENDMENTS TO REFLECT PREVIOUS ADJUSTMENTS MADE IN DEPARTMENT OF MEDICINE AND SURGERY SALARY SCHEDULES

SEC. 504. (a) Subsection (a) of section 4107 is amended to read as follows:

“(a) The annual rates or ranges of basic pay for positions provided in section 4103 of this title shall be as follows:

“SECTION 4103 SCHEDULE

“Chief Medical Director, $66,104.

“Assistant Chief Medical Director, $61,449.

“Medical Director, $52,429 minimum to $66,121 maximum.

“Director of Podiatric Service, $44,756 minimum to $56,692 maximum.

“Director of Nursing Service, $52,429 minimum to $66,121 maximum.

“Director of Pharmacy Service, $44,756 minimum to $56,692 maximum.

“Director of Chaplain Service, $44,756 minimum to $56,692 maximum.

“Director of Dietetic Service, $44,756 minimum to $56,692 maximum.

“Director of Optometric Service, $44,756 minimum to $56,692 maximum.”.

(b) Paragraph (1) of subsection (b) of such section is amended to read as follows:

“(1) The annual rates or ranges of basic pay for positions provided for in paragraph (1) of section 4104 of this title shall be as follows:

“PHYSICIAN AND DENTIST SCHEDULE

Director grade, $44,756 minimum to $56,692 maximum.

“Executive grade, $41,327 minimum to $53,720 maximum.

“Chief grade, $38,160 minimum to $49,608 maximum.

“Senior grade, $32,442 minimum to $42,171 maximum.

“Intermediate grade, $27,453 minimum to $35,688 maximum.

“Associate grade, $23,087 minimum to $30,017 maximum.

“Associate Director grade, $23,087 minimum to $30,017 maximum.

“Assistant Chief Medical Director, $61,449.

“Associate Deputy Chief Medical Director, $63,315.

“Assistant Chief Medical Director, $61,449.

“Medical Director, $52,429 minimum to $66,121 maximum.

“Assistant Director of Medicine and Surgery, $44,756 minimum to $56,692 maximum.

“Director of Nursing Service, $52,429 minimum to $66,121 maximum.

“Director of Pharmacy Service, $44,756 minimum to $56,692 maximum.

“Director of Chaplain Service, $44,756 minimum to $56,692 maximum.

“Director of Optometric Service, $44,756 minimum to $56,692 maximum.”.

By Mr. DOLE—

S. 8. A bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof, to the Committee on Foreign Relations.

UNITED STATES-CHINESE RELATIONS AND THE ISSUE OF SECURITY

Mr. DOLE. Mr. President, much effort has been made by the Carter administration in the past few days to downplay the suddenness with which our agreement to normalize relations with mainland China evolved. The administration has consistently tried, and indeed Carter’s abrupt decision with the Nixon and Ford initiatives, highlighted by the Shanghai Communique, as part of an inevitable evolution leading to the Friday night bombshell. But the fact that there were no lengthy or well-handled negotiations with Peking is borne out by this point: The United States did not gain a single advantage in the exchange.

Presidents Nixon and Ford could have made this same agreement long ago in the negotiating process, but they were willing to cave in to the Communist bargaining demands. The chief obstacle was always the status of our longtime ally and friend, the Republic of China on Taiwan. But Mr. Carter found it expedient to abandon Taiwan without a warning to its government or consultation with our own.

GREAT POTENTIAL FOR UNITED STATES-CHINESE RELATIONS

The resultant public criticism of the President’s action makes it easy to misunderstand the position of those who op-
pose the abrogation of military and political ties with Taiwan in order to gain the tremendous potential benefits for the American people in a closer relationship with the 1 billion Chinese on the continent. As a representative of a Midwestern State with large farming interests, I am keenly aware of the economic advantages increased trade might bring, as well as the cultural and strategic benefits that would accrue to the United States. It is already apparent that the administration plans to use these potential gains to beat down the opposition and confuse the real issue. This issue is not the diplomatic recognition of Peking. It is the manner in which the negotiations were consummated and the price that was demanded in payment.

The United States cannot afford to abandon good allies and friends for short-term political expediency. The international perception of our own country, the United States as a Nation, counting to abide by its agreements and to stand firm for its principles, is bound to suffer. This is especially true with a perception of strength. The United States vis-a-vis the Soviet Union, and the withdrawal of U.S. forces from Vietnam, Korea, and the Panama Canal.

RETURN OF THE IMPERIAL PRESIDENCY

President Carter had pledged to conduct important foreign policy negotiations openly, "with the participation of Congress from the outset." While it is true that sometimes the delicate nature of negotiating prohibits immediate public disclosure, in this case the President has made only token efforts to consult with Congress, even after the passage of the Dole-Stone amendment by a vote of 94 to 0 in the Senate. This amendment specifically expressed the sense of the Senate, and later the sense of the Congress that any new relationship with Peking and Taiwan be first discussed with Congress, precisely because so many Members of Congress were deeply concerned for the best interests of our economic and strategic interests in Asia.

During the Carter-Ford debates, Mr. Carter could not ever say that friendship (with Peking) stand in the way of preservation of the independence and freedom of the people of Taiwan." Yet the President received absolutely no commitment from Peking in this latest agreement that the safety of Taiwan would be assured. In fact, Mr. Carter agreed with the mainland position that Taiwan was a part of China and that its future would, therefore, become an internal matter for the Chinese to decide themselves. Naturally, the President does not make any move for the recognition of the Republic of China is left very much in doubt, however.

Over the next 5 years, China, by its embargoes on Taiwan and policy after U.S. recognition, can further isolate Taiwan. With the inevitably reduced flow of modern weapons to Taipei, and the concomitantly increased gains in technology on the mainland, China will be able to offer terms to the island they outnumber 45 to 1.

To take one small example: When Red China entered the worldwide satellite communication system, they demanded that Taiwan be cleared by Peking. This would have meant that the Republic of China would be barred from modern, international communications. They have seriously hampered the island's business economy. Only strong U.S. action prevented this from becoming true. We can expect this same ploy to occur over and over again in every conceivable international organization or group. Yet when the United States no longer officially recognizes Taiwan, can we expect to be able to prevent it? The future of Taiwan looks bleak indeed.

In the meantime, Peking has adroitly played its "U.S. card" in its dealings with the American Nation, with the domination of Peking over the United States via-a-vis the Soviet Union, and the withdrawal of U.S. forces from Vietnam, Korea, and the Panama Canal.

SOCIAL BENEFITS IN NORMALIZATION

China should carry some of the responsibilities of expanded world participation if it is to stand in the forefront of the world political scene. It is my intention to require China to join with other nuclear nations in banning atmospheric nuclear tests, in ending the trade, in China, to the peril of the health of the citizens throughout the world. Expanded travel and communication with the Chinese people should broaden their knowledge of Western culture. This open-door policy may lead to some alleviation of China's extremely repressive human rights activities. In the area of financial responsibility, the Carter administration must guard to get the U.S. to spend more than $200 million in U.S. claims against the Chinese Communist Government. This point must be resolved.

The most significant failure of our negotiating team however, was in not insuring that our strategic interests in the Pacific and the future of the people of Taiwan will continue to be secure. Since President Carter's announcement on December 15 extending diplomatic recognition to mainland China, the present ruling elite in Peking have made many vague or contradictory statements about their intentions toward the Republic of China on Taiwan. The recognition of the Peoples' Republic of China has great influence in Congress. The President and for the world in general. However, it must be the role of the Senate to ascertain the conditions from which our future relations will have to grow. We must be sure our essential interests and commitments are met.

These two measures I am introducing are intended to clarify and structure our relations with the Republic of China. The resolution provides a basis for the continued security of Taiwan and the bill calls for a governmental liaison identified to the one provided for the People's Republic of China in 1973. The United States has a long tradition of friendship and alliance with the Republic of China which has served well our continuing strategic interests in the Asian Pacific. We have additionally many strong cultural and financial ties with the people of Taiwan represented by some 50 treaties with Taipei. I am sure you will agree the United States must act to insure not only the security of Taiwan from aggression, and the defense of our own strategic capability in the region, but to protect the reputation of our Nation within the world community as one who honors our commitments.

Mr. President, I ask unanimous consent that the text of my bill and resolution be printed in the Record.

There being no objection, the bill and resolution were ordered to be printed in the Record, as follows:

S. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorised and requested, under such terms and conditions as he determines in consultation with the President of the Republic of China to extend, or to enter into or continue existing or new commercial or other transactions with the Republic of China, to extend, or to enter into commercial or other transactions with the Republic of China, that may be established in Washington, District of Columbia, or to any branch thereof in the United States that may be established, and to the members thereof, the same privileges and immunities, subject to corresponding duties and obligations, as are enjoyed by diplomatic missions accredited to the United States and by members thereof.
WHEREAS the United States and the Republic of China and their peoples have been allies for more than 25 years; and

WHEREAS the United States, as a part of the mutual defense treaty between the United States of America and the Republic of China;

WHEREAS the United States established diplomatic relations with the People's Republic of China on January 1, 1979; and

WHEREAS the government of the Republic of China and the People's Republic of China claim sovereignty over the same territory; and

WHEREAS the continued security and stability of the Asian Pacific region, and especially the continued peace and prosperity of the people of the Republic of China, is of major strategic interest to the United States; and

WHEREAS the United States seeks to maintain such confidence as is essential to financial investment in such region and as is essential to making commercial agreements between the United States and the Republic of China and between the United States and the People's Republic of China; now, therefore, be it

Resolved. That it is the sense of the Senate that the Government of the United States—

(1) does not condone any threat or use of force in any attempt to unify the Republic of China and the People's Republic of China;

(2) does not recognize the right of either the Government of the Republic of China or the Government of the People's Republic of China to subvert the other by means of the use of force or the threat of an imminent use of force;

(3) should, in accordance with its constitutional processes, take all steps necessary to assist the Republic of China in ensuring its security and the security of the United States in the event of an act of aggression by the People's Republic of China against the Republic of China;

(4) should interpret any interference by any country with the commercial or cultural programs or military or economic assistance programs between the United States and the Republic of China as an unfriendly act and should react accordingly; and

(5) should use its voice and vote in each international organization of which the United States is a member to prevent the exclusion or the removal of the Republic of China from membership in such organization.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

By Mr. JACKSON:

S. 9. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

Mr. JACKSON. Mr. President, I am introducing today the Alaska National Interest Lands Conservation Act. The bill is identical, except for technical corrections, to H.R. 39 as reported by the Committee on Energy and Natural Resources on October 9, 1978 (S. Rept. 95-1300). I believe it is one of the most important Federal land policy proposals ever considered by the Congress. It is the product of intensive consideration by the committee of Alaska land issues over the last 5 years, including the longest markup (46 meetings) ever conducted by the committee.

The principal purpose of this legislation is to designate approximately 100 million acres of Federal land in Alaska for protection of their resource values under permanent public ownership and management. Enactment of this bill would more than double the size of the National Park and the National Wildlife Refuge System. It would triple the size of the National Wilderness Preservation System. It would virtually complete the public land allocation process in Alaska which began with the Statehood Act of 1958 which granted the State the right to select approximately 104 million acres of public land. This Federal land disposal process was continued by the Alaska Native Claims Settlement Act which granted Alaska Natives the right to select approximately 44 million acres of Federal land.

In order to carry out the principal purpose, the bill includes a number of other significant provisions, which together with the land designations are discussed in the following summary of major provisions. I ask unanimous consent that the summary of major provisions be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF MAJOR PROVISIONS

Title I—Purposes, Definitions, and Maps—Sets forth the purposes of the bill and spells out general definitions and map references.

Title II—National Park System—Establishes or expands 14 management units of the National Park System totaling 425 million acres. Sets out specific rules for management and use of these areas.

Title III—National Wildlife Refuge System—Establishes management units from the National Wildlife System totaling 35.79 million acres. Sets out specific rules for management and use of these areas.

Title IV—National Conservation Areas—Establishes 4 national conservation areas totaling 35.79 million acres. Sets out specific rules for management and use of these areas.

Title V—National Forest System—Establishes one new National Forest of 5.4 million acres, adds 3.04 million acres to existing National Forests, and establishes a 1.2 million acre Reward National Recreation Area in the State of Alaska.

Title VI—National Wild and Scenic Rivers System—Designates 24 rivers or river segments as components of the Wild and Scenic Rivers System and designates 10 rivers for study for possible inclusion in the System. Sets out specific rules for management and use of these areas.

Title VII—National Wilderness Preservation System—Designates 37.2 million acres as part of the National Wilderness Preservation System and designates 3 million acres for a greater wilderness study. Sets out specific rules for management and use of these areas.

TITLE VIII—Subsistence Management and Use—Recognizes the importance of use of fish, wildlife and other resources by many Alaskans. Establishes a state-preference preference for Federal land use over other uses including sport hunting and fishing. Establishes a special management area to assure that the preference is implemented.


TITLE X—Federal North Slope Lands Study Program—Recognizes the unique combination of wilderness, wildlife, and oil and gas values on the Alaska North Slope by directing a special study of all Federal lands in the area to assure that all elements of resource use and preservation will be presented to Congress at the same time that the special oil and gas exploration program on the Arctic National Wildlife Range, an oil and gas leasing program for non-North Slope Federal lands and a mineral resource assessment program.

TITLE XI—Transportation and Utility Systems—Establishes special provisions for railroad and conservation system units in Federal land management. Recognizes the need to balance protection of the resources and the need to assure access to the resources. Establishes a special methodology for Federal, State and private lands not included in such units.

TITLE XII—Federal-State Cooperation—Establishes an Alaska Land Use Council as an innovative vehicle for Federal and State cooperation in the management of Federal and State lands. Also authorizes special cooperative agreements for wildlife refuges and designates the Bristol Bay Cooperative Region as a unique example in Federal-State cooperation in land and resource management.

TITLE XIII—Administrative Provisions—Contains a variety of special management provisions dealing with various land management systems and other specific management concerns.

TITLE XIV—Amendments to the Alaska Native Claims Settlement Act and Related Provisions—Contains a number of amendments to the Alaska Native Claims Settlement Act which will simplify administration of that Act and assure that the Natives receive the maximum benefits which the Congress intended in the original law. Also authorizes a number of specific land selections which will benefit the Natives and the Federal Government. Two of the amendments related to Native taxation issues and originally included in this title have become Public Law and have therefore been deleted from the text of this bill (See P.L. 95-500, the Tax Reform Act of 1978).

TITLE XV—National Need Mineral Activity Recommendation Process—Establishes a special procedure under which the President, after congressional approval, can permit mineral exploration, development and extraction which is prohibited under existing law but may be needed to meet future national needs.

Mr. JACKSON. Mr. President, I ask that a summary of the acreage differences between the committee reported bill and the House-passed bill be printed in the RECORD at the conclusion of this debate.

There being no objection, the summary was ordered to be printed in the Record, as follows:
Designation and acreage, Alaska national interest lands*

<table>
<thead>
<tr>
<th>H.R. 39</th>
<th>Senate passed with Committee House</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Park System:</td>
<td></td>
</tr>
<tr>
<td>Parks and monuments</td>
<td>20,677</td>
</tr>
<tr>
<td>Preserves</td>
<td>20,592</td>
</tr>
<tr>
<td>Recreation area</td>
<td>2,685</td>
</tr>
<tr>
<td>Total</td>
<td>43,964</td>
</tr>
</tbody>
</table>

| National Conservation Areas (BLM): | |
| Conservation area | 7,370 | 0.000 |
| Recreation area | 1,000 | 0.000 |
| Total | 8,370 | 0.000 |

| National Forest System: | |
| New forest | 5,820 | 0.000 |
| National Forest Wilderness Areas | 9,049 | 2,740 |
| Recreation area in existing forest | 1,412 | 0.000 |
| Total wilderness | 12,281 | 3,480 |

| National Wilderness Preservation System: | |
| Wilderness in parks and monuments | 2,682 | 32.170 |
| Wilderness in preserves | 7,098 | 9.520 |
| Wilderness in wildlife refuges | 4,354 | 9.933 |
| Wilderness in forests | 2,888 | 3.919 |
| Total wilderness | 37,022 | 65.543 |

| Wilderness Study Areas: | |
| Forest | 2.00 | |
| Preserve | 1.04 | |

* Acreage is in millions and federal lands only.

**Background and Legislative History**

Mr. JACKSON. My colleagues will recall that this legislative proposal arises from certain provisions of the Alaska National Claims Settlement Act (ANCSA), signed into law on December 18, 1971. As its primary purpose the ANCSA extinguishes all the aboriginal claims of the Alaska Natives and provides them with land (44 million acres) and money ($926 million).

In addition, the act recognizes that the settlement of Native claims must be accompanied by careful planning and management of the remaining public lands in Alaska. Of particular importance is section 17(d)(2) which establishes a process to preserve the so-called national interest lands in Alaska—lands which possess unique wildlife, wilderness, scenic, scientific, cultural, and historical values of national significance. This provision authorized the Secretary of the Interior to withdraw up to 80 million acres of land to be studied for possible addition to the four national conservation systems. It also required all legislative proposals arising from such studies to be submitted to the Congress within 3 years, by December 18, 1974, and after a 3-year period continuation of the Secretarial withdrawals which considered the legislation. During this period, land withdrawn under section 17(d)(2) would not be subject to transfer out of Federal ownership under the public land laws.

During the 95th Congress, the Committee on Energy and Natural Resources considered several proposals for “d-2” legislation. Hearings were held in Washington and workshops were held in Alaska on the national interest lands and related issues. Finally, the committee conducted extensive markup sessions from July through September in an attempt to meet the December 18, 1978 deadline for expiration of the withdrawals. In an attempt to expedite enactment, House and Senate leaders, the Alaska delegation and the administration reached agreement on compromise legislation during the last week of the 95th Congress. Unfortunately, the full Senate was not able to consider either the committee's bill or the proposed compromise because of a threatened filibuster by one Senator.

Because Congress did not enact legislation before the December 18, 1978 deadline, the President and the Secretaries of the Interior and Agriculture took several actions to protect the key Federal lands in Alaska, until Congress acts.

I ask unanimous consent that the White House fact sheet on those actions be printed in the RECORD at the end of my statement.

Mr. President, consideration of Alaska lands legislation will be a top priority of the Committee on Energy and Natural Resources. Further delay in reaching a comprehensive settlement of land use designations in the State of Alaska can only be detrimental to the citizens of that State and to the national interest. I believe the approach adopted by the Committee on Energy and Natural Resources last year strikes a reasonable balance between protection of nationally significant and fragile land, wildlife, fish and other resource values and the national and State of Alaska's needs to permit careful, planned development of other federally owned oil, gas, hardrock minerals, and timber resources.

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

**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 announce administration 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 lands in 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 development potential from 80 million acres of land 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 a 5-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 10, 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, 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**

<table>
<thead>
<tr>
<th>National monuments proclaimed by the President</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aniakchak</td>
<td>350,000</td>
</tr>
<tr>
<td>2. Bering Land Bridge</td>
<td>2,600,000</td>
</tr>
<tr>
<td>3. Cape Kruzenstern</td>
<td>680,000</td>
</tr>
<tr>
<td>4. Denali</td>
<td>1,100,000</td>
</tr>
<tr>
<td>5. Gates of Arctic</td>
<td>8,220,000</td>
</tr>
<tr>
<td>6. Glacier Bay</td>
<td>850,000</td>
</tr>
<tr>
<td>7. Katmai</td>
<td>1,370,000</td>
</tr>
<tr>
<td>8. Kenai Fjords</td>
<td>570,000</td>
</tr>
<tr>
<td>9. Kobuk Valley</td>
<td>1,710,000</td>
</tr>
<tr>
<td>10. Lake Clark</td>
<td>1,000,000</td>
</tr>
<tr>
<td>11. Nootka</td>
<td>5,800,000</td>
</tr>
<tr>
<td>12. Wrangell-St. Elias</td>
<td>10,050,000</td>
</tr>
<tr>
<td>13. Yukon-Charley</td>
<td>1,720,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>40,790,000</strong></td>
</tr>
<tr>
<td>14. Yukon Flats</td>
<td>10,600,000</td>
</tr>
<tr>
<td>15. Becharof</td>
<td>1,200,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>11,800,000</strong></td>
</tr>
<tr>
<td>16. Admiralty Island</td>
<td>1,100,000</td>
</tr>
<tr>
<td>17. Misty Fiords</td>
<td>2,385,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>3,335,000</strong></td>
</tr>
<tr>
<td><strong>Total acreage</strong></td>
<td><strong>55,975,000</strong></td>
</tr>
</tbody>
</table>

(Note: Areas Nos. 1-13 are proposed National Park areas, Nos. 14-15 are proposed Wildlife Refuge areas, and Nos. 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 the proposed National Wildlife Refuges the remaining 12 proposed refuge areas. These areas cover ap-
Selection. These three-year withdrawals cover approximately 105 million acres and will re-

Our Nation's institutionalized citizens are uniquely unable to assert and protect their own rights. Because of mental or physical handicap or physical or emotional despair brought on by living in dehumanizing conditions this class of people seek to help protect through this legislation from mistreatment and to gain access to the legal and financial resources necessary to obtain access to justice and fair treatment.

Regarding this initiative the Department has, during the past decade, brought a number of actions against state institutions, successfully documenting widespread deprivations of residents' rights, and compelling state officials to upgrade conditions of confinement and treatment.

These abuses we seek to reduce are not insignificant nor are they merely technical. A brief look at the cases brought on behalf of the institutionalized highlights the need for continued participation by the Justice Department. In the landmark case of Wyatt against Stickney, the Justice Department's ability to engage in long-term litigation is developing a record of institutionwide abuses to which inmates of mental hospitals were being subjected. Retarded persons were tied to their beds at night, inadequately shielded from outside light and sound. One woman was confined in a strait-jacket for 9 years losing the use of both of her arms. At one institution, inadequate staffing, insubordination and uncontrolled brutality of other inmates resulted in the deaths of four residents. In the course of litigation brought to correct abuses in a state's juvenile reformatory, a federal court found the State juvenile system rampant with officially sanctioned brutality, including beatings, tear gassings, and placement in homosexual dormitories as a form of punishment (Morales against Turman).

Following Wyatt and other cases in which the department participated, a number of other amendments were offered providing a right to treatment for mentally ill institutionalized persons, and a series of Federal court cases further substantiated right to treatment. The Department of Health, Education, and Welfare followed suit by adopting many of the standards first enunciated in Wyatt and conditions for participation in federally funded programs of care for the mentally handicapped. Judge Johnson, who initially ordered the Department to appear, and the Court in Wyatt, was sufficiently impressed to commend Government lawyers for having performed exemplary service for which this court is indeed grateful.

The first serious setback to these efforts came in 1976 when a Federal district court in Maryland dismissed a suit brought by the Justice Department concerning the limited access to the Rosebud State Hospital for the mentally retarded. In United States against Solomon, the court held that the Justice Department lacked independent authority to sue to enforce constitutional and Federal rights of hospital inmates. Following the Solomon decision, a Federal district court in Montana dismissed another suit initiated by the Department challenging conditions in a State mental retardation hospital, again declaring the Department without standing. Obviously, the Department lacked standing to sue.

This bill creates no new substantive rights, nor does it open the doors of the courts to the hundreds of thousands of litigants. Under the standards we have proposed, the authority of the Department to bring suit on behalf of the institutionalized limited to widespread deprivations of constitutional and Federal rights and then only in the presence of "egregious or flagrant conditions." Clearly, the intent of this legislation is not to provide the Justice Department with standing to bring suit to redress minor or unimportant technical regulations. S. 10 is designed to redress the most horrendous of conditions, conditions which sometimes deprive institutionalized persons in this country of the very right to life itself.

RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. BAYH. Mr. President, today I am introducing legislation designed to give statutory authority to the Justice Department to initiate suit to enforce constitutional and other federally guaranteed rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

Mr. BAYH. Mr. President, today I am introducing legislation designed to give statutory authority to the Justice Department to initiate suit to enforce constitutional and other federally guaranteed rights of institutionalized persons. I am joined in this effort by Senator Hatch and 19 of our colleagues. This legislation codifies the authority exercised by the Department in the past to intervene and to initiate civil actions on behalf of persons confined to mental hospitals, prisons, mental retardation facilities, reformatories for juvenile delinquents, facilities for emotionally disturbed children and long-term care facilities.

Similar legislation was introduced and reported by the Senate Committee on the Judiciary, but not considered by the full Senate in the 95th Congress. A companion bill, H.R. 9400, was passed by the House.

This bill includes protection of the rights of persons in jails and correctional facilities. During Judiciary Committee consideration of S. 1392 in 1978 an amendment was offered and accepted that limited coverage of correctional facilities to constitutional abuses. Another amendment was offered to eliminate totally inmates of jails and correctional facilities from coverage in this bill, and I feel it appropriate to respond at this time to those who would suggest that inmates of correctional facilities do not belong in this legislation.

I agree with many of my colleagues who know that the American people do not wish to send those convicted of crimes to a country club environment. I want to emphasize that the effect of the Justice Department suits in the cases of jails and correctional facilities would not be to create such an environment. In 1976, a Federal district court found in one State facility "as many as six inmates packed in 4-foot by 8-foot cells with no beds, no lights, no running water, and a hole in the floor for a toilet which could only be flushed from the outside (Pugh against Locke)." Obviously we are not saying that prisons should be fed steak but rather that they should be fed meals nutritious enough to sustain life and health. We are not asking that each prisoner have a private bath but rather that there be adequate sanitary facilities to sustain minimum standards of health.

Ours is a society dedicated to human rights and humane principals. It is not enough that it have the condition of the American people to torture or abuse those we have placed in our correctional institutions. In most State penal institutions there are inadequate health and sanitation facilities described as subhuman living conditions.
the Federal Government into the business of the States.

Mr. President, if a retarded child is found in a common bowl of gruel at such speed that the child chokes to death, if 100 percent of the inmates of an institution contract hepatitis within 6 months of admission, and if institutional mental institutions are murdered by fellow inmates because of lack of supervision; and if the State puts forth no effort to right such unconscionable things; then I believe and apparently many of my colleagues in both the Senate and the House believe, it is not only the business of the Federal Government, but the duty of the Federal Government to intervene to protect the rights of its citizens under our Federal Constitution.

A glance at the list of cosponsors of S. 10, as well as the bill itself, makes clear that legitimate concerns for States' rights were fully protected in this bill. We have spent many hours refining and changing the original bill to insure that every reasonable effort will be made to allow States to correct unconstitutional conditions first and that even then litigation will take place only in the presence of a pattern or practice of the most egregious violations of rights of those in our Nation's institutions.

Before a suit can be brought the Attorney General must certify to the court that he has pursued with the State informal methods of changing conditions, that he has advised the State of technical and financial assistance available from the Federal Government and that he is satisfied that the State has had a reason to effect change, and that he has made a reasonable effort to provide relief and has not done so.

There are children who have been institutionalized from infancy in institutions where they are physically abused, malnourished, and neglected, where every day of their lives they know nothing but fear and indifference. To grow up in such an environment, your spirit long since dead, and finally die physically as well as spiritually, perhaps long before your time, is a horror I cannot comprehend. Yet we condemn too many of our citizens physically as well as spiritually, perhaps long before your time, is a horror I cannot comprehend. Yet we condemn too many of our citizens as may be appropriate to insure the full enjoyment of such rights, privileges, or immunities, except that such equitable relief shall be effective under this act to persons residing in an institution as defined in section 6(a)(3) only if such persons are State or political subdivisions with the State Government to intervene to protect the rights of its citizens under our Federal Constitution.

S. 10, as well as the bill itself, makes provision for the Attorney General to continue its dissemination of such information as he or his designee believes may be appropriate to insure the full enjoyment of such rights, privileges, or immunities, except that such equitable relief shall be effective under this Act to persons residing in an institution as defined in section 6(a)(3) only if such persons are State or political subdivisions with the State Government to intervene to protect the rights of its citizens under our Federal Constitution.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General has reasonable cause to believe that any State or political subdivision, official, employee, or agent of any other person acting on behalf of a State or political subdivision of a State is subjecting persons residing in an institution, as defined in section 6, to egregious or flagrant conditions (conditions of which the Attorney General has reasonable cause to believe are caused by gross neglect) which deprive such persons of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing them to suffer grievous harm, and that such deprivation of rights, privileges, or immunities is a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States, may intervene in such action upon motion by the Attorney General or any other person in the manner and in a cause of action under Section 6(a)(3) of the Federal Rules of Civil Procedure.

(a) "institution" means any facility for mentally ill, disabled, or retarded persons; (2) any facility for chronically ill or handicapped persons, including any State-supervised intermediate or long-term care or custodial care facility; (3) any jail, prison, or other correctional facility, or any pretrial detention facility; or (4) any facility in which juveniles are placed as part of State policy for purposes of treatment or for any other State purpose.

Provisions of this Act shall not be deemed "institutions" under this Act unless persons reside in such facilities as a result of State action.

(e) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

Sect. 7. Provisions of this Act shall not be deemed "institutions" under this Act unless persons reside in such facilities as a result of State action.

(c) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

Mr. BENTSEN. Mr. President, I am pleased to join today in introducing S. 10. This legislation will give the Attorney General express statutory authority to initiate actions to protect the civil rights of institutionalized persons.

It creates no new substantive rights. It allows the Justice Department to bring action to enforce existing rights where a pattern and practice of violation has been established.

It allows action only where the violations have been flagrant and systematic, where the Federal Government has been subjected to retaliation in any manner for so reporting.

Sect. 4. No person reporting conditions which he or she reasonably believes may be appropriate to the Attorney General shall be subjected to retaliation in any manner for so reporting.

Sect. 5. The Attorney General shall include in his report to Congress on the business of the Department of Justice prepared pursuant to 217 of title 28 of the United States Code, a statement of the number, variety, and outcome of all actions instituted or in which the Attorney General has intervened pursuant to this Act.

Sect. 6. As used in this Act— (a) "institution" means— (1) any facility for mentally ill, disabled, or retarded persons; (2) any facility for chronically ill or handicapped persons, including any State-supervised intermediate or long-term care or custodial care facility; (3) any jail, prison, or other correctional facility, or any pretrial detention facility; or (4) any facility in which juveniles are placed as part of State policy for purposes of treatment or for any other State purpose.

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Mr. President, the quality of a civilization can be judged by the way it treats its most helpless members. In recent years we have seen examples of abuse in institutions that shocked the conscience of this Nation and violated our respect for the rule of law.

I stand second to none in my desire to see hardened criminals receive the punishment they deserve. The most violent and violent should receive long and certain punishment. We must enact sentencing reforms to insure that punishment is both certain and fair. I will shortly reintroduce legislation to move us towards these goals.

Yet our prisons must meet constitutional standards. Our Bill of Rights is a bill of obligations. There can be no re-
treat from the rule of law. When constitutional rights have been denied, it should be the responsibility of the Justice Department to act.

The case is even more compelling when the abuses harm those who have done no wrong, when suffering arises from those who are dependent on society for care.

There has been too much suffering among the children, the retarded, the mentally ill, and other institutionalized persons.

Most State officials work long and hard and deserve to be commended. We owe a great debt to the people who labor to provide care for those who need it.

Yet adequate care is not always provided. Funds are spent on other priorities. Attention is given to other concerns. Scores of cases reveal helpless people enclosed in walls of alienation and fear.

They come for healing yet find pain. They come for hope yet find despair. They come for attention, yet find eyes that do not see and ears that do not hear. Today we review what has been done to improve these conditions.

Mr. President, let me conclude with a thought about simple justice. Winston Churchill, speaking to a dangerous enemy of a different era, said: "What kind of country are we?"

We spend so much time criticizing ourselves here in America that we forget what a good and great country we are. We believe in justice. We believe in human rights. We believe in opportunity for each of our citizens.

It is impossible to example the cases that have come to light and not feel a sense of compassion, and responsibility. The mentally ill must not be chained to their beds at night, or forced to consume inadequate meals in minutes.

Retarded children must not burn to death in fires, because conditions were bad, because attention was not given.

We must not allow some of the most deprived persons to be among the most forgotten, or the most abused.

In the case of criminals, they should know that they will be punished, and that the punishment will be fair. In the case of the retarded, the ill, the neglected, they should know that they will receive our compassion because they compel our concern.

This is the great strength of the American Nation.

We share a minimum standard of decency that knows no ideology, no party label, no partnership, no bias. Today, the institutionalized persons reach out for help.

Mr. President, let me briefly describe the kind of widespread violations that S. 10 is addressed to.

Consider the Wyatt case, involving a mental institution. Here the court found a shortcoming of custodial, and inadequate care for the residents.

Retarded persons were chained to their beds at night, when employees could not be found to care for them. Toilet paper was locked up to avoid cleaning work. One patient was in a straitjacket for 9 years and lost the use of both arms.

Consider the Willowbrook case, involving a home for the mentally retarded. Evidence demonstrated the massive overdrugging of children. Some of the worst cases were reported by the staff.

Children suffered the loss of eyes, bitten off ears, broken teeth. One cerebral palsy victim spent 16 years at Willowbrook, mistakenly diagnosed as mentally retarded.

These cases demonstrate widespread abuses against great numbers of people. They are the extreme kind of case, the rare instances of great damage, that S. 10 seeks to remedy.

It is important that the great resources of our Justice Department be used to ensure that our laws are enforced. The Justice Department has investigative resources, technical competence, and legal expertise available to private parties. S. 10 will put those resources to use in those relatively few cases where they are urgently needed.

It will foster judicial economy and sound management if the litigation is necessary. The Attorney General will be free to select cases that merit close attention, where legal action would yield the most profound benefits.

Mr. President, let me conclude with a thought about simple justice. Winston Churchill, speaking to a dangerous enemy of a different era, said: "What kind of country are we?"

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This is the great strength of the American Nation.

We share a minimum standard of decency that knows no ideology, no party label, no partnership, no bias. Today, the institutionalized persons reach out for help.

Together, let us reach back.

Mr. CRANSTON. Mr. President, I am pleased to join the Senator from Indiana (Mr. Bayh) and my other colleagues as a cosponsor of this bill to authorize, in certain instances, an action or intervention by the Attorney General where certain institutionalized individuals whose rights under the Constitution or laws of the United States are being deprived.

Mr. President, I believe strongly that S. 1393 could be of immense benefit to institutionalized children, and elderly, and handicapped—particularly mentally disabled children and mentally retarded individuals, as well as incarcerated individuals.

Since 1971, the Justice Department has successfully brought suit on several occasions on behalf of such individuals. For example, in 1976, Justice successfully challenged Louisiana with respect to State policies concerning dependent children Gary W. against Stewart. Justice successfully intervened in a class action suit involving institutionalized persons.

Since 1971, the Justice Department has successfully brought suit on several occasions on behalf of such individuals. For example, in 1976, Justice successfully challenged Louisiana with respect to State policies concerning dependent children Gary W. against Stewart. Justice successfully intervened in a class action suit involving institutionalized persons.

In 1974, the Justice Department appointed a State to act on behalf of institutionalized persons, S. 10 provides for the retention of important constitutionally guaranteed rights. The courts have ruled that these rights include: The right of mentally ill patients to receive individualized treatment; the right of prison inmates to be protected from cruel and unusual conditions of confinement; and, in general, the right to be granted every priv-
lege or immunity guaranteed by Federal law. Further, this legislation clearly states that the Attorney General will be authorized to act only in the most severe cases, where the violation is a documented pattern or practice.

In the case of institutionalized persons, this bill would redress institutionalized persons' most fundamental rights. For example, the landmark case of Wyatt against Stickney grew out of nightmarish conditions where patients in a mental hospital were tied to their beds at night for no other reason than the lack of sufficient staff to care for them. Patients were denied the use of toilet privileges and often received their meals on a tray like that for animals rather than in the restaurant that served the general public.

This legislation has the support of the National Association for Retarded Citizens, the Mental Health Association, the American Bar Association and other legal organizations. The problems addressed in this legislation have plagued our society for years. I am hopeful this bill will extend the basic rights most of us take for granted to those who are now denied them.

In the past, the Attorney General has occasionally intervened to litigate on behalf of the mentally ill, the mentally retarded, juvenile delinquents, and the incarcerated in instances where abuse has occurred. Sometimes the Federal district courts have requested the help of the Attorney General. Recent court rulings have questioned the Attorney General's authority to become involved when civil rights of institutionalized persons have been violated. This bill would provide him with the tools if all possible alternatives have been used.

I wish to make clear, however, that the Attorney General is not free to intervene until all State measures have been exhausted to resolve the problems. The Attorney General may not become involved until State grievance procedures have been used, and he must inform the State of the resources available to correct the substandard conditions.

The bill makes it very clear that the Attorney General may become involved only as a last resort, when State and local authorities have proven unable or unwilling to correct the injustices. Ideally, the Attorney General should never need to intervene.

However, experience has shown that many States have a poor record of protecting the institutionalized person. Often times, they have little or no record of proceeding with the State grievances or with the complaints filed by the Institutionalized. The Attorney General may become involved until State grievance procedures have been used, and he must inform the State of the resources available to correct the substandard conditions.

It is simple to understand how conflicts of interest can occur.

Mr. President, this legislation is not radical, but it seeks to protect persons in our society who traditionally have been the most helpless, the most dependent, and therefore the most vulnerable. The institutionalized oftentimes do not know their rights, have no access to legal aid, and may be punished if they attempt to complain of their treatment.

I feel that appropriate measures have been taken to provide that the Attorney General may not intervene until every attempt has been made to correct the problem at the State level. Certainly, the people of the United States and the State have a right to redress their grievances and work with the Administration and under the Federal Government to correct the substandard conditions.

In conclusion, this bill would redress institutionalized persons' most fundamental rights.

Mr. President, I urge my colleagues to join in support of this legislation.

Mr. STEVENS. Mr. President, May I introduce a set of omnibus amendments to the Alaska Native Claims Settlement Act. These amendments, provide for a series of changes in landmark legislation originally passed in 1971 which settled the land claims of Alaska's Eskimos, Aleuts, and Indian communities. Seven years of implementation of this act have provided the background for these amendments which have been agreed upon by an Alaska Native Claims Settlement Act working group consisting of representatives of the Department of Interior, the State of Alaska, the Alaska Federation of Natives, and the Joint Federal-State-Indian Claims Commission for Alaska. The amendments which I introduce today were all the products of this working group and were included as part of title 14 of the Senate Committee's Alaska d-2 lands legislation last year. Other amendments are also under consideration by the Settlement Act working group and may be added to this legislation during the hearing and markup process.

I am pleased to introduce these amendments which provide refinements of the Alaska Native Claims Settlement Act. Since its passage, the Settlement Act, a bold and new congressional approach to American Indian legislation, has proven to be a workable and worthwhile experiment. The interested parties have worked closely on these amendments and have produced a good series of recommendations to improve the implementation of the Act in the future. It is my hope that this legislation can move rapidly through the Senate and be enacted into law in the near future.

In conclusion, it is my hope that this legislation will redress institutionalized persons' most fundamental rights.
Paragraph 1

"(B) If adopted by December 18, 1991, restrictions provided for amendment to the articles of incorporation may include, in addition to any other legally permissible restrictions:

(1) The denial of voting rights to any holder of stock who is not a Native, or a descendent of a Native, and

(2) Any restriction on the transfer of stock ownership on death or by inheritance to any other party, including a transfer in satisfaction of a lien, writ of attachment, execution, pledge, or other encumbrance.

(C) Notwithstanding any provision of Alaska law to the contrary-

(1) any amendment to the articles of incorporation of a regional corporation to provide for any restrictions specified in clause (1) or (2) of subparagraph (B) shall be approved if such amendment receives the affirmative vote of the holders of a majority of the shares entitled to be voted under the provisions of the articles of incorporation; and

(2) any amendment to the articles of incorporation of a regional corporation which would grant voting rights to stockholders who were previously denied such voting rights by virtue of such an amendment shall receive in addition to any affirmative vote otherwise required, a like affirmative vote on such amendment by the stockholders entitled to be voted under the provisions of the articles of incorporation."

(b) Section 8(c) of such Act is amended to read as follows:

"(c) At the end of section 1696(h) (1) of this Act, the provisions concerning stock alienation, annual audit, and transfer of stock ownership on death or court decree provided for regional corporations in section 7, including the provisions of section 7(d), shall apply to Village Corporations; except that audits need not be transmitted to the Committee on Interior and Indian Affairs of the House of Representatives or to the Committee on Energy and Natural Resources of the Senate."

(c) At the end of section 1696(h) (1) of title 43, United States Code, insert immediately before the period the words: "or by a stockholder who is a member of a professional organization, association, or board which limits the ability of that stockholder to practice his profession because of holding stock issued under this Act."

Vesting Date for Reconveyances

SEC. 6. Section 22(j) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)) is amended by inserting a new paragraph (4) to read as follows:

"(4) Where public lands consist only of mineral estate, such mineral estate, which is reserved by the United States upon patent of the balance of the estate under one or more public land entries prior to the making of this Act, the Regional Corporations may select as follows:

(A) Where such public lands were not withdrawn pursuant to subsection 11(a) (3), but are surrounded by or contiguous to lands withdrawn pursuant to this subsection and filed upon for selection by a Regional Corporation, the Corporation may, upon request, have such public lands included in its selection and considered by the Secretary to be withdrawn and properly selected.

(B) Where such public lands were withdrawn pursuant to subsection 11(a) (3) and are required to be selected by paragraph (3) of this subsection, the Regional Corporation may, at its option, exclude such public lands from its selection.

(C) Where the Regional Corporation elects to obtain such public lands pursuant to subparagraph (A) or (B) of this paragraph, it may select, within ninety days of receipt of notice from the Secretary, the surface estate in an equal acreage from other public lands withdrawn by the Secretary for the purpose. Such selections shall be in units no smaller than a whole section, except where the remaining entitlement is less than six hundred and forty acres, or where an entire section is not available. Where possible, selections shall be of lands from which the subsurface estate was selected that Regional Corporation pursuant to subsection 12(a) (1) or 14(h) (9) of this Act, and, where possible, all selections made under this section shall be considered to be awarded to a Regional Corporation or a Village Corporation by the Secretary. The Secretary is authorized to make such selections as necessary to meet two times the acreage entitlement of the Inuit surface estate from vacant, unappropriated, and unreserved public lands, on which the Regional Corporation may select such Inuit surface estate except that the Secretary may make such selections without regard to the availability of any parcel that had been previously withdrawn pursuant to subsection 17(d) (1).

(D) No mineral estate in lieu surface estate shall be available for selection within the National Petroleum Reserve—Alaska or
within Wildlife Refuges as the boundaries of the subsurface estate exist on the date of enactment of this Act".  

CONVEYANCE OF PARTIAL ESTATES  

SEC. 5. (a) Section 14(h) (1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h) (1)) is amended by replacing the existing paragraph with the following paragraph to read as follows:

"Section 14(h) (1) of the Alaska Native Claims Settlement Act (herein referred to as "the Act") is amended by adding to the end thereof the following: "Any minerals reserved by the United States pursuant to section 12 of P.L. 94-204 (89 Stat. 1118), as amended, in a Native Allotment or fractional allotment for mineral rights, and any minerals reserved pursuant to section 18 of this Act during the period December 18, 1971 through December 18, 1973, as reserved by Public Law 94-204, as amended, are hereby conveyed to the appropriate Regional Corporation, unless such lands are located in a Wildlife Refuge or in the National Forest System as provided in section 22(i) of this Act. The Secretary shall be conveyed for lands located in a Wildlife Refuge. Any minerals reserved by the Secretary pursuant to section 12 of the Act of January 2, 1976 (Public Law 94-204), as amended;""

(b) Section 14(h) (2) and 14(h) (5) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h)(2) and (h)(5)) are amended by adding at the end thereof the following:

"(c) Section 14(h) (6) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h)(6)) is amended by adding the following at the end of that section:

"(9) Where the Regional Corporation is precluded from receiving the subsurface estate by paragraph (1), (2), (3), (4) or (5), or the retained mineral estate, if any, pursuant to a conveyance to the Regional Corporation of another estate in an equal acreage from other lands withdrawn for such selection by the Secretary. Selections made under this paragraph shall be contingent and in reasonably compact tracts except as separated by unappropriated, unreserved public lands, and shall be in whole sections, except where the remaining entitlement is less than six hundred and forty acres, and then only to withdrawal up to two times the Corporation's entitlement, from vacant, unappropriated, and unreserved public lands, including lands selected by the Secretary pursuant to subsection (f) (1), and the Regional Corporation shall select such entitlement of subsurface estate from such withdrawn lands within ninety days of receipt of notification from the Secretary."

"(10) Notwithstanding the provisions of subsection 22(h), the Secretary, upon determining that specific lands are available for withdrawal and possible conveyance under this subsection, may withdraw such lands for selection by and conveyance to an appropriate applicant and such withdrawal shall remain unrevoked by the Secretary."

"(11) For purposes set forth in subsections (b)(1), (2), (3), (4), and (6), the term "public lands" shall mean public lands having the boundaries of the reservations exist on the date of enactment of this Act.""

CONVEYANCE AND EASEMENT RIGHTS  

SEC. 6. (a) Section 2 of Public Law 94-204 (89 Stat. 1146) is amended to read as follows:

"Sec. 2. (a) During the period of the appropriate withdrawal for selection pursuant to the Settlement Act, any and all proceeds derived from contracts, leases, licenses, permits, easements, or from trespass occurring after the date of withdrawal of the lands for selection, pertaining to the retained mineral estate, or from native selection pursuant to the Settlement Act, shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting Corporation. Such escrow account shall be entitled to receive benefits under such Act."

"(2) Such proceeds which were received, if any, subsequent to the date of withdrawal of the land for selection, but were not deposited in the escrow account shall be identified by the Secretary within two years from the date of withdrawal which ever is later, and shall be paid, together with interest on such proceeds, to the native corporation entitled to receive benefits under such Act."

"(3) Such proceeds which have been deposited in the escrow account shall be paid, together with interest accrued, derived from such contract, lease, license, permit, right-of-way, easement, or trespass, to the native corporation entitled to receive benefits under such Act."

"(4) Such proceeding which have been deposited in the escrow account pertaining to lands selected shall not be conveyed to such Act, or selected but not conveyed due to rejection or relinquishment of the selection of such interest, as would have been required by law were it not for the provisions of this Act."

"(5) Section 94-204 (89 Stat. 1146) is amended by adding a new subsection to read as follows:

"(e) There is authorized to be appropriated sums necessary to carry out the purposes of this section.""

SECTION REQUIREMENTS  

SEC. 10. Subsection (a) (2) of section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a) (2)), is amended by adding to the end of that subsection the following: "(A) a portion of available public lands of a section is separated from other available public lands in the same section by lands unavailable for selection or by a meanderable body of water; "(B) such waiver will not result in small isolated parcels of available public land remaining after conveyance of selected lands to Native Corporations; and,"

"(ii) such waiver would result in a better land ownership pattern or improved land or resource management opportunity; or"

"(iii) the remaining available public lands in the section have been selected and will be conveyed to another Native Corporation under this Act."

FIRE PROTECTION  

SEC. 11. Subsection (e) (section 21 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(e) (2))) of the Alaska Native Claims Settlement Act is amended by adding to the end thereof the following:

"(3) Such proceeds which have been deposited in the escrow account shall be paid, together with interest accrued, derived from such contract, lease, license, permit, right-of-way, easement, or trespass, to the native corporation entitled to receive benefits under such Act."

"(4) Such proceeds which have been deposited in the escrow account pertaining to lands selected shall not be conveyed to such Act, or selected but not conveyed due to rejection or relinquishment of the selection of such interest, as would have been required by law were it not for the provisions of this Act."

"(5) Section 21 of the Alaska Native Claims Settlement Act is amended by adding a new subsection to read as follows:

"(e) There is authorized to be appropriated sums necessary to carry out the purposes of this section.""

SHAREHOLDERS HOMESTEADS  

SEC. 12. Section 21 of the Alaska Native Claims Settlement Act is amended by adding to the end thereof the following: "(i) A real property interest distributed prior to December 18, 1991, by Village Corporation to a shareholder of such Corporation pursuant to a program to provide homesteads to its shareholders, shall be deemed conveyed and received by such shareholders as their respective homesteads, and the word 'forfeiture' with the words "they shall", and replacing the word 'forest' with 'wildland.'"
nor shall it include the issuance of free use permits or other authorization for such purposes;"

SUPPLEMENTAL APPROPRIATION FOR NATIVE GROUPS

SEC. 14. The Secretary shall pay by grant to each of the Native Group Corporations, established under section 14(c) (2) of the Alaska Native Claims Settlement Act and finally certified as a Native Group, an amount not more than the piloted value of the land selected, as adjusted according to population of each Group. Funds authorized under this section may be used in developing public and other purposes for which the Native Group Corporations are organized under the settlement system.

RELINQUISHMENT OF SELECTIONS PARTLY WITHIN CONSERVATION UNITS

SEC. 15. Whenever a valid State or Native selection is partly in and partly out of the boundary of a conservation system unit, notwithstanding any other provisions of law to the contrary, the State or any Native Corporation may relinquish its rights in any portion of any validly selected Federal land, including land underneath waters which lies within the boundary of the conservation system unit. Upon relinquishment, the Federal land (including land underneath waters which lies within the boundary of the conservation system unit) so relinquished within the boundary of the conservation system unit shall become, as laws of the State, as a part of the conservation system unit. The total land entitlement of the State or Native Corporation shall not be reduced by any relinquishment. In lieu of the lands and waters relinquished by the State, the State may select pursuant to the Alaska Statehood Act of November 17, 1958, P.L. 85-697, as amended, and for the purpose of this Act, an equal acreage of other lands available for such purpose. The Native Corporation may select an equal acreage of the overselected lands on which selection applications were otherwise properly and timely filed. A relinquishment pursuant to this section shall not invalidate an otherwise valid selection outside the boundaries of the conservation system unit, on the grounds that, after such relinquishment, the remaining portion of the land selection no longer meets applicable requirements of size, compactness, or contiguity, or that the portion of the selection retained immediately outside the conservation system unit does not follow section lines along the boundary of the conservation system unit. Any other provisions of this Act to the contrary, such boundary shall not be adversely affected by the relinquishment.

ALASKA TOWNSITE

SEC. 16. (a) Effective on the date of enactment of this Act, all lands which are located in patented townsites or which are the subject of an application for patent under the Acts of March 3, 1891 (43 U.S.C. 732), or May 25, 1926 (43 U.S.C. 733-736), are withdrawn from further entry. (b) The townsite trustee shall convey all unoccupied lands in the townsite for which he still retains title, without charge, to the home rule or first- or second-class city if any, incorporated under the laws of the State of Alaska for the community in which the townsite is located. Any remaining unoccupied trust funds shall also be transferred by the trustee to the State. If, subsequent to conveyance of the unoccupied lands to the State of Alaska, the community in which the townsite was originally entered incorp­orated as a city under the Alaska Statehood Act, the State will convey to the city all un­occupied lands in the townsite for which it still retains title, together with any unobligated trust funds. This procedure will also apply in the event a city previously selecting unoccupied lands in the townsite indicates to the State Its desire to receive conveyance.

(d) The Secretary shall proceed to process any pending entry which has been filed by the townsite trustee and issue patent, if appropriate, to the townsite trustee. For the issuance of patents to the townsite trustee, the provisions of this section shall apply. In order to protect valid existing rights, the townsite trustee shall administer and discharge his trust on all tracts lawfully occupied on the date of this Act in accordance with the rules and regulations which governed such administration prior to the repeal of the Townsite Act.

SEC. 17. Except as specifically provided in this Act, (1) the provisions of the Alaska Native Claims Settlement Act are fully applicable and effective in this Act; (2) no provision of this Act shall be construed to alter or amend any of such provisions.

Mr. GRAVEL. Mr. President, since the passage of the Alaska Native Claims Settlement Act (ANCSA) in 1971, there have been many problems in interpreting and implementing the complex provisions of the act. Last Congress introduced similar legislation designed to clarify and correct these problems, which have resulted in numerous court suits and over­all delay in conveying the land due to the ambiguous terms of ANCSA. Some of the provisions of this bill were passed in the tax bill last Congress, but most were caught up in the Alaska lands legislation dealing with new conservation system areas which failed in the final moments of the last Congress. However, this legislation in most respects is outside the domain of the better known "d-2" or Alaska lands legislation. Passage of ANCSA amendments is vitally needed and should be considered with or without passage of an Alaskan lands bill.

The conveyance of some 44 million acres of land in Alaska promised Alaskan Natives is long overdue and swift passage of this legislation will go far in resolving many of the problems which have resulted in the failure of the Alaska lands legislation. Mr. President, I am pleased to join my colleagues from Alaska in sponsoring this legislation and urge the Senate to act positively on the bill early this session.

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. HUMPHREY, Mr. LUGAR, Mr. McCLURE, Mr. SCHMITT, Mr. TOWER, Mr. HELMS, Mr. GOLDWATER, and Mr. JEPSEN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions, to the Committee on Finance.

TAX EQUALIZATION ACT

Mr. DOLE. Mr. President, despite all of the political sniping during the 95th Congress, more than 80 percent of the American taxpayers can expect a tax increase this year. The increase, which will approach $10 billion, comes after Congress passed a major tax reduction in hopes that it would pacify taxpayers crying out for lower taxes.

Mr. President, inflation is our number one tax problem. As inflation increases, a taxpayer's income must also increase to enable the family to buy the same goods and services. But, as nominal income rises, the taxpayer is pushed into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that his purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Although the taxpayer is earning more money to keep up with inflation, his real standard of living may actually decline.

INDEXING

Mr. President, the legislation I introduced today is designed to insulate taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the cost of living. The tax equalization act would adjust the income tax rates, the personal exemption and the zero bracket amount to reflect increases in the cost of living as measured by the consumer price index during the previous year. The Tax Equalization Act is effective beginning with tax years after 1980, and will remain in effect for 4 years, at which point Congress will have an opportunity to review and determine whether to continue the indexing adjustments.

Mr. President, the effects of tax inflation are dramatic. Consider the dilemma of a family of four who earns $15,000 in 1979. Assuming an inflation rate of 8 percent in 1979, the family has to earn an additional $1,200 more in 1980, or $18,200, just to stay even with inflation. But, the family does not really stay even. While their income increases by 8 percent, their income tax bill will rise by $258, or more than 12 percent.

The impact of tax inflation becomes more dramatic as the taxpayer climbs the income scale. A family with a $30,000 a year income in 1979 will have to earn $2,400 more in 1980 to keep pace with an 8 percent inflation rate. But, at an income of $32,400, the family tax bill will rise $886.

TAX EQUALIZATION

Mr. President, the way to stop these unlegislated increases is to index the tax system. Indexing is a simple concept. As inflation increases, tax brackets are adjusted to prevent individuals from being pushed into higher tax brackets. For example, under the Tax Equalization Act, if the inflation rate for 1979 were 8 percent, the personal exemption would increase from $1,000 to $1,080.

VESTED INTEREST

The Government has a vested interest in inflation. The Government can expect an additional $1.5 billion in new tax revenues. According to the Administration's Office of Tax Analysis, taxation, inflation will increase taxes by a little more than $1.4 billion in 1980 and an additional $1.1 billion in 1981. This yearly wind-
Mr. President, the Tax Equalization Act of 1954 does not only increase certain brackets in which the cost-of-living is the greater, but it also increases the standard deduction much longer. The American taxpayer understands that his taxes are increasing and that the Federal Government is the prime beneficiary. The American public will not stand for the congressional ritual of cutting taxes in election years.

Indexing is the logical and responsible way to end the see-saw syndrome of automatic and unlegislated tax increases caused by inflation. I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 12

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, 

SECTION 1. This Act shall be known as the Tax Equalization Act.

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This Act shall be known as the Tax Equalization Act. SEC. 2. ADJUSTMENTS TO INCREMENTAL TAX RATES SO THAT INFLATI ON WILL NOT RESULT IN TAX INCREASES.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to taxation imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES TO PREVENT INFLATION FROM RESULTING IN TAX INCREASES.—

(1) IN GENERAL.

"(A) TAXABLE YEARS BEFORE 1984.—Not later than December 15 of each calendar year before 1984, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(B) TAXABLE YEARS AFTER 1983.—The tables prescribed for paragraph (A) for taxable years beginning in 1983 shall also apply in lieu of the tables contained in subsections (a), (b), (c), and (d), with respect to taxable years beginning after 1983.

(2) METHOD OF PRESCRIBING TABLES.—The tables prescribed under subsection (f) for taxable years beginning after 1982 (A) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"((A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table, by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A) (ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) of this subsection would be rounded to the nearest multiple of $10 or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10.

(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year shall be the percentage, if any, determined by the Council of Economic Advisers in its report to the President under section 1 of the Economic Recovery Tax Act of 1981.

(4) CIRCUMSTANCES.—For purposes of paragraph (3), the Council of Economic Advisers shall prescribe tables which shall apply to taxable years beginning after 1983.

(5) CONSUMER PRICE INDEX.—For purposes of paragraph (3), the term "Consumer Price Index" means the Consumer Price Index for all-urban consumers published by the Department of Labor.

(b) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 31 of such Code (defining zero bracket amount) is amended to read as follows:

"(2) zero in any other case.

(f) ADJUSTMENTS IN WITHHOLDING.—Subsection (d) of section 3402 of such Code (defining withholding) is amended by adding at the end thereof the following new subsection:

"(2) in the case of a taxable year beginning—

"(A) after December 31, 1982, for calendar year 1983.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10).

(c) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowable deductions for personal exemp tion) is amended by adding at the end thereof the following new subsection:

"(2) the amount determined under section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(1) for the calendar year in which the taxable year begins;

"(2) in the case of a taxable year beginning after December 31, 1982, for calendar year 1983.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10).

(d) GENERAL RULE.—Section 3402 of the Internal Revenue Code of 1954 (relating to withholding) is amended by adding the following new sentence to the end thereof:

"The Secretary shall, not later than December 15 of each calendar year before 1983, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year.

The tables prescribed under the preceding sentence for 1983 shall also apply with respect to wages paid after 1983.

(e) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence:

"The Secretary shall, not later than December 15 of each calendar year before 1983, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in such succeeding calendar year.

The table prescribed under the preceding sentence for 1983 shall also apply to wages paid after 1983.
(C) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof the exemption amount as determined in subsection (1)(f) for taxable years beginning in the calendar year; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of tax attributable to taxable years beginning in the calendar year on which no tax is imposed by section 1(a) or section 2(a) of such Code; and

(3) by adding the following new paragraph:—

"(2) by striking out "$2,000" each place it appears and inserting in lieu thereof the exemption amount; and

(4) by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

(i) the term ‘exemption amount’ has the meaning given to such term by section 151(f); and

(ii) the term ‘exemption amount’ has the meaning given to such term by section 151(f).

Sec. 5. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,030" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

(i) the term ‘zero bracket amount’ has the meaning given to such term by section 153(d); and

(ii) the term ‘exemption amount’ has the meaning given to such term by section 151(f).

(f) Subparagraph (A) of section 6013(b) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount";

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount"; and

(3) by adding at the end thereof the following new paragraph:

"(D) For purposes of this subparagraph, the term ‘exemption amount’ has the meaning given to such term by section 151(f).

Sec. 6. EFFECTIVE DATES.

(a) The amendments made by sections 1, 2, and 4 of this Act shall apply to taxable years beginning after December 31, 1979.

(b) The amendments made by section 3 of this Act shall apply to remuneration paid after December 31, 1979.

Mr. DOLE. Mr. President, the most pressing and serious problem facing the Congress as we reconvene for the start of the 96th Congress is the expanding role of Government. The American people are tired of seemingly limitless Government spending, ever increasing taxing and a rapidly growing national deficit.

EXCESSIVE FEDERAL SPENDING

Mr. President, the public wants more efficient and smaller Government. The overwhelming approval in California last year of the proposition 13 ballot initiative signaled a beginning. In the November elections, voters in 12 out of 16 States approved proposals to limit Government spending or taxes.

The Federal Government has so far not been spared by these calls. Congress continues to increase spending, maintain unwarranted deficits and legislate higher tax rates. The bill which I introduce today is designed to restore fiscal sanity and sound economic planning.

GOVERNMENTAL EXPENDITURES

Mr. President, the range of governmental activities has been increasingly expanded by expanding federal expenditures—the combined Federal, State, and local spending—was 11 percent of our gross national product. Government spending as a percentage of gross national product rose to 20 percent in 1940, 23 percent in 1950, 30 percent in 1960, 35 percent in 1970 and nearly 38 percent last year.

Mr. President, the growth in Federal spending has been incredible. In fiscal years 1962, Federal outlays were slightly over $100 billion. In less than decades from that time, the President of the United States will submit a budget almost 5½ times that number. To dramatize how outrageous Federal spending has become, the Government has increased new Government outlays by $130 billion in the last 3 years.

NATIONAL DEBT

This tremendous increase in spending has brought about a dramatic growth in our national debt. In fiscal year 1975, the Federal debt stood at $544 billion. However, in only a short period of time, it is likely that the national debt will soon approach $800 billion at the end of this fiscal year. The current fiscal year is up dramatically. However, if off-budget agencies are included, the figures appear even more ominous. The Government can no longer take for granted that the national debt will rise in line with national spending, which has by all sane standards becomes out of control, needs to be cut back.

The expanding role of Government has led to a plethora of Governmental agencies, regulations and bureaucratic morass. At least 90 Federal agencies are involved in fiscal management regulations. Funds allocated for regulation in this year's Federal budget amount to $4.5 billion—more than twice the expenditure in 1974. Some economists have said that Government regulation increases the price of goods and services in the United States by as much as $100 billion a year.

BALANCED BUDGET

Mr. President, since 1950, the Federal budget has been balanced in only 5 years and the Government has not balanced the budget since 1962. These budget deficits indicate a lack of a coherent fiscal policy. In fact, we seem to run a deficit no matter what the state of our economic affairs. Mr. President, I am introducing several proposals today. They include: Limits on Federal spending, taxes, and a mandate for a Federal balanced budget. I believe that my approach is a sensible one to a chronic problem.

SPENDING AS PERCENTAGE OF GNP

Mr. President, under the projected fiscal year, Federal spending will be approximately 22 percent of gross national product, the sum of all goods and services produced in the United States. The Senator from Kansas believes that that level, over the long run, is too high. My proposal calls for a limit on Federal spending as a percent of gross national product. The Senator from Kansas believes that it is time to return the percentage of Federal expenditures, as it relates to gross national product, to its historical level of 18 percent. The spending limitation act requires the Government to decrease spending as a percent of gross national product until it reaches that level. It is no surprise to maintain some flexibility, spending may rise if the increase is approved by both Houses of Congress. Under my proposal, the Congress' ability to raise revenue is to remain subject to a balanced budget. This limit will act to curb Federal spending and insure potential tax relief to the overburdened taxpayer.

TAXING LIMITATION

Mr. President, the American people have had enough. They have had enough of big Government—inflation—and high taxes. The taxpayers' revolt that started in California and spread across the country is only the beginning. The taxpayers across the country are sending a message. Unless we in Washington listen, we will be faced with the same consequences.

Mr. President, the Senator from Kansas is also submitting initiatives to balance the Federal budget. It has been the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a vote of the Congress for concurrent resolutions on the budget, and for fiscal years beginning in the calendar year.

SPENDING LIMITATION ACT

Mr. DOLE. Mr. President, the most pressing and serious problem facing the Congress as we reconvene for the start of the 96th Congress is the expanding role of Government. The American people are tired of seemingly limitless Government spending, ever increasing taxing and a rapidly growing national deficit.
the budget is unbalanced, the deficit must be made up within 2 years.

**CONSTITUTIONAL AMENDMENT**

Mr. President. The Pending Limitation Act amends the 1974 Congressional Budget Act. However, I am also introducing a constitutional amendment for a balanced budget. This proposal is similar to the bill being introduced. It requires fiscal responsibility but allows sufficient flexibility for the Congress to respond to economic and other contingencies.

Mr. President, in order to reduce the role of government and control inflation, we must take bold action. My plan would bring about the goals which the American people support while permitting needed flexibility.

I seek unanimous consent that the text of my bill be printed in the Record. There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 13

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title III of the Congressional Budget Act of 1974 (31 U.S.C. 1311-1332) is amended by inserting after section 301 the following new section:

"LIMITATIONS ON TOTAL BUDGET OUTLAYS AND FEDERAL REVENUES"

SEC. 301A. (a) PERCENTAGE OF GROSS NATIONAL PRODUCT.-Beginning with the fiscal year ending on September 30, 1980, the appropriate level of total budget outlays and the appropriate level of total Federal revenues for any fiscal year shall be based on the percentage of the Gross National Product at the close of such fiscal year as projected by the Director of the Congressional Budget Office and furnished by him, from time to time, to the Congress.

(b) NATIONAL EMERGENCIES.-The provisions of subsection (a) shall not apply to a concurrent resolution on the budget for a fiscal year if such concurrent resolution contains a section stating the existence of a national emergency necessitating the waiver of such provisions, but on the question of agreeing, in either the House of Representatives or the Senate, to any such concurrent resolution, or to the report of a conference committee on any such concurrent resolution, the affirmative vote of two-thirds of the Members present and voting, by rollcall vote, shall be required.

"Sec. 301B. (a) NOT MORE THAN TWO DEFICITS IN FIVE YEARS.-Beginning with the fiscal year ending on September 30, 1980, it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year which sets forth a deficit as appropriate, or the report of a conference committee on any concurrent resolution on the budget which recommends a deficit as appropriate, if, for more than one fiscal year out of the preceding four fiscal years, total budget outlays exceeded total Federal revenues. In the case of a concurrent resolution on the budget for a fiscal year which is being considered before the fiscal year following the fiscal year in which such resolution is introduced, the amount of total budget outlays and Federal revenues for such preceding fiscal year shall be based on estimates made by the Director of the Congressional Budget Office and furnished by him, from time to time, to the Congress.

(b) DIRECTORS MUST BE MADE UP IN TWO YEARS.-If for any fiscal year, beginning with the fiscal year ending on September 30, 1980, total budget outlays exceed total Federal revenues-

(1) the concurrent resolution on the budget for the succeeding fiscal year (or, if necessary, for two fiscal years) shall set forth an amount of appropriate surplus equal to the amount of such excess; and

(2) it shall not be in order, in either the House of Representatives or the Senate, to consider any concurrent resolution on the budget for the succeeding fiscal year unless such concurrent resolution sets forth an amount of appropriate surplus equal to the amount by which total Federal revenues exceeded total budget outlays for the first succeeding fiscal year for purposes of paragraph (2), in the case of a concurrent resolution on the budget for the second succeeding fiscal year, the amount by which total Federal revenues for the first succeeding fiscal year shall be based on estimates made by the Director of the Congressional Budget Office and furnished by him, from time to time, to the Committees on the Budget of the Senate and the House of Representatives.

SEC. 2. Section 904(b) of the Congressional Reclamation Reform Act of 1979 is amended by striking in lieu thereof "title III or IV" and inserting in lieu thereof "title III or IV (except sections 301A and 301B) or title IV".

**BY MR. CHURCH**

S. 14. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION REFORM ACT OF 1979

Mr. CHURCH. Mr. President, I am pleased to reintroduce the Reclamation Reform Act, a bill which was subjected to hearings last year and must be acted on by the Congress this year.

This bill is the product of a bipartisan effort to address the problems which have developed in our Federal reclamation laws—problems which Congress has the duty to correct.

The subject of controversy is the Reclamation Act of 1902 which established two basic requirements for an individual to get water delivered to his land on a Federal reclamation project. First, he had to prove that he needed the land. This requirement was later interpreted to require residency within 50 miles of the land. Second, he could not receive water on more than 160 acres held in fee. The law did not address any limitation on leased land.

These requirements were sound and meaningful in 1902. At that time, 160 acres was about all a family could handle easily with a mule and plow. The residency requirement was particularly effective in stimulating the population of the vast reaches of western land and in excluding land speculators from the Federal projects.

But 77 years have elapsed since adoption of the 1902 act. Tremendous changes in the economics of agriculture have taken place. Since circumstances have changed, the law must change to conform to the realities of present-day farming. Unless the Congress acts before the end of this year, thousands of reclamation project family farms will be thrown into chaos by court ordered rules strictly enforcing the outdated 1902 law.

The problems in the existing law are numerous:

Ambiguities in the 1902 Act have permitted benefits of the program to go to speculators and farmers instead of farmers.

The residency requirements of the law have not been enforced and many farmers now own land over 50 acres. Some farmers have retired and live hundreds of miles from their farms while others have conveyed title to the land to their children living in other parts of the country.

Existing law does not deal directly with leasing on reclamation projects although the secretary of the Interior has proposed certain restrictions.

160 acres is no longer an economic farm unit for most farmers. As a result, they have been forced to acquire title to additional land in the name of their spouses or children or they have leased additional acreage in order to operate an economic farm unit.

Individuals receiving even minimal amounts or supplemental Federal water deliveries may be subjected to the acreage limitations and requirements of Federal reclamation law.

Other ambiguities abound. As a result of the current state of the law and recent court decisions which permit the secretary of the Interior to promulgate proposed regulations to force the sale of "excess" lands, farmers on reclamation projects are confused and dismayed. No one knows what to expect. Many farmers find they are unable to secure financing for the coming year's crops due to the uncertainty.

An updating of the law is essential if farmers are to return to the business of farming with assurance that their water will not be shut off.

ACREAGE LIMITATIONS

An acreage limitation should be established for farm operations which will replace the current outdated 160-acre restriction on individual ownership. Such a limitation would be beneficial because many of the benefits of the reclamation program will be spread among as many farmers as feasible, while permitting them to operate a viable farm unit without having to play a shell game with title to the land. Moreover, an absolute limit on size, whether the land is leased or owned, will be much easier to understand and enforce than present law.

Accordingly, my bill would replace the existing acreage restriction of 160 acres per individual with an absolute maxi-
mum farm size of 1,280 acres, owned or leased in any combination.

Under existing law, as interpreted by the Secretary of the Interior, it should be observed that a family of four could control 1,280 acres, by leasing 640 and holding an additional 640 in fee. Today, in other words, the size of the family determines the size of the farm.

QUALIFIED RECIPIENTS

In order to allow for family partnerships and family corporations, without opening the door to large corporate businesses, the Secretary could restrict the size of farms to no more than 25 persons. If the operators desired to set up a family corporation, as many farmers do, they would not face the disadvantage of present law curing them on this point. Under the Secretary's proposed regulations, a corporation could only own 160 acres, while a family could control 1,280 acres, by leasing 640 and in other words, the size of the family determines the size of the corporation.

This is manifestly unfair. A family-operated farm can be more efficient and economically viable than a corporate farm. They would not face the disadvantage of the law. This is not the way to do business could manage for the benefit of another on reclamation projects. This would give the family the ability to invest in Federal reclamation projects, which have all been built in the past, as projects for a family of more than 1,280 acres. The operator could only own 160 acres, while a family could control 1,280 acres, by leasing 640 and owning 640 acres. Thus, by leasing 640, the family could obtain federally delivered water on a reclamation project for up to a maximum of 1,280 acres, no matter who in the family actually held the title to the land. Moreover, whatever legal entity is formed to hold the land, its benefits may not flow to more than 25 persons; therefore, no one could own a project for a family for a farm of more than 1,280 acres. The holdings of the entity would be deemed those of each member of the family for purposes of determining compliance with the acreage limitations. For example, if a corporation had 10 shareholders and owned 1,280 acres, the ownership would be deemed the holder of 1,280 acres for purposes of the acreage limitations.

The residency requirement of existing law does little to assure that the benefits of the project go to those who intend to actually farm the land; it merely requires that an owner live within a certain distance from the owned reclamation lands. As a result, a person living within 50 miles of reclamation land may purchase that land without ever intending to farm it. This permits speculators to invest in Federal reclamation projects and reap windfall profits from land benefited by project water without ever intending to farm the land. This is contrary to the purpose of the program.

The legislation I am introducing today would abolish the residency requirement, since it is no longer effective in assuring benefits of the program to the people in agricultural production. Those who acquire land on reclamation projects in the future would be required to derive income from the agricultural production of their land rather than from renting it out at a fixed price. This provision might well apply for a period of time after which an operator could sell or lease the land to another qualified recipient, if he so desired.

This provision would test will discourage speculators seeking quick profits from the appreciation of reclamation land while insuring that those who actually depend upon the project water for their livelihood will enjoy the benefits of the program.

Not all land on Federal reclamation projects is of equivalent productive capacity. As a result, some allowance must be made for lands of lesser productive capacity in applying the acreage limitations.

It would be wrong to treat all reclamation land alike. In fact, as reclamation projects have been built in the past, land tracts have been classified according to various criteria, such as the fertility of the soil, elevation, slope, growing season, and other physical characteristics. This was done to determine the ability of farmers on less productive land to meet repayment charges. My bill would direct the Secretary to make appropriate increases in the acreage limitation beyond 1,280 acres, for lands of lesser productivity than class 1 land, by utilizing these same criteria.

RESIDENCY

The residency requirement of existing law does little to assure that the benefits of the project go to those who intend to actually farm the land; it merely requires that an owner live within a certain distance from the owned reclamation lands. As a result, a person living within 50 miles of reclamation land may purchase that land without ever intending to farm it. This permits speculators to invest in Federal reclamation projects and reap windfall profits from land benefited by project water without ever intending to farm the land. This is contrary to the purpose of the program.

The legislation I am introducing today would abolish the residency requirement, since it is no longer effective in assuring benefits of the program to the people in agricultural production. Those who acquire land on reclamation projects in the future would also have to derive income from the agricultural production of their land rather than from renting it out at a fixed price. This would test speculators seeking quick profits from the appreciation of reclamation land while insuring that those who actually depend upon the project water for their livelihood will enjoy the benefits of the program.

EQUIVALENCY

Not all land on Federal reclamation projects is of equivalent productive capacity. As a result, some allowance must be made for lands of lesser productive capacity in applying the acreage limitations.

It would be wrong to treat all reclamation land alike. In fact, as reclamation projects have been built in the past, land tracts have been classified according to various criteria, such as the fertility of the soil, elevation, slope, growing season, and other physical characteristics. This was done to determine the ability of farmers on less productive land to meet repayment charges.

My bill would direct the Secretary to make appropriate increases in the acreage limitation beyond 1,280 acres, for lands of lesser productivity than class 1 land, by utilizing these same criteria.

REPAIRED CONSTRUCTION CHARGES

This bill also provides that, upon the scheduled repayment of the irrigators' portion of a project's construction charges, the acreage limitation will no longer apply. The provision reaches two contractual situations.

The first consists of those contracts with the Government which contain a clause detailing the manner in which the irrigators, by speeding up payment of construction charges or by some other means, may exempt themselves from the acreage limitations. A number of these contracts have been approved by Congress and thus have the force of law. However, a number of others have not been so approved, but an equitable result, may be inequitable in exempting districts which have paid out in advance. My bill would give these districts the benefit of their bargain, and put them on an equal basis with those that have already secured the approval of Congress.

The second category of contracts covered by this provision contains no language terminating acreage limitations upon payout. Under my bill, once the irrigators have repaid their debt to the Government, the acreage limitations would no longer apply.

Another feature of the bill is its requirement that, upon payout, the Secretary tally the records of the county in which the land is located stating that the acreage limitations no longer are applicable. This will remove the cloud from the title to lands in projects where the irrigators' obligation to the Federal Government has been fully repaid.

COMINGLING

One problem not addressed by this legislation is comingling, where federally delivered water is mixed with water from non-Federal sources. I believe this problem should be dealt with and intended to work with concerned irrigators in an effort to devise a workable solution. I will be looking to them for guidance as this bill progresses.

FRAMEWORK UPON WHICH TO BUILD

I realize that this legislation does not contain all the answers to the complicated problems inherent in an outdated reclamation program, which has been unevenly administered through the years. I hope that we may resolve some very complicated issues.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 14

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be a supplement to the Act of June 7, 1902, and Acts supplementary and amendatory thereto (43 U.S.C. 371), hereinafter referred to as the Federal reclamation laws, and this Act may be cited as the "Reclamation Reform Act of 1979".

DEFINITIONS

Sec. 2. As used in this Act—
(a) The term "Secretary" means the Secretary of the Interior.
(b) The term "qualified recipient" means an individual, including his or her spouse, or any legal entity directly benefiting twenty-five persons or less, that is a citizen of the United States and that owns or leases a landholding.
(c) The term "individual" means any person, including his or her spouse, or dependent thereof within the meaning of the Internal Revenue Code (26 U.S.C. 152), or any legal entity directly benefiting twenty-five persons or less, that is a citizen of the United States and that owns or leases a landholding.
(d) The term "landholding" means one or more tracts of land owned or leased by any person which are served with a water supply pursuant to a contract with the Secretary.

ACREAGE LIMITATION

Sec. 3. (a) Any provision of the Federal reclamation laws which establishes a limitation on acreage to be served with water supply to the contrary notwithstanding, a landholding of any qualified recipient which consists of one thousand and eighty acres or less shall be considered to be within the acreage limitation of the Federal reclamation laws.
(b) No individual shall benefit directly from the delivery of water to landholdings in excess of the acreage limitations of the Federal reclamation laws.
(c) Each individual who would benefit directly from the delivery of water to a landholding of a legal entity directly benefiting twenty-five persons or less shall be considered to be a qualified recipient in order for such lands to be eligible to be served with a water supply.
(d) The Secretary may, in his discretion, by rule, impose a limitation on the number of exempt districts which may be managed on behalf of a qualified recipient by another person.
(e) Except to the extent that they are inconsistent with the provisions of this Act, the other Federal reclamation laws, including applicable provisions relating to the implementation of the acreage limitations, shall remain in full force and effect.
(f) Nothing in this section shall repeal or amend other statutory exemptions from any acreage limitations of the Federal reclamation laws.
The Selicks a credit card “is nothing short of a banner for the couple in question lives in an older area, which includes Michigan, has a history of poor “credit experience.” Other corporations can determine statistically in which regions they reside within certain regions of the country. In other words, geography, rather than individual credit history now help determine an individual’s acceptability for credit. The result of using such a scoring system is to deny credit to persons, who are otherwise acceptable on the basis of where in America they reside. Such a state of affairs does not do justice to the ideals or the unity of our country.

Mr. President, I ask unanimous consent that the text of the bill and the three newspaper articles describing the practice be printed in the Record. Thereupon, the bill and the articles were ordered to be printed in the Record, as follows:

SEC. 8. (a) One year after the date of enactment of this Act the Secretary shall, upon request of a qualified recipient or other contracting entity representing a qualified recipient, designate by rule the acreage of a landholding which may receive water at one thousand and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand, two hundred and eighty acres.

The acreage limitation provisions of this Act shall apply to any project, unit or division of a project, unless such limitation is found to be the minimal acceptable total. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

SEC. 7. (a) Lands which are leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary shall continue to receive such water supplies upon the Secretary's consent to any landholding upon completion of the repayment required by the Secretary in contracts with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.

(b) The Secretary shall provide, upon request of any owner of a landholding for which repayment has occurred, a certificate acknowledging that the landholding is free of the acreage limitations of the Federal reclamation laws. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

The acreage limitation provisions of this Act shall cease to apply to any landholding upon completion of the repayment required by the Secretary in any contract with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived in-excess of the acreage limitation of the Federal reclamation laws. Unless such lands comprise a landholding which is within the acreage limitation of the Federal reclamation laws.

(b) Lands held by a charitable or religious not-for-profit organization and receiving water supplies pursuant to a contract with the Secretary as of January 1, 1978, may continue to receive such water supplies.

Mr. LEVIN: Mr. President, today I am introducing a bill to prohibit the blatant unfairness of redlining. Companies engaged in this practice give lower point ratings for the purpose of issuing credit cards to applicants who live in certain regions of this country or within specific zip codes within these regions. In other words, geography, rather than individual credit history now help determine an individual’s acceptability for credit. The result of using such a scoring system is to deny credit to persons, who are otherwise acceptable on the basis of where in America they reside. Such a state of affairs does not do justice to the ideals or the unity of our country.

Mr. President, I ask unanimous consent that the text of the bill and the three newspaper articles describing the practice be printed in the Record. Thereupon, the bill and the articles were ordered to be printed in the Record, as follows:

SEC. 15. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Housing, and Urban Affairs.

Mr. LEVIN. Mr. President, today I am introducing a bill to prohibit the blatant unfairness of redlining. Companies engaged in this practice give lower point ratings for the purpose of issuing credit cards to applicants who live in certain regions of this country or within specific zip codes within these regions. In other words, geography, rather than individual credit history now help determine an individual’s acceptability for credit.

The result of using such a scoring system is to deny credit to persons, who are otherwise acceptable on the basis of where in America they reside. Such a state of affairs does not do justice to the ideals or the unity of our country.

Mr. President, I ask unanimous consent that the text of the bill and the three newspaper articles describing the practice be printed in the Record. Thereupon, the bill and the articles were ordered to be printed in the Record, as follows:

SEC. 15. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Consumer Credit Protection Act is amended by adding at the end thereof the following:

(a) It shall be unlawful for a card issuer, as defined in section 103, to discriminate against any person with respect to any aspect of the issuance or use of a credit card, as defined in section 103, on the basis of the place of residence of that person."

The way we read the other day a husband and wife in Detroit with combined yearly income of $50,000 who have been unable to get a credit card from the Mobil Oil Corporation. The reason was that Mobil, through the use of such a scoring system, found to be the minimal acceptable total. Unfortunately, your composite score was below the minimum required for approval. The major areas where you scored the lowest were:

“Credit experience in your general geographic area.”

“Credit experience in your occupational category.”

SEC. 9. (a) The Secretary is hereby authorized and directed to amend any provision of any contract between the Secretary and a qualified recipient or other contracting entity representing a qualified recipient to require repayment of amounts due under the provisions of this Act, upon the request of the Secretary.

(b) Determinations made by the Secretary pursuant to the authority granted in this Act shall be in accordance with the provisions of the Administrative Procedure Act, chapter 5 of title 5, United States Code.

Mr. President, I ask unanimous consent that the text of the bill and the three newspaper articles describing the practice be printed in the Record. Thereupon, the bill and the articles were ordered to be printed in the Record, as follows:

SEC. 7. (a) Lands which are leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary shall cease to apply to any project, unit or division of a project, unit or division of a project, unless such limitation is found to be the minimal acceptable total. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

(b) The Secretary shall provide, upon request of any owner of a landholding for which repayment has occurred, a certificate acknowledging that the landholding is free of the acreage limitations of the Federal reclamation laws. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

The acreage limitation provisions of this Act shall cease to apply to any landholding upon completion of the repayment required by the Secretary in contracts with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived in-excess of the acreage limitation of the Federal reclamation laws. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

The acreage limitation provisions of this Act shall cease to apply to any landholding upon completion of the repayment required by the Secretary in contracts with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived in-excess of the acreage limitation of the Federal reclamation laws. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

The acreage limitation provisions of this Act shall cease to apply to any landholding upon completion of the repayment required by the Secretary in contracts with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived in-excess of the acreage limitation of the Federal reclamation laws. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

The acreage limitation provisions of this Act shall cease to apply to any landholding upon completion of the repayment required by the Secretary in contracts with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived in-excess of the acreage limitation of the Federal reclamation laws. Such certificate shall be in a form acceptable for entry in the land records of the county in which such landholding is located.

The acreage limitation provisions of this Act shall cease to apply to any landholding upon completion of the repayment required by the Secretary in contracts with a qualified recipient relating to the delivery of water supplies to such landholding for agricultural use.
The term "redlining" grew out of the practice on the part of some banking or insurance companies to exclude poor or rundown sections of a city, making it difficult if not impossible for persons living in those sections—of whom such neighborhoods dispute this.

W. B. Blackwell, manager of credit for the Mobil Oil Credit Corporation based in Kansas City, the system used in evaluating the Selicks' application is "accurate, fair and objective."

SCORING SYSTEM NOT UNUSUAL

Mr. Blackwell, who said the system had been in use for at least four years, added that the geographical area referred to in the printout was Michigan. However, Mrs. Selick said when she called Mobil several days ago inquiring about the system, she was told by an account representative that ZIP codes were used in evaluating applications.

The Selicks' experience of being rejected based on a scored scoring system is not rare. In trying to answer criticism of using a single person to evaluate and judge the credit worthiness of applicants, large national credit operations have turned to scoring systems such as the one used by Mobil. The system is designed by commercial consumer lending operations as a replacement for the use of an individual.

An official of the Federal Reserve Board in Washington, which designs regulations regarding consumer credit standards, said today that the system used in rejecting the Selicks was perfectly legal.

"The law prohibits discrimination based on race, color, sex, religion and national origin, "but does not prohibit decision based on economic factors. Creditors are under no legal obligation to extend credit to anybody."

The investigation disclosed over the weekend by FTC Commissioner Elizabeth Hanford Dole, will cover among other areas, the practice of using telephone listings to determine whether door-to-door salesmen are complying with the commission's "cooling-off" rule.

The three-year-old rule requires door-to-door salesmen and others who make sales outside their places of business to give consumers a three-day cooling-off period during which buyers may cancel sales without penalty or cost to goods or services costing $25 or more.

By Mr. WEICKER:

S. 16. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the Office of President and Vice President of the United States; and to provide for the use of Federal funds in presidential campaigns; and to provide for the establishment of a nationwide Presidential primary election year and restrict contributions to campaigns for Federal office to the year in which a Federal election is held; to the Committee on Rules and Administration, and to the Committee on Banking and Currency.

PRESIDENTIAL PRIMARY ACT

Mr. WEICKER. Mr. President, I am reintroducing today legislation to rationalize the Presidential nominating process. This legislation, entitled the "Presidential Primary Act," originally introduced in the 85th Congress, would establish a nationwide Presidential primary election year and restrict contributions to campaigns for Federal office to the year in which the election is held.

By adopting this legislation we will achieve two essential reforms in our election process. First, we will drastically reduce the length of Presidential campaigns and thereby reduce their cost. Second, we will eliminate participation in the selection of Presidential candidates.

Mr. President, the basic problem of Presidential campaigns has always been this: Presidential campaigns are too long. A campaign of inordinate length requires money inordinate amounts. Long campaigns translate into big money.

The Presidential Primary Act would attack the problem at its source—time. In order to be placed on the national primary ballot, Presidential candidates would be required by June 30, a petition signed by qualified voters of their party plus unaffiliated voters, totaling one percent of the total vote in the last Presidential election. The national Presidential primary for each party would be held on the first Tuesday in August. If no candidate received 50 percent or more of the vote, the top two finishers of each party would be held on the second Tuesday in August.

The national primaries selections would continue in the manner each party desired. Thus, within a 2-month period, the Presidential ticket for major political parties would be established. By contrast, in 1976, for example, there were 36 primaries, held on 13 different dates beginning on February 24 (New Hampshire) and ending on August 8 (California, New Jersey and Ohio—a period of 15 weeks).

A major aspect of the bill is the end of the partial disfranchisement of unaffiliated voters. Under this proposal they will be allowed to vote in the party primary of their choice. State laws governing elections list minority groups among the unaffiliated voters to an "end of the road" choice between two alternatives presented by the major parties. Preferential treatment is given the party affiliated at the expense of unaffiliated, who comprise more than a third of all registered voters. Under color of State law a major segment of our citizenry has been effectively disenfranchised from a vital and integral part of their right to participate in the political process. The time has come to bring democracy to presidential primaries for independents as well as Republicans and Democrats—the chance to participate from the beginning.

Mr. President, America has always been a nation of dreamers and doers. Not content with "what might have been," we have attempted throughout our history to wed promise to practice, to forge from our ideals the courage to try. What I have proposed today is beyond the pale of politics as usual. What it will cost in stability in the short-term, I believe it will repay in the long-term by greater enfranchisement, participation, and electoral sanity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

SEC. 2. The Congress finds that—

(1) the procedure by which candidates are nominated for election to the Office of President is an essential and inseparable part of the process by which the people of the United States choose their President, and

(2) it is necessary and proper for the Congress to provide by legislation for the regulation of that procedure in order to protect the integrity of the Presidential election process.

DEFINITIONS

Sec. 3. As used in this Act, the term—

(1) "State" means the District of Columbia and each of the several States of the United States; and

(2) "political party" means a political party whose candidates for election as President and Vice President in the next Presidential election received at least 5 percent of the total number of votes cast in that election for all candidates for election to such offices. For purposes of this paragraph, a vote cast for an individual seeking election as an elector of the President and Vice President with a political party or who is pledged to cast his electoral vote for the candidates of a political party shall be considered to be a vote cast for the candidates of that party for election as President and Vice President.
NATIONAL PRIMARY

Sec. 4. (a) An election for the nomination of candidates of political parties for election to the office of President shall be held in each State on the first Tuesday in August of each year in which a Presidential election is to be held.

(b) The election shall be conducted in each State by officials of that State charged with conducting public elections. Any voter who is eligible to vote for the election of the President and Vice President shall be eligible to vote in the Presidential primary election. No voter shall be eligible to vote for the nomination of a candidate of a party if that voter is registered as member of a different political party. Any voter, not registered as a member of a political party, may vote for the nomination of any one candidate of any political party.

(c) If the law of any State makes no provision for the registration of voters by party affiliation, voters in that State shall register their party affiliation for purposes of this primary in accordance with procedures prescribed by the Attorney General.

(d) Within five days after the Presidential primary election, the chief executive of each State and the President of the Senate shall certify to the chief executive of the Senate which meets the requirements of this section. The chief executive of each State shall transmit under seal to the President of the Senate, which, in the presence of the Secretary of the Senate, shall open all the certificates and cause to have published in the Congressional Record the aggregate number of votes cast for each individual.

QUALIFYING

Sec. 5. (a) No individual shall be a candidate for nomination for President except in the primary of the party of his registered affiliation. An individual's name, together with his party affiliation, shall appear on the Presidential primary ballot in each State if he qualifies under subsection (b), but shall not appear on that ballot in any State if he fails to qualify under subsection (b).

(b) In order to qualify to have his name appear on the Presidential primary ballot in each State, an individual must file his nomination petitions with the Secretary of State at least 100 days before the thirtieth day of June of the year in which the Presidential primary election is to be held, with that petition satisfying the requirements of subsection (c).

(c) A petition filed under subsection (b) must meet the requirements of this subsection if it has been signed, after the last day of the calendar year preceding election year by qualified voters, as certified by the chief executive officer of the State, equaling at least 1 percent of the total vote cast in the previous Presidential election: Provided, That signatures of persons, who are members of a political party other than the political party whose nomination the candidate seeks, shall be invalid.

DEATH OR RESIGNATION OF NOMINEE

Sec. 8. (a) (1) If the candidate of a political party for election as President dies or resigns the nomination before the nomination by that party of a candidate for election as Vice President, his successor shall be nominated by the convention of that party as if no individual has been nominated by the members of that party in the Presidential primary election.

(2) If the candidate of a political party for election as President resigns the nomination after the nomination by that party of a candidate for election as Vice President, he shall be substituted as a candidate for election as Vice President and there shall be a choice.

(b) If the candidate of a political party for election as President dies or resigns the nomination before the nomination by that party of a candidate for election as Vice President, his successor shall be nominated by the convention of that party as if no individual has been nominated by the members of that party in the Presidential primary election.

(c) If the candidate of a political party for election as President dies or resigns the nomination after the nomination by that party of a candidate for election as Vice President, he shall be substituted as a candidate for election as Vice President, and there shall be a choice.

REGULATIONS

Sec. 9. The Attorney General shall prescribe such regulations as may be necessary to carry out the provisions of sections 3 through 8 of this Act.

LIMITATION ON CAMPAIGN FUND-RAISING AND CAMPAIGN EXPENDITURES TO CALENDAR YEAR OF ELECTION

Sec. 10. Title III of the Federal Election Campaign Act of 1971, as amended by section 320 (2 U.S.C. 441a) is amended by inserting after section 320 (2 U.S.C. 441a) the following new section:

"LIMITATION ON CONTRIBUTIONS AND EXPENDITURES PRIOR TO ELECTION YEAR AND CAMPAIGN EXPENDITURES TO CALENDAR YEAR OF ELECTION"

Sec. 320A. (a) Neither a candidate nor any of his authorized political committees—

(1) may accept a contribution for use in connection with the campaign of that candidate for nomination for election, or for election, to Federal office before the first day of January of the calendar year in which the election is held to which that campaign relates, or

(2) may make an expenditure for or on behalf of the candidate in connection with such campaign—

"(A) before the first day of January of the calendar year in which the election is held to which such campaign relates, or

"(B) out of funds derived directly or indirectly from contributions accepted in violation of the provisions of paragraph (1).

(b) For purposes of this section, amounts received by or for the benefit of a candidate for nomination for election, or election, to Federal office, expended after the payment of debts incurred in connection with a campaign shall, if used to make expenditures in connection with a later campaign, be treated as having been received after the first day of January of the year in which the election is held to which the later campaign relates.

(c) No person shall make a contribution to the Federal political committee of a candidate for nomination for election, or for election, to Federal office before the first day of January of the calendar year in which the election is held to which that individual is a candidate."
nations will step in to fill the gap and grab the control. This is basic economic sense and a lesson we should have learned only too well from our friends in OPEC. Though perhaps not as important as petroleum, sugar is nevertheless one of this country's basic commodities, and we will continue to buy it, regardless of its source. Again, common sense dictates that once someone controls the market, they can—and usually will—control the price.

If any of my colleagues or the President is concerned about the current price of sugar, or its future price under new management of this legislation, then they better begin thinking about the sugar price dictated by a group of foreign sugar importers. I can guarantee it will be high, and I can also guarantee the American people will be screaming at each and every one of us why we did not save our domestic sugar industry while we still had a chance.

We still do have a chance, Mr. President, and what I am proposing today as I introduce the Sugar Act of 1979—Senate Bill 17, I assure you, will save our sugar industry for our sugar growers and processors, but will also assure a constant supply of sugar at extremely reasonable prices for consumers of this country. Oftentimes as I have traveled through Idaho and the West these past 2 years, growers and processors alike asked why the Congress did not reinstate the old Sugar Act of 1948. Although there were no major problems with this legislation, the fact is it served both the industry and the consumer very well for over 25 years.

Although there were no objections, the bill was ordered to be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record.

SEC. 101. DEFINITIONS. For the purposes of this chapter—

(a) The term "person" means an individual, partnership, corporation, or association.
(b) The term "sugar" means any grade or type of saccharine product derived from sugar cane or beets which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "sugar" means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether crystalline or amorphous structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.

(e) The term "direct-consumption sugar" means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of syrup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, soluble non-sugar solids (excluding any foreign substances that may have been added or developed in the product) or more than ninety-two sugar degrees by the polariscop, by dividing the number of pounds thereof by 1.07;

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The term "raw sugar" means sugar in bar form, and the term "sugar" means raw sugar or derivative of raw sugar.

(i) The term "line quota" means the number of pounds of raw sugar or liquid sugar which may be shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be shipped or marketed in Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(j) The term "producer" means a person who is the legal owner of the harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown in continental United States, for the extraction of sugar or liquid sugar.

(k) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(l) The term "Secretary means the Secretary of Agriculture.

(m) The term "quota" means the number of pounds of raw sugar or liquid sugar not provided for in the meaning of subsection (d) of this section, and the amount of sugar needed to meet the requirements of requirements of subsection (d) of this section, and the total amount of sugar needed to meet the requirements of subsection (e) of this section.

(n) The term "continental United States" means the States of Florida and Louisiana.

Sec. 201. Annual estimate of consumption in continental United States; price objective; "parity index" and "wholesale price index" defined—

(a) The Secretary shall determine for each calendar year, beginning with 1979, the amount of sugar needed to meet the requirements of consumers in the continental United States and to attain the price objective in subsection (b) of this section. Such determination shall be made during October of the year preceding the calendar year for which the determination is being made and at such other times thereafter as may be required to attain such price objective.

(b) The price objective referred to in subsection (a) of this section is a price for raw sugar which is equal to the same ratio between such price and the average of the monthly price objective calculated for the period September 1, 1970, through August 31, 1971, under the "parity index" and "wholesale price index" as the ratio that existed between (1) the simple average of the monthly price objective calculated for the period September 1, 1970, through August 31, 1971, and (2) the simple average of such two indexes for the same period.

(c) For purposes of subsection (b) of this section—

(1) The term "parity index (1967 = 100)" means the Index of Prices Paid by Farmers for Commodities and Services, including Interest, and Prices of Products Established monthly by the Department of Agriculture.

(2) The term "wholesale price index" means such index as determined monthly by the Department of Labor.

Subsection 1. Definitions—

Sec. 102. Establishment of revision of quotas—

Whenever a determination is made, pursuant to section 201 of this title, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas.

Domestic Sugar-Producing Areas

(a) Sugar beets shall be produced in areas designated by the Secretary as producing areas, by apportioning among such areas 6,820,000 short tons, raw value, as follows:
January 15, 1979

[In percent] **Short tons**

<table>
<thead>
<tr>
<th>Country</th>
<th>Per centum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>17.70</td>
</tr>
<tr>
<td>Mexico</td>
<td>15.70</td>
</tr>
<tr>
<td>Brazil</td>
<td>15.31</td>
</tr>
<tr>
<td>Peru</td>
<td>10.27</td>
</tr>
<tr>
<td>West Indies</td>
<td>8.24</td>
</tr>
<tr>
<td>Ecuador</td>
<td>5.73</td>
</tr>
<tr>
<td>Argentina</td>
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</tr>
<tr>
<td>Costa Rica</td>
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</tr>
<tr>
<td>Colombia</td>
<td>1.89</td>
</tr>
<tr>
<td>Peru</td>
<td>1.79</td>
</tr>
<tr>
<td>Venezuela</td>
<td>1.72</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1.65</td>
</tr>
<tr>
<td>El Salvador</td>
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</tr>
<tr>
<td>Belize</td>
<td>0.95</td>
</tr>
<tr>
<td>Haiti</td>
<td>0.80</td>
</tr>
<tr>
<td>Bahamas</td>
<td>0.75</td>
</tr>
<tr>
<td>Honduras</td>
<td>0.53</td>
</tr>
<tr>
<td>Bolivia</td>
<td>0.18</td>
</tr>
<tr>
<td>Paraguay</td>
<td>0.18</td>
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<tr>
<td>Australia</td>
<td>5.27</td>
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<tr>
<td>Republic of China</td>
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<tr>
<td>India</td>
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</tr>
<tr>
<td>South Africa</td>
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</tr>
<tr>
<td>Pjil</td>
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<tr>
<td>Mauritius</td>
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<tr>
<td>Monaco</td>
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</tr>
<tr>
<td>Thailand</td>
<td>0.39</td>
</tr>
<tr>
<td>Malawi</td>
<td>0.39</td>
</tr>
<tr>
<td>Malagasy Republic</td>
<td>0.18</td>
</tr>
</tbody>
</table>

**Notes and Foreign Quotas**

(1) Whenever and to the extent that the President finds that the establishment or continuation of a quota or any part thereof for any foreign country would be contrary to the national interest of the United States, he may, at any time prior to June 20, withhold or suspend such quota or (ii) the amount by which its aggregate imports of sugar from such country exceed the percentage established pursuant to this section for such country. Such action shall be taken only in specific instances and shall be withdrawn for such years and superseded by the establishment of a temporary quota established pursuant to paragraph (1) of this subsection and quota established pursuant to subsection (c) of this section.

(2) Whenever the Secretary finds that it is not practicable to obtain the quantity of sugar needed from foreign countries to meet any increase during the year in the requirements pursuant to subsection (b) and (c) of this section and the foregoing provisions of this subsection, such quantity of sugar may be imported on a first-come, first-served basis from any foreign country, except that no sugar shall be authorized for importation from Cuba until the United States and Cuba resume diplomatic relations with that country and no sugar shall be permitted for importation from a foreign country for which the Secretary finds that such failure was due to crop disaster or other force majeure, unless such country exported sugar in such year to a country other than the United States or to which such sugar was exported in the preceding calendar years. The amount of any quota so withheld or suspended shall be prorated to the other countries listed in subsection (c) of this section (the amount of such quota is withheld or suspended) on the basis of the percentages stated therein.

(3) The quantities of sugar prorated pursuant to the foregoing provisions of this subsection shall be designated as temporary quotas and the term “quota” as defined in this chapter shall include a temporary quota so established under this subsection.

(4) The quantities of sugar prorated pursuant to the foregoing provisions of this subsection shall be prorated under section 204 of this title. For purposes of determining unfulfilled portions of quotas, entries of sugar from a foreign country shall be prorated between the temporary quota established pursuant to paragraph (1) of this subsection and quota established pursuant to subsection (c) of this section.

(5) If any foreign country fails to give assurance to the Secretary, on or before December 31, 1978, that such country will fill its quota as established for it under section 201 of this title, or if any foreign country with respect to which a finding by the President is in effect under paragraph (1) of this subsection: Provided, That such finding shall not be made in the first six months of the year unless the Secretary also finds that limited sugar supplies and increases in prices have created or may create an unreasonable risk of injury to the orderly movement of foreign raw sugar to the United States in authorizing the importation of such sugar the Secretary shall give such opportunity to the United States consumers which are required under section 201 of this title to such country or countries which may agree to purchase for dollars additional quantities of United States agricultural commodities.

(6) No quota shall be established for any country, other than Ireland, for the year following the period ending June 20 prior to the establishment of quotas for such year, in which its aggregate imports of sugar or its aggregate exports of sugar from such country to other countries than the United States.

(7) The Secretary may withhold or suspend any foreign country for any foreign country fails, subject to such reasonable tolerance as the Secretary may determine, to fill the quota or quotas established for it pursuant to this chapter, the quota for such country for subsequent calendar years shall be reduced by the smaller of (i) the amount by which such country failed to fill such quota or (ii) the amount by which its exports of sugar to the United States in such year were greater than the amount of such sugar which was not filled less than 116 per centum of such quota for the preceding calendar year. Provided, That if such reduction shall be made if the country has notified the Secretary before June 1 of such year (or, with respect to events occurring thereafter, as soon as practicable after such event), of the likelihood of such failure and the Secretary finds that such failure was due to crop disaster or other force majeure, unless such country exported sugar in such year to a country other than the United States or to which such sugar was exported in the preceding calendar years, the amount of such quota and the amount of the amount by which such country failed to fill such quota or (ii) the amount by which its exports of sugar to the United States in such year was greater than the amount of such sugar which was not filled less than 116 per centum of such quota for the preceding calendar year. Provided, That such failure was due to crop disaster or other force majeure, unless such country exported sugar in such year to a country other than the United States or to which such sugar was exported in the preceding calendar years, the amount of such quota and the amount of the amount by which such country failed to fill such quota or (ii) the amount by which its exports of sugar to the United States in such year was greater than the amount of such sugar which was not filled less than 116 per centum of such quota for the preceding calendar year.

(8) No quota shall be prorated under section 204 of this title.

(9) If any foreign country fails to give assurance to the Secretary, on or before December 31, 1978, that such country will fill its quota as established for it under section 201 of this title, or if any foreign country with respect to which a finding by the President is in effect under paragraph (1) of this subsection: Provided, That such finding shall not be made in the first six months of the year unless the Secretary also finds that limited sugar supplies and increases in prices have created or may create an unreasonable risk of injury to the orderly movement of foreign raw sugar to the United States in authorizing the importation of such sugar the Secretary shall give such opportunity to the United States consumers which are required under section 201 of this title to such country or countries which may agree to purchase for dollars additional quantities of United States agricultural commodities.
section 204 of this title. For purposes of applying paragraph (4) of this subsection, any reduction in the quota of a foreign country under this paragraph shall be disregarded.

Reestablishment of Suspended Quotas

(e) The President finds that it is no longer contrary to the national interest of the United States to reestablish a quota or part thereof withheld or suspended under subsection (d)(1) of this section or under section 408(c) of this title such quota shall be restored in the manner the President finds appropriate. Provided, That the entire amount of such quota shall be restored for the third full calendar year following the President's determination of temporary quotas established pursuant to subsection (d)(1) of this section, notwithstanding any other provision of this section, be reduced prorata to the extent necessary to restore the quota in accordance with this subsection.

Charge to Quotas Upon Reestablishment of Diplomatic Relations or Reduced Consumer Requirements

(1) Whenever any quota is required to be reduced pursuant to subsection (e) of this section or because of a reduction in the requirements of consumers under section 202 of this title, and the amount of sugar imported from any country or marketed from any area at the time of such reduction exceeds the amount that such country or such area can market for the next succeeding calendar year, the Secretary is authorized to limit the amount of sugar imported from such country or such area or the amount of sugar to be marketed from such area or country for the next succeeding calendar year.

Authority to Limit Quarterly Quotas: Adjunctive Provisions to Consumer Requirements

(g) (1) The Secretary is authorized to limit, on a quarterly basis only, the importation of sugar within the quota for any foreign country during the first quarter of 1980 if he determines that such limitation is necessary to achieve the objectives of the chapter.

(2) The Secretary is not authorized during the last three quarters of 1980 and in any full calendar year thereafter to determine, in to limit the importation of sugar within the quota for any foreign country through the use of quotas as applied on other than a calendar year basis.

(3) In order to attain an annual average basis the price objective determined pursuant to the formula specified in section 201 of this title, the Secretary shall make adjustments in the determination of requirements of consumers in accordance with the following provisions: (A) the determination of requirements of consumers shall not be adjusted so as to produce a price objective below the average price of raw sugar for seven consecutive marketing days is less than 4 per centum (or, in the case of any seven consecutive marketing day period ending after October 31 of any year and before March 1 of the following year, 3 per centum or more) above or below the average price objective so determined for the preceding two calendar months; (B) the determination of requirements of consumers for the current year shall not be reduced after November 30 of such year; and (C) the reduction shall instead be made in such determination for the following year. If in the twelve-month period ending after November 30 of such year, the average price of raw sugar is less than 99 per centum of the price objective determined for the current year under subsection (d)(2) of this title, the Secretary shall determine, in the interim period under this section, whether such limitation is necessary to achieve the objectives of the chapter.

(4) The Secretary is not authorized to issue any regulation under this chapter restricting the importation, shipment, or storage of sugar to one or more particular geographic areas.

(5) The imposition of limitations on a quarterly basis under this subsection shall not operate to reduce the quantity of sugar imported for the full year thereafter except as provided hereunder.

Native Growth Requirement for Sugarbeets and Sugarcane

(h) The quota established for any foreign country and the quantity that is authorized to be imported for the succeeding calendar year under section 202(c)(1) of this title pursuant to section 202(c)(1)(A) of this title shall be reduced prorata to the extent that it has notified the Secretary that it cannot fill all of any such deficit, the Secretary shall apportion such unfilled amount on such basis and to such foreign countries as he determines is required to fill such deficit.

Sec. 203. Estimates for consumption in Hawaii and Puerto Rico; quotas

In accordance with the provisions of section 201 of this title as he deems applicable, the Secretary shall also determine the amount of sugar required to the requirements of consumers in Hawaii, and in Puerto Rico, and shall establish quotas for the amount of sugar and other sugar products which may be marketed for local consumption in such areas only, in the succeeding calendar year, in each of which shall be applied to the full year of the succeeding calendar year, in each calendar year.

Sec. 204. Revision of proration upon productive deficiency of quota area

(a) The Secretary shall, at the time he makes his determination of requirements of consumers for the succeeding calendar year, as and when so determined, allocate such unfilled amount to the quotas of consumers for the succeeding calendar year.

(b) For purposes of this section, the Secretary may from time to time adjust the allocation of quotas determined pursuant to section 202(c)(3)(A) of this title for such countries and, Provided, That if the Secretary determines the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.

(c) Provided, That if the Secretary determines that the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.

(d) Provided, That if the Secretary determines that the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.

(e) Provided, That if the Secretary determines that the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.

(f) Provided, That if the Secretary determines that the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.

(g) Provided, That if the Secretary determines that the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.

(h) Provided, That if the Secretary determines that the Republic of the Philippines will not fill its quota established pursuant to section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of the title for such countries, he shall reduce the amount of sugar equal to the remainder of the deficit to the quota of any foreign country as he determines is required to fill such deficit.
a total amount of sugar not in excess of such deficit for domestic beet sugar in the mainland cane sugar area or both to be filled by direct consumption or raw sugar as he determines to be required for local consumption.

Sec. 205. Allotments of quotas or prerations—Authorization, method, modification.

(a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established pursuant to the provisions of this chapter, is not consistent with the need for establishing an allotment which will neither substantially interfere with the attainment of the objectives of this chapter, nor substantially interfere with the allotments made to any other party or by any interested party intervening in the appeal.

Same; Costs

(1) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

Sec. 206. Sugar-containing products or mixtures and beet sugar molasses—Authority of Secretary to reduce importation; determination that importation substantially interferes with objects of chapter.

(a) If the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this chapter, he may limit the quantity of such product, mixture, or beet sugar molasses annually imported or brought in during any such three-year period as he may select from the date of such importation or bringing in of such product, mixture, or beet sugar molasses are available.

Reduction of Importation in Absence of Reliable Data

(b) In the event the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this chapter, and there are no reliable data available of such importation or bringing in of such product, mixture, or beet sugar molasses annually imported or brought in during any such three-year period as he may select from the date of such importation or bringing in of such product, mixture, or beet sugar molasses are available.

Factors To Be Considered in Making Determinations of Substantial Interference: Rulemaking Requirements

(c) Before adopting the actual or prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objects of this chapter, the Secretary shall take into consideration the quantity of such product, mixture, or beet sugar molasses annually imported or brought in from any one country or area to a quantity which the Secretary determines will not substantially interfere with the attainment of the objectives of this chapter. In the case of a sugar-containing product or mixture, such quantity from any one country or area shall not be less than a quantity containing one hundred short tons, raw value, of sugar or liquid sugar from sugar beets or sugarcane, or mixture in relation to other ingredients or to the sugar content of other products or mixtures for similar use, the costs of the mixture in relation to the costs of its ingredients for use in the continental United States, Hawaii, or Puerto Rico, the present or prospective volume of such importations, the type of packaging, whether it would substantially interfere with the attainment of the objectives of this chapter, and the quantity of such product, mixture, or beet sugar molasses annually imported or brought in from any one country or area to a quantity which the Secretary determines will not substantially interfere with the attainment of the objectives of this chapter.
Sec. 207. Amount of quota to be filled by direct-consumption sugar—

(a) The quota for Hawaii established under section 202 of this title for any calendar year may be filled by direct-consumption sugar to the extent of one hundred and twenty short tons, raw value, of the Secretary’s determination for the preceding year issued pursuant to section 201 of this title.

(b) The quota for Puerto Rico established under section 202 of this title for any calendar year may be filled by direct-consumption sugar to the extent of five thousand three hundred and sixteen short tons, raw value, of the Secretary’s determination for the preceding year issued pursuant to section 201 of this title.

(c) Not more than fifty-nine thousand nine hundred and twenty short tons, raw value, of the quota for the Republic of the Philippines may be filled by direct-consumption sugar.

Philippine Islands—

(d) None of the quota established for any foreign country other than the Republic of the Philippines and none of the deficiencies provided for any foreign country established under or in accordance with section 204 (a) of this title may be filled by direct-consumption sugar: Provided, That the quotas for Ireland, and Panama may be filled by direct-consumption sugar to the extent of five thousand three hundred and fifty-one short tons, raw value, for Ireland and three thousand eight hundred and seventeen short tons, raw value, for Panama.

Hawaiian and Puerto Rican local consumption—

(e) This section shall not apply with respect to the quota established under section 202 of this title for marketing for local consumption in Hawaii and Puerto Rico.

Suspension—

(f) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of this subchapter applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this title unless the President, acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

Sec. 208. Liquid sugar foreign quotas—

A quota for liquid sugar for foreign countries for any calendar year is established as follows: two million gallons of syrup of cane origin, Barbados molasses, limited to liquid sugar containing soluble non-sugar solids (excluding any foreign substances that have been added or developed in the product) of more than 5 per cent of the total soluble solids, which is not an approved ingredient for direct-consumption sugar but is to be used as molasses without substantial modification of its character for the production of sugar beets or sugar cane grown in such area.

Exportation Defined—

(b) Exportation within the meaning of sections 1309 and 1313 of Title 19 shall be considered the exportation within the meaning of this section.

Domestic Quota To Be Filled With Products Produced—

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area.
only with respect to the succeeding crop year and, beginning with the 1979 crop year, only after due notice and opportunity for an informal public hearing. If the Secretary determines that any crop of sugarbeets or sugarcane will be in excess of the quantity needed to enable the area to meet its quota, and of the amount of sugar or liquid sugar available for the production of sugar beets and sugarcane, the sugarbeet or sugarcane production for the farm in question (or for any such farm operators (or farms)) shall be reduced to a level that is consistent with the amount of sugar or liquid sugar available for such farm.

(5) Whenever the Secretary determines it necessary for the effective administration of this section, the Secretary may establish proportionate shares for new or substantially enlarged extraction facilities in areas where cane sugarbeets are processed in the United States, and such proportionate shares shall be effective for the crop years beginning in 1976 and thereafter, (a) for the purpose of the two crop years ending in 1978, (b) the crop year beginning in 1979 and thereafter, the Secretary may, for any such new extraction facilities, establish a proportionate share for the crop year in question in accordance with regulations issued by the Secretary. If the Secretary determines that such proportionate shares are necessary for the effective administration of this title, the Secretary shall take into consideration the need to provide an adequate supply of sugar or liquid sugar, the need to provide adequate processing facilities, the need to provide adequate supplies of raw materials and the need to protect the United States sugar industry against unfair competition.

(6) The Secretary may, if he determines that the production of sugar from sugarbeets or sugarcane is not to be carried out in an area in which sugarbeets or sugarcane are grown, (a) transfer the sugarbeet or sugarcane production in such area to another area in which sugarbeets or sugarcane are grown, or (b) establish a proportionate share for the crop year in question in accordance with regulations issued by the Secretary. If the Secretary determines that such proportionate shares are necessary for the effective administration of this title, the Secretary shall take into consideration the need to provide an adequate supply of sugar or liquid sugar, the need to provide adequate processing facilities, the need to provide adequate supplies of raw materials and the need to protect the United States sugar industry against unfair competition.

(7) The Secretary may, if he determines that the production of sugar from sugarbeets or sugarcane is not to be carried out in an area in which sugarbeets or sugarcane are grown, (a) transfer the sugarbeet or sugarcane production in such area to another area in which sugarbeets or sugarcane are grown, or (b) establish a proportionate share for the crop year in question in accordance with regulations issued by the Secretary. If the Secretary determines that such proportionate shares are necessary for the effective administration of this title, the Secretary shall take into consideration the need to provide an adequate supply of sugar or liquid sugar, the need to provide adequate processing facilities, the need to provide adequate supplies of raw materials and the need to protect the United States sugar industry against unfair competition.

(8) In establishing proportionate shares, the Secretary shall, as far as practicable, (a) protect the interests of new producers who are cash tenants, share tenants, or planters, (b) protect the interests of new processors, (c) protect the interests of new sugarbeet or sugarcane producers, (d) protect the interests of new sugarbeet or sugarcane processors, (e) protect the interests of new sugarbeet or sugarcane seed growers, and (f) protect the interests of new sugarbeet or sugarcane seed processors.

(9) The Secretary shall, in establishing proportionate shares, take into consideration the following factors: (A) the amount of sugar or liquid sugar produced by each producer (or group of producers) in the area, (B) the amount of sugar or liquid sugar produced by each processor (or group of processors) in the area, (C) the amount of sugar or liquid sugar produced by each sugarbeet or sugarcane seed grower in the area, and (D) the amount of sugar or liquid sugar produced by each sugarbeet or sugarcane seed processor in the area.
liquid sugar, raw value, with respect to which payment is to be made, expressed as a percentage of such total payment in accordance with the following scale of reductions:

The Secretary shall provide for the publication of Secretary's determinations; in the event of the death, disappearance, or incompetence, his legal representative, or heirs:

- Persons Entitled to Payments
  - The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this chapter. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this chapter shall, upon conviction, be punished by a fine of not more than $1,000 for each such violation.

- Jurisdiction of courts
  - The several district courts of the United States are vested with jurisdiction, exclusively, to enforce the provisions of this chapter or of any order or regulation issued pursuant to this chapter, and, except as provided in sections 205 and 306 of this title, to review any regulation issued pursuant to this chapter in accordance with chapter 7 of Title 5.

- Finality of Secretary's determinations
  - The facts constituting the basis for any payment, or the amount thereof authorized to be paid, shall be determined in conformity with rules or regulations prescribed by the Secretary, and his determinations with respect thereto shall be final and conclusive.

- Terrestrial application
  - This subchapter shall apply to the continental United States, Hawaii and Puerto Rico.

**SUBCHAPTER II—ADMINISTRATIVE PROVISIONS**

**SEC. 401. Expenditures by Secretary—**

For the purposes of this chapter, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this chapter, including personal services and rents in the District of Columbia and elsewhere.

**SEC. 402. Appropriations; availability of funds—**

(a) There is authorized to be appropriated for each fiscal year for the purposes and administration of this chapter the funds necessary to carry out the provisions of this chapter and to carry out the other provisions of this chapter.

(b) All funds available for carrying out this chapter shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may designate or authorize in carrying out the provisions of this chapter. The Secretary is authorized to use the services, facilities and properties of Commodity Credit Corporation for the purpose of making disbursements to persons eligible to receive payments under this chapter.

(c) In any case in which a nation or a political subdivision thereof has, on or after January 1, 1961, (1) nationalized, expropriated, or otherwise seized or taken control of the property or business enterprise owned or controlled by United States citizens or any corporation, or association not less than 50 per centum beneficially owned by United States citizens, or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this chapter) or has taken other actions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership, or otherwise taking control of such property or business enterprise, or (3) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under international law toward such citizen or entity, including the prompt payment to the owner or beneficial owner of such property or business enterprise so nationalized, expropriated or otherwise seized or taken control of, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions; the President, in his discretion, may authorize the use of such funds to make payment of claims arising under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality, shall for all purposes hereunder be regarded as raw sugar: Provided, that no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such program.

**SEC. 403. Rules and regulations; violations; publication of Secretary's determinations; independent wegmasters—**

(a) The Secretary is authorized to make such rules and regulations as he deems necessary to carry out the provisions of this chapter.

(b) All funds available for carrying out such program.

(c) The Secretary is authorized to make such rules and regulations as he deems necessary to carry out the provisions of this chapter.

**SEC. 404. Jurisdiction of courts—**

The several district courts of the United States are vested with jurisdiction, exclusively, to enforce the provisions of this chapter.

**SEC. 405. Finality of Secretary's determinations—**

The facts constituting the basis for any payment, or the amount thereof authorized to be paid, shall be determined in conformity with rules or regulations prescribed by the Secretary, and his determinations with respect thereto shall be final and conclusive.

**SEC. 307. Territorial application—**

This subchapter shall apply to the continental United States, Hawaii and Puerto Rico.

**CHAP. 7—ADMINISTRATIVE PROVISIONS**

**SEC. 501. Expenditures by Secretary—**

For the purposes of this chapter, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this chapter and other amounts as the Congress determines to be necessary to carry out such fiscal year's allotment.

**SEC. 502. Appropriations; availability of funds—**

(a) There is authorized to be appropriated for each fiscal year for the purposes and administration of this chapter the funds necessary to carry out the provisions of this chapter and to carry out the other provisions of this chapter.

(b) All funds available for carrying out such fiscal year's allotment, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

**CHAP. 8—SEIZURE OF PROPERTY OF UNITED STATES CITIZENS AND FOREIGN NATIONS**

**SEC. 701. Expenditures by Secretary—**

For the purposes of this chapter, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this chapter.

**SEC. 702. Appropriations; availability of funds—**

(a) There is authorized to be appropriated for each fiscal year for the purposes and administration of this chapter the funds necessary to carry out the provisions of this chapter and to carry out the other provisions of this chapter.

(b) All funds available for carrying out such fiscal year's allotment, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.
The bill is entitled the Savings Act of 1979. It is designed to encourage and assist Americans to save and invest. These activities have become next to impossible for many of us because of the rate of inflation we are experiencing.

The bill allows a tax credit of 50 percent for additions to all types of bank and savings accounts, stocks, mutual funds, bond holdings, insurance, and assets of small businesses. For many years our tax system has encouraged consumption by penalizing savings. This bill will sharply increase the reward for 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.

Many Americans have attempted to set aside sufficient funds for the purchase of a home, payment of tuition or medical expenses, a secure retirement, as well as many other goals, only to be robbed of their hard work by taxes and inflation. This bill would enable Americans to reap the fruits of their hard work.

Much of the inflation we have faced today is due to restrictions that were placed on investment and economic growth through money creation by the Federal Reserve. This bill, by adding to the supply of testable savings, will encourage investment in plant and equipment out of savings and therefore reduce inflation. We have declared full employment and no inflation as national goals. These goals can be achieved through economic growth—greater investment in plant and equipment, area surveys, and research relating to the conditions and factors affecting the economic growth of such sugar-producing areas. The Secretary is authorized to make such surveys and investigations to the end he deems necessary, and to make recommendations with respect to the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area. In carrying out his responsibilities, the Secretary shall not be made public with respect to the individual operations of any processor or producer.

SEC. 410. Same; general conditions and factors; publication of information.

The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this chapter and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this chapter.

SEC. 411. Regulations to carry out interna­tional crop agreements restricting importations of sugar from foreign countries—The Secretary is authorized to issue such regulations, orders, and instructions as he may deem necessary to carry out any article of an International Sugar Agreement (ratified by and with the advice and consent of the United States Senate), restricting importations of sugar into the United States from foreign countries not party hereto, unless part of any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this chapter.

SEC. 412. Authorization and Appropriations.

There is hereby authorized to be appropriated for each fiscal year for the administration of this Act, such amounts as the Congress determines necessary.

SEC. 413. Termination—The provisions of this Act shall terminate on December 31, 1984.

By Mr. MCGUIRE:

S. 18. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Finance.

Savings Act of 1979

Mr. MCGUIRE. Mr. President, Americans are saving far less of their money than citizens in other industrial countries. Therefore, an American is saving only a fraction of what a citizen in any of the Western World countries is saving. The Secretary is authorized to issue such regulations, orders, and instructions as he may deem necessary to carry out any article of an International Sugar Agreement (ratified by and with the advice and consent of the United States Senate), restricting importations of sugar into the United States from foreign countries not party hereto, unless part of any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this chapter.

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"(1) MODIFIED ADJUSTED GROSS INCOME. The term 'modified adjusted gross income' means adjusted gross income minus the deductions allowed by section 151 (relating to personal exemptions).

"(2) INELIGIBLE DEBT. For purposes of paragraph (1), the term 'ineligible debt' means debt the close of the taxable year of net increases in debt of the taxpayer other than debt for:

- The purchase, or repair of real property.
- The repair of property, and the purchase, or repair of personalty used in a trade or business.
- The payment of medical and tuition expenses.
- Ineligible debt.

"(3) NET SAVINGS. For purposes of this section, the term 'net savings' means the sum of items described in paragraphs (1), (2), (3), (4), and (5).

"(4) SAVING IN MORTGAGE ASSETS AND INVESTMENT REAL ESTATE. For purposes of this paragraph, the term 'saving in mortgage assets and investment real estate' consists of:

- The net of amounts loaned less the principal payments received during the year on loans secured by mortgages, and
- The net of contributions of, plus improvements in, less sales of, less changes during the year in debt secured by real estate owned by the taxpayer, other than taxes and other amounts paid or required to be paid for the purchase or otherwise acquired by the taxpayer of any interest in such property other than debt for acquisition of such property.

"(5) SAVING IN COMPANY SAVINGS PLANS, RETIREMENT PLANS, AND LIFE INSURANCE. For purposes of this paragraph, the term 'saving in company savings plans, retirement plans, and life insurance' consists of:

- The net of contributions of, plus improvements in, less withdrawals from such plans, not includable in gross income for the taxable year, and
- The net of payments on, less borrowing against, whole life or term life insurance.

"(6) INDEMNIFICATION. For purposes of this paragraph, the term 'indemnification' means the sum of items described in such subparagraph for the taxable year.

"(7) DETERMINATION OF PRICE INDEX PERCENTAGE. For purposes of this paragraph, the term 'price index percentage' means, with respect to any calendar year, the percentage (if any) by which the price index for such calendar year exceeds the price index for the prior calendar year.

"(8) PRICE INDEX DEFINED. For purposes of this paragraph, the term 'price index' means the average of the monthly Consumer Price Indexes for All Urban Consumers published by the Bureau of Labor Statistics for the 1-year period ending on September 30 of such year.

"(9) APPLICATION OF OTHER CREDITS. The credits allowed by subsection (a) for the taxable year shall not exceed the amount of tax imposed by this chapter for such year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, and 39, and 44A.

"(10) NONRECOVERY OF CREDIT. The credit allowed by subsection (a) for the taxable year shall be reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(11) INCOME TAX. The term 'income tax' means the income tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowed by subsection (a) for the taxable year.

"(12) ADJUSTED GROSS INCOME. The term 'adjusted gross income' means the excess at the close of the taxable year of net savings over ineligible debt, and

- The applicable percentage determined in accordance with the following table:

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"(13) INCOME RISES, ITS SAVINGS RISE, AND ITS PRICE INDEX PERCENTAGE RISES. For purposes of this paragraph, the term 'income rises, its savings rises, and its price index percentage rises' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(14) INCOME Rises, ITS SAVINGS RISE, BUT ITS PRICE INDEX PERCENTAGE Rises. For purposes of this paragraph, the term 'income rises, its savings rises, but its price index percentage rises' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(15) INCOME Rises, ITS SAVINGS RISE, AND ITS PRICE INDEX PERCENTAGE DO NOT RISE. For purposes of this paragraph, the term 'income rises, its savings rises, and its price index percentage does not rise' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(16) INCOME Rises, BUT ITS SAVINGS Rises, AND ITS PRICE INDEX PERCENTAGE Rises. For purposes of this paragraph, the term 'income rises, its savings rises, but its price index percentage rises' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(17) INCOME Rises, BUT ITS SAVINGS Rises, AND ITS PRICE INDEX PERCENTAGE DO NOT RISE. For purposes of this paragraph, the term 'income rises, its savings rises, but its price index percentage does not rise' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(18) INCOME Rises, BUT ITS SAVINGS DO NOT RISE, AND ITS PRICE INDEX PERCENTAGE Rises. For purposes of this paragraph, the term 'income rises, its savings does not rise, but its price index percentage rises' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(19) INCOME Rises, BUT ITS SAVINGS DO NOT RISE, AND ITS PRICE INDEX PERCENTAGE DO NOT RISE. For purposes of this paragraph, the term 'income rises, its savings does not rise, but its price index percentage does not rise' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

"(20) INCOME Rises, BUT ITS SAVINGS DO NOT RISE, AND ITS PRICE INDEX PERCENTAGE Rises. For purposes of this paragraph, the term 'income rises, its savings does not rise, but its price index percentage rises' means, with respect to any calendar year, the percentage (if any) by which the income for such calendar year exceeds the income for the prior calendar year, reduced by the sum of the credits allowed by subsections (b) and (c) of section 31, 39, and 44A.

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

Percent of income less exemptions which saving must exceed to qualify

Adjusted gross income less exemptions:
- 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 $30,000.................. 5
- Over $30,000 but not over $50,000.................. 6
- Over $50,000 but not over $100,000................ 7
- Over $100,000 but not over $200,000.............. 8
- Over $200,000........................................... 10

Thus, a family earning $9,000 which saves $350 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 $400 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 $2,000.

The credit will equal Net Savings as the sum of Net Saving less Ineligible Debt.

Net Saving is:
1. Saving in Certain Business—
The taxpayer's share in the increase in book value of inventories (and increases, inventory changes, 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.
2. Saving in Liquid Assets—
Savings in checking accounts, savings accounts, and savings bonds. Amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions on the last day of the calendar year be compared to the amounts on deposit at the end of the previous year. The net increase in savings in liquid assets is eligible Net Saving, as would savings bond purchases less redemptions.
3. Saving in Certain Investments 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.
4. Savings in Mortgage Assets and Investment Real Estate—
Investment in mortgages or real estate, plus improvements, less loans repaid or property sold.
5. Saving in Company Savings Plans, Retirement Plans, and Life Insurance—
Purchases of 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 resale of a home or other property, or to refinance debt incurred in medical or tuition expenses of the taxpayer or dependents.

Another safeguard is a recapture provision for savings in a year prior to the one for which the savings are claimed. Potential credit would be reduced to some form of eligible assets for five years. This provision would not apply to withdrawal from savings for retirement income.

The income levels attached to each threshold would be part of Eligible Net Saving, investment Real Estate—and loans made to small business. These amounts are readily available, since they are already calculated for tax purposes; amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions on the last day of the calendar year be compared to the amounts on deposit at the end of the previous year. The net increase in savings in liquid assets is eligible Net Saving, as would savings bond purchases less redemptions.

It is impossible to know whether the propensity to save will continue to decline in America. The rate of saving is expanding abroad. Inevitably, much will depend on the extent to which governmental policies tend to encourage or discourage saving. One can see with precision the economic plans that governmental leaders may be hatching.

The present disparity is significant on a number of counts. It suggests a greater potential for economic growth abroad than in America. "If people don't save, there can't be sufficient investments, and eventually economic growth suffers," says Martin S. Feldstein, president of the National Bureau of Economic Research, a nonprofit business-analysis organization based in New York.

Noting the remarkable rise of savings in Canada, Robert Baguley, an economist at Royal Bank of Canada in Montreal, declares: "We have been able to increase our saving, as people haven't been earning, as much as they should..." But in the Netherlands, Belgium, and Luxembourg, the comparable U.S. rate is "far lower." And in Japan, Not surprisingly, says the typical Japanese worker feels obligated to set aside a relatively large fraction of pay for the retirement years.

Mr. Denison notes that in some countries workers derive a considerable percentage of their yearly pay through annual or semiannual bonuses. In the United States, money recently has approximately one-quarter of annual earnings. Note: prescient, they are "substantially greater" than, for example, in Belgium, the comparable U.S. rate is "far lower." Bonus money, he explains, is likelier to be put into savings than regular pay.

The sharp rise of saving in Canada apparently reflects in part governmental efforts to induce thrift. Mr. Baguley of Royal Bank of Canada mentions, for example, the advent of government-sponsored plans, set up within the last decade, that provide tax breaks on various forms of saving. One plan encourages saving for retirement and another for home-buying.

The American saving rate is relatively low, as the accompanying chart shows, and it has been diminishing. Meanwhile, saving rates abroad have risen. The following table traces these changes over the last decade. In the six major industrial countries, it pins points consumer savings, as a percentage of disposable income, to new capital formation.

RATE OF SAVING

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By Mr. MATSUNAGA:
S. 20. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Human Resources.

POET LAUREATE OF THE UNITED STATES

Mr. MATSUNAGA. Mr. President, I am introducing today a bill which would amend the National Foundation on the Arts and the Humanities Act of 1965 to establish the office of Poet Laureate of the United States. The Poet Laureate shall perform such duties as the President shall prescribe, but the duties so prescribed shall not include the continuation of the creative work of the individual chosen to be Poet Laureate.

The Poet Laureate of the United States shall be appointed by the President after consideration of the recommendations of the National Council on the Arts from among poets whose works reflect the qualities and attributes associated with the historical heritage, achievements and future potential of the United States. The Poet Laureate shall be appointed for a term of five years, and shall receive compensation at a rate to be set by the President.

By Mr. WEICKER:
S. 21. A bill to terminate public financing of Presidential campaigns; to the Committee on Finance.

Mr. WEICKER. Mr. President, I am reintroducing today legislation that would repeal the tax check-off system, which created the tax check-off system and the public financing of Presidential campaigns.

From the start, I have believed that public financing was a mistake. This proposal reflects my long-held belief that public financing was a mistake. This proposal reflects my long-held belief that

The United States is one of the few great nations in the world which has failed to give official recognition to its great poets. England, from which we inherited most of our cherished democratic traditions, officially created the position of poet laureate in the 17th century. However, the "unofficial" origin of the honorary position dates back to the reign of King Henry III in the 13th century. Japan and China also gave official recognition to their greatest poets long ago.

In our own country, poets such as Carl Sandburg, Robert Frost, Walt Whitman, Henry Wadsworth Longfellow, Archibald MacLeish, and Phyllis McGinley, and James Dickey have captured the American spirit in a unique and timeless way. Such contributions to our national life must be encouraged and stimulated. By creating the position of Poet Laureate, we would give the many young and relatively unknown American poets of today something to which they could aspire. We would be telling them that we value their contributions as much as those of the other builders of our Nation—engineers, scientists, explorers, statesmen, tradesmen, and others.

Mr. President, I hope that my bill will be given early, favorable consideration by Congress, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 15 of the Internal Revenue Code of 1954 (relating to the allocation of political contributions) is repealed.

(b) The repeal and amendment made by subsection (a) shall take effect on January 1, 1979, except that the repeal shall not apply to the Internal Revenue Code of 1954 (relating to the allocation of political contributions) as amended by subsection (a) of section 203(a) of chapter 1 of title 26 of the United States Code or by subsection (a) of section 15(b) of the Internal Revenue Code of 1954 (relating to the allocation of political contributions) as amended by subsection (a) of section 203(a) of chapter 1 of title 26 of the United States Code.

(c) The repeal and amendment made by subsection (a) shall not apply to any election held before January 1, 1979.

Mr. President, the dangers of public financing were recognized by the majority of the Watergate Committee when they opposed enactment of that decision. In a brief filed by the appellants in the Supreme Court in Buckley against Valeo these dangers were clearly described:

"The desire to secure public financing for government result from direct payments to parties and candidates. Democracy depends largely on three principles: the freedom to form, join or leave political organizations. Once a party becomes officially sponsored, the government begins to determine the allocation of political resources, that freedom is endangered.

The experience to date with the tax check-off to finance Presidential campaign funds indicates little interest and enthusiasm among the people. Only 26 percent of the taxpayers chose to direct the $1 of their taxes owed for 1976 to the campaign fund. For the taxable year 1977, only 27.5 percent of the taxpayers exercised this option thus far, and remember Mr. President, the only deterrent to this clever program is the wasted effort by Washington. With almost three-fourths of the American people saying no to check-offs, it is time the Congress reexamined the pooling of paying checks out to Presidential candidates.

I understand there are those who would want to extend the Federal financing principle to senatorial and congressional campaigns. How long will it be before nondesignated general funds are used?

I confess, with today's myriad of unresolved needs, I find financing political campaigns rather far down on my priority list. If we have become so devoid of initiative, ideas and courage, that the American people are walking away from today's politicians, then it is time to get out rather than monetarily assure a continued presence.

Mr. President, it was a sad day indeed when this body decided to let the Government support the candidates rather than the people. It is now time to end this process, carry the campaign. It is now time to end this process, use public financing only pays the blackmail imposed by that sin.

Matching funds have kept floundering Presidential campaigns afloat beyond their time. They have allowed one candidate and those with only a marginal chance of success to overspend their budgets, knowing that Uncle Sam would pick up the tab. Mr. President, allowing the Federal Government to bankroll everybody who wants to be President is a subsidy that can only sap the vitality of a free society whose excellence depends on the survival of the fittest ideas.

One measure of a candidate is his or her ability to generate contributions for public office. Candidates should sell their ideas to win, not just be a warm body and rely on the Federal dole. Worse, public financing gives Congress control of the campaign war chests of Presidential challengers. The Campaign Reform Act was drafted in 1974, with the Congress and White House controlled by different parties. Under these circumstances, each candidate of a major political party would receive $20 million in a general election, plus compensation for inflation. When the Nation elects a President with a large majority of his own party in the Congress, who can say that the formula for allocating funds will continue to reflect the voters' mandate? What about enforcement? Once we handed the Congress the political purse-strings, the people no longer have the final say. Instead, politicians are monitoring politicians. Not a healthy situation.
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(d) Amounts remaining in the Presidential Election Campaign Fund established under section 9006 (a) of the Internal Revenue Code of 1954 at the close of December 31, 1980, shall be covered into the general fund of the Treasury as receipts from the tax imposed by chapter 1 of such Code.

By Mr. CHURCH:

S. 23. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions with respect to enforcement of plant variety protection rights, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

PLANT VARIETY PROTECTION ACT

Mr. CHURCH. Mr. President, I am introducing legislation to amend the Plant Variety Protection Act of 1970. These important amendments which will strengthen the ability of our agricultural sector to develop new and unique varieties of edible plants.

The Plant Variety Protection Act authorized the establishment of a Plant Variety Protection Office in the Department of Agriculture. The purpose of the office was to issue certificates of plant variety protection to assure developers of novel plant varieties the exclusive rights to sell, reproduce, import or export such varieties or use them in the production of hybrids for a period of 17 years.

Based on experience with this act, the USDA submitted proposed legislation to the Congress on October 13, 1978. These amendments, 21 in all, would further clarify wording and adjust the act to better fit the experience gained. The major substantive change accomplished by the amendments is the deletion of section 144. Deletion of this section will allow protection to be given to breeders and developers of six vegetable crops. Okra, celery, peppers, tomatoes, carrots, and cucumbers were not given protection by the 1970 act. Adoption of these amendments will extend the act's protection to these vegetable crops. Because the amendments were not received from the USDA so late in the session, they were not introduced last year.

By refining the terminology of the act, these amendments will make the act more easily understood by its users and is not expected to have any significant regulatory impact.

These amendments are endorsed by the Department of Agriculture and are supported by the American Seed Trade Association and many plant seed research and development activities across the country. A companion bill is being introduced in the House by the Honorable E "KIKI" DE LA GARZA.

Enactment of these amendments will enable the Plant Variety Protection Act to function as intended and extend its protection to vegetable crops deserving of similar protection.

Mr. President, a fine example of the beneficial effect of the Plant Variety Protection Act can be seen in the development of the sugar snap pea. This pea is an entirely new vegetable developed by Dr. Calvin Lamborn of the Gallatin Valley Vegetable Research Center, Pocatello, Idaho. The incentive to proceed with the breeding of this unique new pea was provided by the 1970 act. Similar examples abound across our land.

Part of our heritage of a productive agricultural base has been our ability to develop new and better varieties of seeds. The Plant Variety Protection Act has been an important instrument in encouraging such efforts. These amendments I offer today will further strengthen and insure the development of many new varieties of edible plants for our expanding population.

Mr. President, I ask unanimous consent that the text of the Plant Variety Protection Act amendments be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 23

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (7 U.S.C. 2321) of the Plant Variety Protection Act is amended by striking the words "a bureau" and inserting in lieu thereof the words "an office".

SEC. 2. Section 5 (7 U.S.C. 2325) of such Act is hereby repealed.

SEC. 3. Section 9 (7 U.S.C. 2329) of such Act is amended by striking the word "officers" and inserting in lieu thereof the word "examiners".

SEC. 4. Section 9 (7 U.S.C. 2329) of such Act is amended by striking the words "published specifications" and inserting in lieu thereof the words "descriptions of plant varieties protected".

SEC. 5. Section 10(a) (1) (7 U.S.C. 2330(a) (1)) of such Act is amended by striking the words "specifications of plant variety protection" and inserting in lieu thereof the words "descriptions of plant varieties protected".

SEC. 6. Section 10(b) (7 U.S.C. 2330(b)) of such Act is hereby repealed.

SEC. 7. Section 10(c) (7 U.S.C. 2330(c)) of such Act is redesignated as 10(b) and is amended by striking the words "the useful arts" and inserting in lieu thereof the words "plant breeding".

SEC. 8. Section 10(d) (7 U.S.C. 2330(d)) of such Act is redesignated as 10(c) and is amended by inserting after the word "and" the words "specifications of plant variety protection" and inserting in lieu thereof the words "descriptions of plant varieties protected".

SEC. 9. Section 11 (7 U.S.C. 2331) of such Act is amended by striking the words "specifications of plant variety protection" and inserting in lieu thereof the word "descriptions".

SEC. 10. Section 31 (7 U.S.C. 2371) of such Act is amended by striking all after the words "the useful arts" and inserting in lieu thereof the words "plant breeding".

SEC. 11. Section 52(a) (7 U.S.C. 2422(a)) of such Act is amended by striking the last sentence.

SEC. 12. Section 56 (7 U.S.C. 2426) of such Act is amended by changing the period at the end of the second sentence to a comma and adding the following:

"The name of the applicant, and whether the application is to be sold by variety name only as a class of certified seed."

SEC. 13. Section 57 (7 U.S.C. 2427) of such Act is amended by inserting after the phrase "for the publication of the words' information regarding".

SEC. 14. Section 83(b) (7 U.S.C. 2483) of such Act is amended by deleting the term "seventeen years" in the first sentence and inserting in lieu thereof the term "eighteen years".

S. 15. Section 84 (7 U.S.C. 2484) of such Act is amended to read as follows:

"Sec. 84. Correction of Plant Variety Protection Office Mistake. Whenever a mistake in a certification of plant variety protection incurred through the fault of the Plant Variety Protection Office is clearly disclosed by the records of the Office, the Secretary may issue a corrected certification of plant variety protection in the fact and nature of such mistake, without charge. Such certificate of plant variety protection shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form."

SEC. 16. Section 85 (7 U.S.C. 2485) of such Act is amended by deleting "certificates of" from the heading, by inserting before the word "certificate" the second time it appears therein the word "corrected" and by striking the words "of correction in the manner and with attachment of copies as in section 84."

SEC. 17. Section 91(b) (7 U.S.C. 2501(b)) of such Act is amended by striking the word "specification" in the second sentence and inserting in lieu thereof the word "description."

SEC. 18. Section 93(a) (7 U.S.C. 2503(a)) of such Act is amended by striking the words "propagation prohibited" and inserting in lieu thereof the words "propagation prohibited".

SEC. 19. Section 127 (7 U.S.C. 2567) of such Act is amended by striking the phrase the words "Propagation Prohibited" and inserting in lieu thereof the words "propagation prohibited".

SEC. 20. Section 128(a)(1) (7 U.S.C. 2568(a) (1)) of such Act is amended by adding the word "either" followed the words "propagation prohibited" and inserting in lieu thereof the words "Unauthorized Seed Multiplication Prohibited" and by striking the words "a statement of this basis being promptly filed with the Secretary if the phrase is used beyond testing and no application has been filed."

SEC. 21. Section 144 of such Act is deleted.

By Mr. CHURCH:

S. 24. A bill to amend the Internal Revenue Code of 1954 with respect to 22 caliber ammunition recordkeeping requirements; to the Committee on Finance.

Mr. CHURCH. Mr. President, today I have again introduced legislation to repeal the 22 caliber ammunition and ammuni­tion which are part of the 1968 Gun Control Act.

Over the years, the Treasury Department has consistently supported my legislation. This position is especially notable given the Board's failed attempt to backdoor Federal gun control last year. At least in the instance of 22 caliber ammunition, the gun controllers at Treasury are taking a sensible stand.

A short review of the history of this matter explains the obvious appeal of my legislation. The 1968 Gun Control Act—which I strongly opposed—contained certain recordkeeping requirements for firearms and ammunition. Almost immediately thereafter, in light of the gun owners' reaction repealing these ill-advised requirements for sporting rifles and shotguns and ammunition for them.

Repealing this amendment, Congress sustained my belief that these reporting requirements created a useless and unnecessary burden on the Treasury Department itself, on firearms dealers,
and on the Nation’s sportmen. Unfortunately such requirements still remain for .22 ammunition as it may be used for sporting rifles. My legislation simply adds .22 caliber ammunition to the older repeal provision.

I have always felt that it is an important responsibility of the Congress to eliminate unnecessary provisions of Federal law. In this case— and in these times— it is the Senate’s best effort to repeal restrictions which are regarded by all concerned as wasteful and providing Government nitpicking and burdensome and meaningless paperwork.

From another perspective, these recordkeeping requirements are worse than worthless because they actually detract from a legitimate Government objective—the fight against crime. Treasury Department officials have testified that they know of no instance “where any of the recordkeeping provisions relating to sporting-type ammunition—including .22 caliber rimfire ammunition—have been helpful in law enforcement.” The Justice Department confirmed that:

There is not a single known instance, as we have learned from our discussions with IRS, in which there is a single known instance where any of this record keeping has led to a successful investigation or to a successful prosecution.

It is clear that the restrictions on .22 ammunition which have remained in the law are just as much ill-conceived hindrances to the fight against crime as the restrictions which were repealed in 1968. As the Treasury Department gun controllers have testified in their own self-interest:

The record keeping requirements have become so burdensome that they tend to detract from the enforcement of the firearms laws.

Just what does this recordkeeping involve? Under the 1968 Gun Control Act, it is unlawful for a federally licensed dealer to sell or deliver ammunition without making a record showing the name, age, and residence of the purchaser. In addition, all dealers are required to keep such records of importation, production, shipment, receipt, sale, or other disposition of ammunition as may be provided by regulations. These regulations have required licensees to keep this record: The date of transaction; the name of the manufacturer; the caliber, gage or type of component; the quantity of ammunition transferred; the name, address, and date of birth of the purchaser; and finally, the method used by the licensee to establish the identity of the purchaser.

On their face, these restrictions on .22 ammunition are useless, and more, a deterrent to the fight against crime by the waste of effort their enforcement entails. With the outcry against needless statutes and bureaucracy, repeal of these restrictions would end a senseless harassment, involving the most popular type of sporting ammunition in the United States.

I urge the Senate to support my legislation and ask that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 24

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4182(c) of the Internal Revenue Code of 1954 (relating to records) is amended by inserting "and .22 caliber rimfire ammunition" after "rifles generally available in commerce."

By Mr. BAYH (for himself, Mr. KENNEDY, Mr. GLENN, Mr. DOLE, and Mr. PERCY):

S. 25. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

Mr. BAYH. Mr. President, I rise on this most historic occasion to submit a bill to the Senate which will establish January 15, the birthday of Dr. Martin Luther King, Jr., as a national holiday.

It is only fitting that such legislation be introduced in the Senate and the House of Representatives on Dr. King’s 50th birthday. And it is only proper that this distinguished body act expeditiously in adopting it. Making Dr. King’s birthday a national holiday is closer to the very least we can do to show our great debt of gratitude for the lesson he taught all Americans willing to listen and learn.

He taught us that our democratic principles were seriously impaired if they did not apply to all Americans. He reminded us that the values of freedom, equality and liberty shall be denied to any group of Americans, lest we all lose a degree of the same values. He reminded us of our history: of George Washington, Thomas Jefferson, Abraham Lincoln, Harriet Tubman, Sojourner Truth, Frederick Douglas, Franklin Roosevelt, Harry Truman, John F. Kennedy, Lyndon B. Johnson, and of the sacrifices they made to liberty and freedom.

From the darkness of a Birmingham jail, he taught us that laws and justice were sometimes at odds and did not always complement each other. Further, he said, "Justice and dignity and courage, the consequences of his acts. It came as something of a revelation to many good intentioned Americans when they understood that justice is a creation of God while laws were manmade, and the latter being subject to the errors of man are inferior to justice. As a result of his work many laws were drastically changed so that justice might prevail. One only need look in the lunch counters, neighborhoods, and schools in previously segregated sections of this country for evidence of this man’s work.

Dr. King further taught us that the teachings of Christ were still the most effective weapons to combat one’s adversaries. He employed the Christian ethic of love thy neighbor and turn the other cheek as a means to attain his ends. Utilizing the Ghandian tactic of nonviolence, Dr. King boldly and bravely confronted his enemies and calmly convinced them of the errors in their ways. He taught us that violence and hatred appeal to the baser nature of man and that patience and understanding will ultimately triumph in the eternal struggle between good and evil.

He touched the conscience of all Americans in a way that was painful but not damaging. He demonstrated that in an era of hatred, violence, and prejudice, the one man who made us understand that if we contend to be a civilized society that we had better begin to treat our neighbors in a civilized manner. This is a lesson that can well be applied nationally as well as internationally. And for teaching us that nonviolence is the superior form of negotiation, he truly does deserve the title of prophet of peace.

And finally he taught us that our dream of an ideal America can be a reality if only we work at making it so. As he stood at the Lincoln Memorial on August 28, 1963, and shared his vision with America, he touched this country in a way it had never been touched in its entire history. He shared with us his dream of black children, whites and all children, holding hands as they walked on the red clay of Georgia, oblivious to racial distinctions, practicing the same laws that the day would come when all God’s children would be free and equal. It is because of his vision and his work that we are more united as a just and equal society. And it is because he shared his dreams with us and then went out and tried to make those dreams a reality that I introduce this legislation which would simply be one small humble way of saying thank you to one of the great men in American history. “Greater love hath no man than that he lay down his life for his friends.” And so it was with Martin Luther King, Jr.

Mr. KENNEDY. Mr. President, I join in support of the legislation introduced by my colleague, Senator Bayh, to designate January 15, Dr. Martin Luther King, Jr.’s birthday, as a national holiday, and I pledge to do all I can as chairman of the Senate Judiciary Committee to insure that this legislation is brought before the full Senate at the earliest possible opportunity.

Citizens of the United States and persons throughout the world are deeply indebted to Dr. King for his worldwide leadership in the struggle for freedom, justice, and dignity for all peoples everywhere. It is entirely fitting, therefore, that today on the 50th anniversary of his birth, we should pay tribute to his life and his great works by declaring his birthday a national holiday.

Dr. King was perhaps the greatest apostle of change of our time. Through his example, millions drew hope that their dreams of a better life could be fulfilled. Above all, by his deep commitment to nonviolence, he demonstrated that peaceful change was possible. And that effective leadership could bring an end to even the greatest obstacles of oppression and discrimination. In honoring Dr. King, there is no better way to strengthen the highest tradition of our Nation and our history.

Mr. President, this past Friday, January 15, 1979, I had the honor to visit Atlanta and to participate in the Negro week long celebration sponsored by the Martin Luther King Center for Social Change, commemorating the 50th anniversary of Dr. King’s birth. I asked unanimous consent that the text of my address at
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the Ebenezer Baptist Church may be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

KEYNOTE ADDRESS OF SENATOR EDWARD M. KENNEDY

It is a special honor for me to be here with you on this historic occasion and to stand in the Ebenezer Baptist Church on the 50th Anniversary of the birth of Dr. Martin Luther King, Jr.

I am particularly pleased to participate in this program that pays tribute to one of the most gifted and extraordinary Americans this country has ever produced in its long and magnificent history.

I thank Congressman Walter Fauntroy of the District of Columbia for his introduction. Walter began alongside Dr. King. In keeping with the tradition of the movement, Walter was last year in Washington, guiding the successful effort to persuade the Senate and the House of Representatives to enact the D.C. Home Rule Act.

The honor of being here in Atlanta on this symbolic day is also heightened by my affection and respect for Daddy King, whose personal bonds he established with the people of the District of Columbia to dispose of General Services to get the new office buildings for the Senate.

I am proud of my role as a trustee of the Martin Luther King Center for Social Change. This building holds such great promise for all who seek non-violent answers to the complex barriers facing human rights. The three phases of this fine complex are an auspicious beginning. I pledge my full support for the completion and endowment of the Center, and I urge all Americans to join in completing "Freedom Hall," the final phase of the building.

The spirit of Dr. King is here with us this afternoon. We honor the greatness of his leadership in the struggle to secure equal rights for all Americans. We honor the courage by which, against great odds and opposition, he established the path of conscience and morality. And we also honor the strength of his commitment to those goals.

Those qualities—leadership, courage and commitment—have rarely, if ever, been combined with such skill and grace in our history. Through those qualities, America has achieved enormous progress in recent years in human rights and civil rights, both at home and overseas. And through those qualities as well, countless others have learned to take up the cause of Dr. King and work to achieve his dream.

In one of his last speeches in Atlanta in 1968, in words that are now inscribed on the walls of Morehouse College, he spoke of his role:

"Yes, if you want to say that I was a drum major, say that I was a drum major for justice, say that I was a drum major for righteousness.

As a nation, we can pay no greater tribute to Dr. King than to carry on his work, so that his dream of freedom and justice will be fulfilled for the benefit not only of citizens in our own land but of other lands as well.

But there is a separate honor we can bestow on Dr. King that is both deserved and overdue. And those of us who serve in Congress are in a position to achieve it. When the new session of Congress opens on Monday, I pledge to do all I can, as Chairman of the Judiciary Committee in the Senate, to insure that legislation is enacted in this anniversarv year, the birthday year of the birth of Dr. Martin Luther King is a national holiday in every city, town and village of these Untied States.

Dr. King's roots were here, in the soil of Georgia, in the Ebenezer Baptist Church and in the tradition of his father and his great-grandfather. But in a larger sense, his roots knew no boundary of section, creed, or color. He reached out to the entirety of America and to peoples of all nations with his message of freedom, justice and dignity, and he led them to a better life.

He was America's first ambassador for human rights to those in other lands. He thundered in 1965, with his message of freedom anywhere, that the struggle for freedom everywhere, and for his work, at the age of 38, he became the youngest person ever to win the Nobel Peace Prize.

As Americans, we are proud of the early leadership he provided to the worldwide movement for human rights, even as we take pride today in the leadership and momentum that President Carter has given to this cause.

In this country, Dr. King took his message to many different regions. I recall the personal examples that I have just mentioned. And he took this message to the people of Massachusetts. As a young man, Dr. King came from Morehouse College in Georgia to Boston University, where he completed his education and religious training. It was there, at the Twelfth Baptist Church in Roxbury, that he met Coretta Scott, the great partner who shared his life and dream and who carries on his work today. Twelfth Baptist is renowned for another reason too, as the site of a final stop on the underwater railway that delivered so many thousands of people to freedom from the chains of slavery in the nineteenth century.

And I recall how Dr. King came back again to Boston, in 1970, at the time of the twentieth century freedom for all of those still bound by the chains of economic, social and political deprivation. He spoke to the Massachusetts Legislature. He inspired the leaders and the people of our Commonwealth with the power and the eloquence of his message.

He warned against inaction and delay. "The time is always right to do right," he said.

His message was clear. It could not be ignored. "Now is the time," he said, for action on voting rights and so many other basic rights that had been denied to so many for so long.

In 1965, as in 1979, there were many who said that the time was not right, and that delay was not acceptable, that the dream could no longer be deferred, that the movement must go on, but nowhere was it ever denied, unless people had the courage to insist that "Now is the time."

But Dr. King rejected those counsels of delay, committed to the cause of freedom. In 1965, in his famous "Letter From a Birmingham Jail" to the white clergymen who had urged delay, he wrote that delay was not acceptable, that the dream could no longer be deferred, that the movement must go on, and that he would never be denied, unless people had the courage to insist that "Now is the time."

Frederick Douglass, born a slave, said it well during his lifetime: "Power concedes nothing without demand. It never has and it never will."

By Mr. RANDOLPH:

S. 27. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to pro-
I cosponsored with Senator CHURCH, to Virginia. The jobs of these West Vir­pound. Failure to pass this legislation of the domestic tin-plated steel industry If this legislation is not passed, the price $'7.35 was in the form of an amendment, which costs are borne by U.S. consumers. The usage. West Virginia uses over 4,000 tons of tin by 

In January 1976 the average price of tin was $3.01 per pound. Today, 2 years later, the price has risen to $5.38 per pound, a gain of over 100 percent. If this legislation is not passed, the price promises to go even higher. Legislation authorizing the sale of tin passed both the House and the Senate in the 94th Congress. The Senate action was in the form of an amendment, which I cosponsored with Senator CHURCH, to the sugar bill and was lost in the rush to adjournment. As soon as this fact reached the trade press, speculators pushed the price of tin to $7.35 per pound. Failure to pass this legislation will, once again, push tin prices to higher levels. This will have an inflationary im­act on food prices throughout the United States. Total consumption of tin in the United States is approximately 61,000 tons per year, and the tin-plated steel industry uses approximately 18,500 tons of that total usage. West Virginia uses over 4,000 tons to produce tin-plated steel. During the past 2 years, the cost to purchase tin by this one industry in West Virginia has in­creased by $26,640,000. These increased costs are borne by U.S. consumers. The price of tin has increased due to two fac­tors: A shortfall of tin supply in the world market, and fluctuation of tin prices by commodity speculators. Today, the supply levels are near world demand for the first time in several years. There­fore, I believe that a release of tin would have a moderating effect on these escala­tions in prices. I urge the Senate to expedite the pas­sage of this bill. In addition to author­izing disposal of 35,000 tons of tin, it provides that money received from this disposal will be invested as a special account in the U.S. Treasury. The utilization of these funds will be determined upon passage of the Strategic and Critical Ma­terials Stockpiling Act, which is expected to be enacted during the 96th Congress.

By Mr. HATCH: S. 29. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Com­mittee on Human Resources. Mr. HATCH. Mr. President, it has been well established that one of the ways to slow down the spiral of inflation is to reduce Federal spending, or at least to assure that the Federal Government ob­tains full value for the money it spends. Since all of us are concerned about infla­tion, I invite your support of a bill I am introducing today to repeal a Federal law that makes Government an accomplice in cost and price excesses in the con­struction industry. The subject is the Federal prevailing wage law, more com­monly referred to as the Davis-Bacon Act.

In essence, the Davis-Bacon Act pro­vides that contractors performing fed­erally funded or assisted projects must agree to pay a specific rate of wages as established by the Secretary of Labor. This rate schedule is determined by the use of a formula which seeks to find a rate of wages comparable to the ac­tual wages of the local area. During the Great Depression, the intent of the act was to prevent contractors from low­wage areas from coming into higher wage areas with lower wages who would dis­place local people. Unfortunately, this law remained in effect after the depres­sion and over the years has been respon­sible for billions of tax dollars being wasted. I believe construction em­ployees and employers alike deserve a law for the 1980's and beyond and not an antiquated relic of the 1930's. Although maladministration and ex­cessive special influence have long char­acterized the act, my history, I believe that the heart of the problem lies in the ad­verse economic consequences created by setting artificial wage rates for an area that does not reflect wages actually paid in that area. It is a fact that in many instances, the prevailing wage is paid to as few as 30 percent of construction workers in the area will determine the so-called prevail­ling wage rate for Davis-Bacon work. This is possible under the 30-percent rule which was not in the original act but, rather, was instituted by a former Secretary of Labor in 1935 through administrative fiat.

My bill seeks to restore the original intent of Congress, which is to preserve local working conditions and pay prac­tices. Further, it will provide for greater opportunity for small business and mi­nority contractors and their employees to participate in Federal work. A recent General Accounting Office draft report states that the unnecessary cost to the taxpayer is some $715 million a year. In addition to the direct cost of Davis-Bacon, the GAO report estimated total public and private administrative costs at about $215 million a year. However, the most adverse effect of the Davis-Bacon Act is its "prevailing wage" infla­tionary impact on local construction wages paid on private work. This private sector cost of Davis-Bacon is estimated by the Economic Research Section of the U.S. Chamber of Commerce at $1.78 bil­lion a year; on new home building alone, at $470 million annually. This brings the Davis-Bacon inflation­ary annual price tag to $2.7 billion. Therefore, repeal of this outmoded and now unnecessary law should be one of the top priority matters before Congress.

For years, concerned legislators have been urging repeal or revision of this archaic law. Now that the GAO, an independ­ent branch of the Federal Government, has added their voice to the clamor for sensible change.

Here is what the GAO says:

Congress should repeal the Davis-Bacon Act because:

Significant changes in economic conditions and the economic character of the construc­tion industry, since 1931, plus the passage of other wage laws make the act unnecessary. After nearly 50 years, Labor has not de­veloped an effective program to issue and maintain current and accurate wage deter­minations and it may be impractical to ever do so.

In summary, I urge my colleagues to join me in demonstrating to the Amer­i­can people our resolve to eliminate this kind of inflation by remove­ing from the law. By passage of this bill, I am promoting a Federal regulatory bureaucracy adds to the overwhelming cost burdens now borne by our productive citizens. Let this bill be our first genuine step toward elimination of inflation by regulation.

Mr. President, for the information of my colleagues I ask unanimous consent that a recent editorial from the New York Times dated December 29, 1976, critiquing the Davis-Bacon Act be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Making Federal Construction Expensive

Even as Alfred Kahn, the White House inflation fighter, pleads for wage moderation from unions, Labor Department officials are publicly criticizing the Davis-Bacon Act, which requires Federal construction projects, lest unskilled laborers be willing to accept $4.50 an hour get less than $2.15. The pipelayers lobby happy to take home $8 are paid less than $10.

The source of this bizarre contradiction is the Davis-Bacon Act, which requires Federal construction wages to match local "prevailing" rates. According to a new report by the General Accounting Office, the law costs the taxpayers about $715 million annu­ally and serves no useful purpose. The Davis-Bacon Act was passed at the nadir of the Depression to protect local con­struction workers from outside contractors willing to slave for peanuts. Whatever the merits of the act at the time, there is no jus­tification for such interference with pri­vate construction contracts today. In 1935 the Depart­ment made "prevailing wage" determina­tions for more than 15,000 federally funded projects. According to the GAO, the Department estimated added costs of $130 million, or about 10 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Gov­ernment's expenditures for construction.

The inflationary impact of the regulations may, in fact, have been worse, because of the law forcing contractors to pay premium wages on Federal jobs, the GAO's reckoning, the Department estimated high of about 40 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Gov­ernment's expenditures for construction.

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The GAO's reasoning was that the Federal construction contracts, being Federal contracts, would have to pay prevailing wages, even in the absence of Federal funds, thus forcing contractors to pay premium wages on Federal jobs, the GAO's reckoning, the Department estimated high of about 40 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Gov­ernment's expenditures for construction.
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Act is to provide a bonus for some construction workers at the public's expense, through the possibility of buying that act out of the books. That, unfortunately, would be extraordinarily difficult; not surprisingly, organized labor opposes repeal, for the law reduces the incentive of contractors to hire nonunion workers.

An alternative is to amend the act and request that the Labor Department to justify its estimates and provide a speedily appeals process. As the courts now interpret the statute, decisions are made by a three-man panel, however arbitrary, cannot be challenged. If all legislative initiatives fail, one remedy remains: the President can direct the Federal administrator and the Federal Government to bend over backwards to reduce the inflationary impact of this harmful measure.

By Mr. HELMS:

S. 30. A bill to repeal section 11(n) of the Federal Reserve Act (12 U.S.C. 248 (n)); to the Committee on Banking, Housing, and Urban Affairs.

STANDBY CREDIT CONTROLS SHOULD BE REPEALED

Mr. HELMS. Mr. President, at the end of the 95th Congress, I introduced legislation which would repeal the Credit Control Act of 1955. I did so with the hope that the Treasury Department would have an opportunity to consider the bill in the 3 months between Congress adjournment and beginning of the 96th Congress. Unfortunately, Treasury has not done so.

I also asked the chairman of the Federal Reserve Board, the Honorable William H. Miller, to submit his views and he agreed that the dislocations caused by credit controls would be disruptive and costly to the economy. He felt, however, that standby controls should stay on the books, stating:

The distortion which such wide-ranging credit controls would produce, both during and after the period when they were in effect, makes them unacceptable except under the most exigent circumstances. You have questions whether the present authority should ever be on the books.

In my view, the shortcomings of mandatory credit controls are so well known as to assure that they would be used only in an emergency situation. If such a situation arose, we would expect the Federal Reserve to be responsive. I think it would be helpful to have the authority for such controls already in place. I believe that mandatory credit controls could be imposed may well contribute to the success of voluntary guidelines, which of course are a much better means for generating desired flows of credit. For these reasons, the standby authority contained in the Credit Control Act probably serves a useful purpose.

I am glad that Chairman Miller agrees with the assessment that the controls would impose massive costs on the economy. His arguments in favor of standby credit controls could easily be used in support of standby controls over wages and prices. I do not believe that the Chairman of the Fed has advocated such controls, but there may be some inconsistency in not advocating standby controls for wages and prices if we are to have standby controls for credit. I think that such controls as more treatments of the symptom, not treatment of its cause.

One sure way for the Federal Government to support such controls is to attack a problem by treating the outward manifestations and not the root causes.

Today we hear more and more people saying that wage-and-price controls can be effective to stop inflation. It is as if we are saying allowing no thermometer to register above 98.6° is going to stop fevers. As President Carter himself has said: Wage and price mandatory wage and price controls, would be ill-advised and also counterproductive. I don't think they would work.

We know that there is now on the books no emergency authority allowing the President to impose wage-and-price controls. I hope there will never be such controls. They could only serve to further retard the needed adjustment of the American economy. Specifically, the culprit is inordinate Federal spending, causing Federal deficits and expansion of the Federal Reserve System's monetization of those growing Federal deficits. Without Federal deficits, we could expect more resources to be available for expansion of credit. I hope that Federal controls on money. The interest rate charged on money is no more than the price charged for "renting" money.

If that bill was passed so swiftly, and evidently without much little controversy, indicates that often Congress does not give serious enough consideration to the problems it addresses.

During consideration by the Senate of this proposal, I hope we can call on the expertise of our colleagues who worked to effect the passage of the "National Emergencies Act," Public Law 94-412, a proper and important piece of legislation which repealed numerous laws which gave the President vast powers under various "states of emergency" declarations. I hope that the good work that was done to limit the arbitrary authority of the executive branch might be extended to better define and limit this power now held by the President. In my mind it could be used for little, if any, good.

In developing the case for this bill, there is the entire question of academic opinion. I have a feeling that there would be precious few scholars and experts in the fields of finance and economics who could support such exercise of power except under the most dire circumstances.

I would like very much to find out what the administration thinks of this bill. I would hope, of course, that the President would advocate elimination of this authority so as to be consistent with his opposition to wage-and-price controls.

I hope that early consideration will be given to this legislation. I am committed to an outright repeal of this law unless it can be shown there is some real great national interest served by continuation of this authority.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD of the Senate, after the form, any loan, purchase, or other extension of credit.

(1) prescribe the maximum rate of interest, maximum maturity, minimum periodic payments, or maximum permissible extensions, or any other specification or limitation of the terms and conditions of any extension of credit.

(2) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayments.

(3) prescribe special or different terms, conditions, or exemptions with respect to classes of credits or types of credit such as new or used goods, temporary credits which are incidentally to cash purchases, pay­ able at extended intervals, or for any other type of credit, and any other adjustments or special situations.

(4) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.

(5) to deposits of one or more types or of all types.

(6) to assets of one or more types or of all types.

(7) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

In other words, if the President declares "such and such controlling inflation," he might set all kinds and varieties of restrictions on the normal utilization of credit.

I hope the Senate will use its authority for the elimination of these controls. The President under section 1904 of this title may authorize the Board to regulate and for such period of time and for such purpose of time as he may determine, may by regulation

(1) require transactions or persons or classes of persons to be licensed or registered.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or registration or license.

(3) provide for suspension of any such registration of license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the form of registration or or any contents, or substantive provisions of con­ tracts, liens, or any relevant documents.

(5) provide for the solicitation of creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in con­ nection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payments, or maximum permissible extensions, or any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayments.

(9) prescribe special or different terms, conditions, or exemptions with respect to classes of credits or types of credit such as new or used goods, temporary credits which are incidentally to cash purchases, payable at extended intervals, or for any other type of credit, and any other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

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CHAPTER 20.—CREDIT CONTROL [NEW]

Sec. 1901. Definitions.

1902. Rules and regulations by the Board of Governors of the Federal Reserve System.

1903. Enforcement.

1904. Credit controls.

1905. Extent of control.

1906. Reporting of production of records.

1907. Injunctions for compliance.

1908. Civil penalties.

1909. Criminal penalty.

1910. Short Title. Section 201 of Pub. L. 91-161 provided that “This title [enacting this chapter] may be cited as the ‘Credit Control Act.’”


§ 1903. Interests

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under this chapter. The Board shall set the amount of any charge allowed directly or indirectly to the person by whom the credit is extended in connection with the extension of credit.

(b) The term “extension of credit” and “credit transaction” include loans, credit sales, the supplying of funds through the issuance of travel money, the purchase or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise causing or participating in the lending, distribution, or acquisition of securities.

(1) The term “borrower” includes any person.

(2) The term “loan” includes any type of credit, including credit extended in connection with the extension of credit.

(k) The term “State” refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, or any possession of the United States.

(1) Any reference to any requirement imposed under this title of any provision thereof includes reference to the regulations of the Board under this chapter or the provision thereof in question.


 recreation, and include provisions set out as notes under sections 1724, 1727, 1728, 1813, 1817, 1821, and 1823 of this title and section 508 of Title 30 App. and other laws.

Delegation of Functions. Functions of the Board under section 203(a)(3) of the Economic Stabilization Act of 1970 (76 Stat. 234), as amended (set out as a note under this sec-
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Amendments

in amended sections of the Code, and if such amendments related to extensions of credit shall be filed on such forms, under oath or otherwise, at such times and in such manner as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this chapter. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transactions within the scope of this chapter including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.


\INDEX TO NOTES\n
\section{2. Irreparable injury.} Scope of remedy. 1. Scope of remedy: Executive order directing the construction industry stabilization committee deals only with instances in which illegal wage increases have been paid, and the Board has been unable to implement these increases in the absence of injunctive relief. The section provides that injunctive relief is limited to those situations in which an agency of the United States seeks such relief; and which United States court has jurisdiction. In order to obtain injunctive relief, the Board must prove that it is necessary to issue the order, and that even if the order were issued, there would be no adequate remedy at law. The Board may maintain status quo and protect plaintiffs from irreparable injury by its refund order in such circumstances where there is a possibility of irreparable injury.

Amendments


\section{3. Remedies:} Administrative remedies provided by 1971 amendments to the Economic Stabilization Act, this chapter were full and adequate to provide injunctive relief until such administrative remedies had been exhausted. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1972, 339 F. Supp. 198, affirmed 468 F.2d 1401. 1968. Civil penalties

\section{1. Amendments:} (a) For each willful violation of any regulation under this chapter, the Board may assess against any person to which the regulation applies, and upon any partner, director, officer, or employee thereof, a civil penalty not exceeding $5,000 for each violation.

(b) In the event of the failure of any person to pay any penalty assessed under this section, the civil action for the recovery of such penalty may be brought in the name of the United States.


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TAXES AND SPENDING LIMITATION ACT OF 1979

Mr. HART. Mr. President, today I am re-introducing a proposal for yearly tax cuts in 1980, 1981, and 1982. These cuts will go into effect only if the growth of Federal spending is held to preestablished levels.

SENATE PASSED LAST YEAR

Today, the first day of the 96th Congress, I am re-introducing my proposal for tax cuts tied to restraints on Federal spending. I first introduced this proposal on October 5 of last year during consideration of the tax bill. The Senate passed a very similar proposal offered by several Senators on October 10, but it was dropped in conference with the House. This year I hope we can work together, so that a proposal of this type is signed into law.

The overriding economic challenge facing the United States today is inflation, and although tax bills always have a special significance, the legislation which Congress considered last year was particularly important. Our primary priority in enacting the Revenue Act of 1978 was to adopt tax cuts of a responsible size—large enough to protect taxpayers against both the payroll tax increases and the tax increase caused by inflation, yet small enough to prevent further fueling of our already unacceptable rate of inflation.

As you know, we did not succeed in these goals. The negative effects of inflation and of the new social-security taxes will take away the benefits of last year's tax cuts. As a result, in 1979, a majority of all taxpayers will pay more in taxes than they did in 1978.

Clearly, we need more tax relief. If we are to provide such relief responsibly without accelerating inflation, however, we must also cut Federal spending.

Last year the Congress did a good job of paring down the fiscal year 1979 Federal budget. It cut $12 billion off the President's original request. This year, the President intends to exert more leadership in paring the budget even further, and the Congress should be a full partner.

PHILOSOPHY OF BALANCE

The philosophy of my proposal is very simple. Targets would be established for the level of Federal spending in 1980, 1981, and 1982. If spending is held to these targets, precisely measured tax cuts will occur automatically. To ensure that inflation is not fueled, further conditions on the Federal deficit, and the ratio of Federal spending to GNP would have to be met.

The targets would limit the growth of Federal spending approximately to the rate of inflation from 1980 through 1982. Over this period, taxes could be cut 29 percent in 1980, 17 percent in 1981, and 15 percent in 1982. Because of the spending reductions, taxes can be reduced without causing more inflation. The Federal deficit should nearly eliminate itself and will be a slight surplus in 1983. The ratio of Federal spending to GNP will decline from 21.2 percent in 1980 to 18.6 percent in 1983.

The proposal is very specifically derived from economic projections of future growth, especially as propelled by tax cuts themselves. Therefore, we will be aware that we just cannot project precisely several years in advance. Therefore, this proposal, or any other, will have to be modified as we go along. The important thing is that we decide as a Nation to climb the hill. Along the way, we can decide to choose another path, if economic conditions warrant it.

If the tax cuts are eliminated, the projected growth path continues as projected by economic models. Last fall, we can cut taxes in annual steps amounting to 29 percent cut by 1982, and balance the budget at the same time. This is possible only if Federal spending is limited approximately to the rate of inflation.

BACKGROUND—INFLATION AND HIGH TAXES

During the past few years, many Americans have lost what was once an indomitable faith in the future of the U.S. economy and their own place in that future. Seven years ago, people assumed that by the end of the year, they would be able to achieve most of their hopes and dreams with that increased spending power. The economy has been a cruel blow to the hopes of most Americans.

Although average household income has almost doubled in 7 years, the sad truth is that actual purchasing power has barely increased at all. Three-fourths of the increase in average income has been swallowed by inflation. The remainder has been nearly wiped out by increased Federal, State, and local taxes.

Understandably, people are frustrated and are lashing out at most public and private institutions. They want an end to this seemingly endless cycle of inflation, high taxes, and diminishing purchasing power.

The current mix of high inflation and high taxes is the problem facing our economy—low productivity. Over the past decade, business investment and expansion has stagnated, holding the level of output—or productivity—and which was the basis for this Nation's high standard of living. Lower productivity, in turn, fuels inflation further. Solving these problems will be extremely difficult. Although people desire Federal tax cuts and sharply reduced inflation, they also want the continued benefits of most Federal programs. It would be easy to say that massive tax cuts are possible without simultaneously exercising discipline on Federal spending, but it is political demagoguery—and economic nonsense. Tax cuts which double the Federal deficit will not help the taxpayer. Doubling the deficit will stymie inflation to such a degree that inflation will cause more injury than the tax cuts can heal.

During debate on the tax bill last year, I proposed that the way to stimulate our economy without fueling inflation is to control the growth of Federal spending and to cut the tax cuts in ways that the American people would demand. This approach requires difficult decisions by Congress and the American people. Those constituents who want lower taxes must be willing to help their elected officials pare Federal spending. Tougher priorities must be established to determine which Federal programs can be eliminated. I am in favor of a larger, leaner budget. And even more importantly, we must find ways to keep the cost of existing high-priority programs from mushrooming beyond reasonable and responsible levels.

CONTROL FEDERAL SPENDING

Federal spending must be controlled if we are to cut taxes without increasing the Federal deficit to more inflationary levels. Currently, the Federal budget is projected to grow by about 8 percent per year into the mid-1980's. About 6 percent of this projected growth will be caused by inflation, which leaves 2 percent for expanding existing programs.

Contrary to much political rhetoric, Federal spending cannot be arbitrarily cut across the board. In fact, we must oppose such action. Arbitrary spending cuts are reckless, since they could require cuts in programs—such as research in preventative medicine, and development of new technology—on which almost everyone would agree we need to spend more. Instead, we must establish clear priorities and weed out old programs which have lost public interest.

I believe we do not need to expand Federal spending by 2 percent in the coming years.

But where should we hold the line? Although it is not part of this legislative proposal, I have some suggestions. First, we must note that Government spending is divided into two categories: Goods and services—for example, military hardware and troops, transportation, health research, education, Federal employees, and so forth—and transfer payments—money paid to individuals or local governments, or to third parties such as physicians and hospitals.

REDUCE PURCHASES OF GOODS AND SERVICES

Last year, spending for goods and services increased by 8 percent. The first element of my proposal is to control the growth of purchases of goods and services to just 4 percent per year during 1980 and 1981. Because inflation is expected to be 6 percent during these years—according to administration and CBO projections, we must actually reduce goods purchased by 2 percent per year. After 1981, I propose that the growth of goods and services be limited to no more than the rate of inflation, so there will be no net change in the actual amount of goods purchased.

Less than half of the Federal budget goes to purchase goods and services for use by the Federal Government. Approximately half the Federal budget is money which is transferred directly to individuals to help pay for living expenses—payments such as medical care, housing, food stamps, retirement, and so forth.

Only 9 years ago, these transfer payments were only half as large as Federal spending on goods and services. Since then, Federal spending on goods and services has grown twice as fast as goods and services. Now, transfer payments budget is 15 percent greater than purchases of good and services.

January 15, 1979
Three transfer payment programs demonstrate this growth. In the last half decade, spending on Medicare increased by 37 percent annually, Medicaid increased by 25 percent annually, and social security increased by 20 percent annually. These three programs together now cost over $100 billion per year.

Transfers have mushroomed for three reasons. First, the portion of the population which is retired, unemployed, or disabled has grown. Second, the amount and scope of public assistance programs has grown. And, third, inflation has greatly increased the cost of all necessities, especially medical services, much of which are now paid by Medicaid.

REDUCE GROWTH OF TRANSFER PAYMENTS

Currently, Federal transfer payments are projected to grow by more than 9 percent a year, and they are expected to increase from 43 percent of the current Federal deficit, this growth rate must be slowed. To avoid a large Federal deficit, this growth rate must be trimmed. But it must be trimmed without impairing the well-being of those people needing and deserving public assistance.

The challenge is how. As with the goods and services budget, this restraint cannot be imposed by arbitrary percentage cuts, which unfairly would create human suffering. Instead, those programs which do not target aid to those most in need, and are inefficient, should be eliminated. Those programs which are targeted at those most in need and are efficient can, and must be made to work. The administration's public assistance programs need to be reformed and restructured, so that the needy are helped and abuses are eliminated. We must deliver more aid more effectively to our public assistance dollars.

Total spending on transfer payments must be controlled to allow growth of 8 percent, not 9 percent, per year, as projected. Reducing expenditures by 1 percent per year is possible without reducing benefits to any needy persons.

Anyone who suggests that Federal spending be controlled has the responsibility to propose the controls which will be most effective. I am preparing a preliminary list of areas where reform can reduce the cost of needed programs without harming those that deserve assistance.

THE TAX CUTS TO SPENDING RESTRAINT

Spending restraint and tax cuts must be tied together legislatively because the issues are tied together economically. If tax cuts are not matched by spending controls, then they will be matched by rampant inflation. Tax cuts plus more inflation are worse than no tax cuts at all. In fact, the legislative which I propose contains a provision that would allow tax cuts only if Federal spending is held within the limits established for each calendar year.

In summary, this is a new proposal to further an old idea: You do not get something for nothing. You do not get tax cuts without a budget unless you are willing to control Federal spending. The American taxpayer wants frugal budgets effectively managed. The American taxpayer wants lower taxes to reduce the burden of Government during this period of inflation-eroded purchasing power.

No single plan will solve all of our economic problems. But this proposal would directly address the most critical and complex economic difficulties. Most of the problems we face can be solved in the next 10 years if we act now. With the right policies, economic growth will be stimulated by removing the tax drag on the economy and slowing the growth rate of Federal spending, as we are proposing to accomplish in Roth-Kemp II.

S. 33. A bill to provide for permanent tax rate reductions for individuals, to the Committee on Finance.

S. 34. A bill entitled the "Spending Limitation Act of 1979": to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

Roth-Kemp II

Mr. ROTH. Mr. President, I am today introducing a legislative package to provide across-the-board tax cuts for all Americans and to limit the growth rate of Federal spending.

The Tax Reduction and Spending Limitation Act, which are also being introduced today in the House of Representatives by Congressman Jack Kemp, are cosponsored in the Senate by Senatorials McClure, Tower, Garn, Hatch, Cochran, Schmitt, Simpson, Goldwater, Humphrey, Armstrong, and Helms.

This legislation, which we call Roth-Kemp II, combines limits on Federal spending as a percent of GNP with across-the-board tax rate reductions of 10 percent a year for 3 years and tax indexing to avoid future tax increases.

Unless taxes and spending are reduced, the economy faces continued inflation and the prospects of a deep recession. Real growth in GNP is projected to fall in 1979, and inflation is expected to increase at near double-digit levels. Consumer spending and business investment are expected to decline as interest rates climb. The increasing tax burden, from higher social security taxes and inflation pushing workers into higher tax brackets, will strangle economic growth and push the economy into a recession during the first half of 1979.

The President's budget for the upcoming fiscal year is expected to call for an increase of $50 billion, tax revenues of $504 billion and a budget deficit of approximately $30 billion. This budget represents a spending increase of about 7.5 percent and a tax increase in Government tax revenues of nearly 13 percent.

By refusing to endorse tax cuts, the President is trying to reduce the budget deficit by increasing taxes on the American people. This policy drags money out of the private economy and contributes to the prospects of a recession.

The administration is attempting to counter inflation by slowing economic growth, a policy which will result in a recession and increased unemployment.

I reject this policy. I believe inflation can be reduced and economic growth can be stimulated by removing the tax drag on the economy and slowing the growth rate of Federal spending, as we are proposing to accomplish in Roth-Kemp II.

The tax rate reductions would provide substantial tax relief to all taxpayers. When fully effective, individual tax rates would be reduced from the present rates ranging between 14 and 70 percent to rates ranging between 10 and 50 percent. These rate reductions are designed to reduce the high rates of taxation now strangling economic growth, choking off private initiative, pushing up prices, and retarding savings, investments, and the creation of new jobs.

By increasing the incentive to work, save, and invest, the tax rate reductions will expand the production of goods and services, ease inflationary pressures, and create millions of jobs in the private economy.

When fully effective, Roth-Kemp II would reduce the tax burden of all taxpayers by approximately 30 percent. According to the Joint Committee on Taxation, 66 million tax returns will receive a tax reduction averaging $724.

IMPACT OF ROTH-KEMP II ON FAMILY OF 4

<table>
<thead>
<tr>
<th>Income</th>
<th>Present Tax</th>
<th>Proposed Tax</th>
<th>Tax cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>$1,274</td>
<td>$1,065</td>
<td>$209</td>
</tr>
<tr>
<td>$15,000</td>
<td>$2,133</td>
<td>$1,677</td>
<td>$456</td>
</tr>
<tr>
<td>$20,000</td>
<td>$2,993</td>
<td>$2,133</td>
<td>$860</td>
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<tr>
<td>$25,000</td>
<td>$3,854</td>
<td>$2,854</td>
<td>$1,000</td>
</tr>
<tr>
<td>$30,000</td>
<td>$4,715</td>
<td>$3,854</td>
<td>$861</td>
</tr>
<tr>
<td>$40,000</td>
<td>$6,312</td>
<td>$4,595</td>
<td>$1,717</td>
</tr>
<tr>
<td>$50,000</td>
<td>$9,283</td>
<td>$6,099</td>
<td>$3,184</td>
</tr>
</tbody>
</table>

IMPACT OF ROTH-KEMP II ON SINGLE PERSONS

<table>
<thead>
<tr>
<th>Income</th>
<th>Present Tax</th>
<th>Proposed Tax</th>
<th>Tax cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,000</td>
<td>$2,505</td>
<td>$1,177</td>
<td>$1,328</td>
</tr>
<tr>
<td>$20,000</td>
<td>$3,723</td>
<td>$2,476</td>
<td>$1,247</td>
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<tr>
<td>$25,000</td>
<td>$4,941</td>
<td>$3,645</td>
<td>$1,296</td>
</tr>
<tr>
<td>$30,000</td>
<td>$6,160</td>
<td>$4,816</td>
<td>$1,344</td>
</tr>
<tr>
<td>$35,000</td>
<td>$7,379</td>
<td>$5,553</td>
<td>$1,826</td>
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<tr>
<td>$40,000</td>
<td>$8,598</td>
<td>$6,727</td>
<td>$1,871</td>
</tr>
<tr>
<td>$45,000</td>
<td>$9,817</td>
<td>$7,896</td>
<td>$1,921</td>
</tr>
<tr>
<td>$50,000</td>
<td>$11,036</td>
<td>$8,661</td>
<td>$2,375</td>
</tr>
</tbody>
</table>

Source: Joint Committee on Taxation.

Substantial tax cuts are needed to offset the substantial social security and inflation-induced tax increases facing
the American people. The following chart shows the joint committee’s report on the tax rate reductions between 1980 and 1983.

**TAX CUTS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar year</td>
<td>26.8</td>
<td>55.1</td>
<td>99.0</td>
<td>118.8</td>
</tr>
<tr>
<td>Fiscal year</td>
<td>16.6</td>
<td>44.3</td>
<td>82.3</td>
<td>111.3</td>
</tr>
</tbody>
</table>

These static revenue estimates assume that economic growth and inflation will continue to push taxpayers into higher tax brackets, increasing the size of the revenue loss. Based on 1976 income levels, the actual revenue losses are estimated to be $18.6 billion in 1980, $31.9 billion in 1981, and $47.7 billion in 1982.

The following chart shows the net tax cuts after offsetting social security and inflation tax increases from the static tax cuts over the next 4 fiscal years.

**TAX CUTS VS. TAX INCREASES**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax cuts</td>
<td>16.6</td>
<td>44.3</td>
<td>82.3</td>
<td>111.3</td>
<td></td>
</tr>
<tr>
<td>Tax increases</td>
<td>18.8</td>
<td>33.4</td>
<td>52.9</td>
<td>65.0</td>
<td></td>
</tr>
<tr>
<td>Net tax cut</td>
<td>-2.6</td>
<td>-10.9</td>
<td>-29.4</td>
<td>-42.3</td>
<td></td>
</tr>
</tbody>
</table>

Rather than redistributing income, these tax rate reductions will provide substantial tax relief to all taxpayers. In fact, the Roth-Kemp II rate reductions will actually increase the progressivity of the tax system. The following chart shows the percentage of Federal income taxes paid by various income groups under the present law and the percentage of the tax cut received by each income group under Roth-Kemp II.

<table>
<thead>
<tr>
<th>Income groups</th>
<th>Percent of taxes paid</th>
<th>Percent of tax cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to $10,000</td>
<td>4.9</td>
<td>5.5</td>
</tr>
<tr>
<td>$10,000 to $15,000</td>
<td>13.2</td>
<td>13.8</td>
</tr>
<tr>
<td>$15,000 to $25,000</td>
<td>24.4</td>
<td>27.4</td>
</tr>
<tr>
<td>$25,000 to $50,000</td>
<td>21.3</td>
<td>25.5</td>
</tr>
<tr>
<td>$50,000 to $100,000</td>
<td>12.0</td>
<td>18.7</td>
</tr>
<tr>
<td>$100,000 and over</td>
<td>13.9</td>
<td>11.4</td>
</tr>
</tbody>
</table>

As this chart shows, the Roth-Kemp II tax cuts provide tax relief based on the amount of taxes paid. For example, approximately 73 percent of all Federal income taxes are paid by those earning less than $50,000 a year, and approximately 75 percent of the tax relief under Roth-Kemp II would go to those earning less than $50,000.

Mr. President, I believe these tax cuts are urgently needed. The recently-passed tax bill was not a tax cut at all. Because it failed to offset the 1979 social security and inflation tax increases, virtually every family of four earning more than $8,000 a year will pay higher taxes this year.

Although President Carter does not believe that a tax cut this year, the Federal tax burden will increase significantly to near record levels under our present tax laws. Unless taxes are reduced, Federal taxes as a percentage of the gross national product will exceed 20 percent for the first time in 10 years. In fact, only twice in the last 25 years—during the 1969-70 tax increase and the 1979 tax increase—was the tax burden as high as it will be during the upcoming fiscal year.

The following table compares the projected tax burden under present law if taxes are not reduced with that under Roth-Kemp II.

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Projected GNP</th>
<th>Revenues percentage</th>
<th>Revenues percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year</td>
<td>GNP</td>
<td>Tax revenue</td>
<td>Tax revenue</td>
</tr>
<tr>
<td>1979</td>
<td>2,043.0</td>
<td>505.0</td>
<td>20.1</td>
</tr>
<tr>
<td>1979</td>
<td>2,131.0</td>
<td>540.0</td>
<td>25.3</td>
</tr>
<tr>
<td>1980</td>
<td>2,292.0</td>
<td>492.0</td>
<td>21.5</td>
</tr>
<tr>
<td>1981</td>
<td>2,403.0</td>
<td>450.0</td>
<td>18.7</td>
</tr>
<tr>
<td>1982</td>
<td>2,624.0</td>
<td>292.0</td>
<td>11.1</td>
</tr>
<tr>
<td>1983</td>
<td>2,804.0</td>
<td>188.0</td>
<td>6.7</td>
</tr>
</tbody>
</table>

The following chart shows the levels of Federal taxes and the percent of GNP over the last 25 years:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>GNP</th>
<th>Tax revenue</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>2,043.0</td>
<td>505.0</td>
<td>20.1</td>
</tr>
<tr>
<td>1978</td>
<td>2,131.0</td>
<td>540.0</td>
<td>25.3</td>
</tr>
<tr>
<td>1977</td>
<td>2,292.0</td>
<td>492.0</td>
<td>21.5</td>
</tr>
<tr>
<td>1976</td>
<td>2,403.0</td>
<td>450.0</td>
<td>18.7</td>
</tr>
<tr>
<td>1975</td>
<td>2,624.0</td>
<td>292.0</td>
<td>11.1</td>
</tr>
<tr>
<td>1974</td>
<td>2,804.0</td>
<td>188.0</td>
<td>6.7</td>
</tr>
<tr>
<td>1973</td>
<td>3,005.0</td>
<td>156.0</td>
<td>5.2</td>
</tr>
<tr>
<td>1972</td>
<td>3,206.0</td>
<td>124.0</td>
<td>3.9</td>
</tr>
<tr>
<td>1971</td>
<td>3,407.0</td>
<td>92.0</td>
<td>2.7</td>
</tr>
<tr>
<td>1970</td>
<td>3,608.0</td>
<td>60.0</td>
<td>1.7</td>
</tr>
<tr>
<td>1969</td>
<td>3,809.0</td>
<td>38.0</td>
<td>1.0</td>
</tr>
<tr>
<td>1968</td>
<td>4,010.0</td>
<td>26.0</td>
<td>0.6</td>
</tr>
<tr>
<td>1967</td>
<td>4,211.0</td>
<td>14.0</td>
<td>0.3</td>
</tr>
<tr>
<td>1966</td>
<td>4,412.0</td>
<td>8.0</td>
<td>0.2</td>
</tr>
</tbody>
</table>

As these figures show, the substantial tax cuts under Roth-Kemp II are needed to reduce the Federal tax burden to the levels in effect during most of the last 25 years.

When I entered Government service in 1967, the Federal outlays were $158.2 billion. This year’s outlay is expected to reach $533 billion. This is an increase of 237 percent since 1967.

Last October, the President told the American people something they have never been told before. He said that the Government will “take the lead in fiscal restraint.”

Now it is time for him to practice what he preaches. It is time for the President to enforce his anti-inflationary measures on the Federal Government. If the President can tell the nation how much money they can earn, then the American people can tell the President how much of their hard-earned money the Government can spend.

The budget approved last year was the highest in our Nation’s history—$496 billion. This year, there is every indication that the President’s budget will set a new record—$533 billion. This is an increase of almost 7.5 percent.

The President was correct in saying that the American people need to understand that inflation sets an example. I think a 7.5 percent increase...
in 1 year is the worst example we could have. It is an insult to the American people to demand in one breath that wages increase by less than 7 percent, and in another breath announce that the budget will increase by 7.5 percent. If the President is serious about the Government setting an example, and I hope he is, then the best example I know of would be for the President's budget to be significantly below the 7 percent limit on wages the President has demanded of the American people.

There is no question that hard choices are necessary to reduce the Federal budget. Political pressure will be great to increase spending in particular programs. I am disappointed that this pressure has affected the President's budget in the area of CETA. One billion dollars which the President originally intended to cut from CETA's budget, has now been restored by the President. This unfortunate action must be reversed.

The President has set an ultimate goal that Federal outlays will not exceed 21 percent of the GNP. However, the President's budget would exceed this goal (21.2 percent). My proposed budget in the area of CETA. One billion dollars, an increase of only 5.4 percent. If the President is, then the best example I know of is, the President's budget will increase by 7.5 percent. If the President is serious about the Government setting an example, and I hope he is, then the best example I know of would be for the President's budget to be significantly below the 7 percent limit on wages the President has demanded of the American people.

While the spending limitations under this bill would curb the growth of Federal spending, they would not require Draconian slashes in Government programs. These limitations would merely restrain an increase of Federal spending to less than 7 percent a year.

In addition, the spending limitations will restore Federal spending levels as a percent of GNP to the levels in effect prior to the spending excesses of the last 5 years.

For example, excluding the last 5 years, the only year in the last 25 years that spending exceeded 21 percent of GNP was 1968 during the Vietnam War buildup.

Prior to 1975, spending as a percent of GNP was below 20 percent in 12 of the preceding 19 years. And in 1965, the year of the Kennedy tax cuts, spending was 18 percent of GNP. The following chart shows the levels of Federal spending and GNP over the past 25 years:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>GNP</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>2,200.0</td>
<td>486.4</td>
</tr>
<tr>
<td>1971</td>
<td>2,043.0</td>
<td>482.3</td>
</tr>
<tr>
<td>1972</td>
<td>2,160.0</td>
<td>502.6</td>
</tr>
<tr>
<td>1973</td>
<td>2,160.0</td>
<td>528.6</td>
</tr>
<tr>
<td>1974</td>
<td>2,158.0</td>
<td>554.6</td>
</tr>
<tr>
<td>1975</td>
<td>2,137.0</td>
<td>574.7</td>
</tr>
<tr>
<td>1976</td>
<td>2,119.0</td>
<td>614.4</td>
</tr>
<tr>
<td>1977</td>
<td>2,093.0</td>
<td>640.3</td>
</tr>
<tr>
<td>1978</td>
<td>2,029.0</td>
<td>678.3</td>
</tr>
<tr>
<td>1979</td>
<td>1,987.0</td>
<td>713.3</td>
</tr>
<tr>
<td>1980</td>
<td>1,937.0</td>
<td>749.7</td>
</tr>
<tr>
<td>1981</td>
<td>1,875.0</td>
<td>783.0</td>
</tr>
<tr>
<td>1982</td>
<td>1,821.0</td>
<td>816.0</td>
</tr>
<tr>
<td>1983</td>
<td>1,764.0</td>
<td>847.6</td>
</tr>
</tbody>
</table>

Mr. President, the enactment of these two bills will signal an end to the tax hikes and big Government spending policies of the past few years. If Roth-Kemp II is enacted taxes will be substantially reduced, the growth of Federal spending will be curbed, and the Federal budget will be balanced by fiscal 1983. The following chart shows the estimated spending and revenue levels under Roth-Kemp II. The revenue levels assume a feedback of only 20 percent in the first year and 30 percent in the following years.

**BUDGET UNDER ROTH-KEMP II**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>(Billions of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>728</td>
</tr>
<tr>
<td>1981</td>
<td>745</td>
</tr>
<tr>
<td>1982</td>
<td>763</td>
</tr>
</tbody>
</table>

Mr. President, Roth-Kemp II would allow us to fight inflation and recession at the same time. According to a study by Chase Econometrics Associates, real economic growth would average 3.6 percent between 1980 and 1983 if Roth-Kemp II was adopted, compared to real growth of only 1.5 percent this year.

The Chase study also found that if the tax and spending cuts needed to stimulate real economic growth with the spending restrictions needed to curb inflation, and I urge my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the two bills be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

**S. 33**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Reduction Act of 1979."*

*Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.*
The tax is the amount in the left-hand column plus a percentage (as shown) over the amount shown in the right-hand column:

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<th>Amount</th>
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The tax is the amount in the left-hand column plus a percentage (as shown) over the amount in the taxable income shown in the right-hand column:

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<th>Income</th>
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The tax is the amount in the left-hand column plus a percentage (as shown) over the amount shown in the taxable income shown in the right-hand column:

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</table>

"(C) Calendar year 1982. The schedule in effect for taxable years beginning in 1982 are as follows:

1. "Schedule 1" (d) Calendar year 1981. The schedule in effect for taxable years beginning in 1981 are as follows:

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</tbody>
</table>

"2. After 1982: Not later than December 15 of each calendar year beginning in 1982, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in sections (a), (b), (c), and (d) with respect to taxable years beginning in the succeeding calendar year.

"(f) Adjustments in Tax Tables so that Inflation will not Result in Tax Increases.—(1) In General.—FOR TAXABLE YEARS AFTER 1982.—Not later than December 15 of each calendar year beginning in 1982, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in sections (a), (b), (c), and (d) with respect to taxable years beginning in the succeeding calendar year.

"(2) Method of Prescribing Tables.—The table which under paragraph (1) is to apply in lieu of the table contained in any section (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in the succeeding calendar year.

"(A) By increasing—(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket at which a tax is imposed under such table, by the cost of living inflation rate for the calendar year in which such table is prescribed to apply.
of-living adjustment for such calendar year, ("the adjustment") shall be determined in accordance with and subject to the provisions of section 3402 of the Internal Revenue Code of 1954 (relating to the percentage method of withholding) by adding at the end of such section the following new subsection:

"(c) The amendments made by section 205 of the Budget and Impoundment Control Act of 1974 shall apply to the taxable year beginning after December 15, 1978, which ends within such next calendar year not exceeding, except as otherwise provided by law, the number of days in such calendar year or the number of days which shall be on the basis of the budget resolution for that fiscal year:

1980, 20% in FY 1981,
1982.
""

By Mr. HELMS:
S. 35. A bill to repeal the Credit Control Act (12 U.S.C. 1901 et seq.); to the Committee on Banking, Housing, and Urban Affairs.

REPEAL THE POWER TO SEIZE GOLD

Mr. HELMS. Mr. President, in the depth of the depression, Congress made a number of changes in the law which were subsequently repealed or revised.

In 1973, Congress acted to restore the freedom of Americans to own gold. At that time, Congress recognized the subject of a little-known provision of the Federal Reserve Act, 12 U.S.C. 248(n).

This subsection is as follows:

The exchange of gold bullion, and certificates for other currency on order of Secretary of Treasury, costs, penalties. That this any or all gold coin, gold bullion, and gold certificates owned by any individual, partnership, associations, and corporations.

Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, or currency of such individual, partnership, associations, and corporations.

The Treasury Department has, as we know, adopted a policy of reducing the
monetary role of gold. Therefore, it seems unaccomplished to keep the authority over gold which supposedly has no monetary role. But even if we were on a gold coin standard, this extraordinary power would be unjustifiable.

Finally, some with whom I have discussed this bill feel that the Congress can again vote to confiscate gold. That is true. However, it would require an over-act of Congress before that authority could be exercised. Today all that is needed is "adjustment" undefined except as to somehow protect the "currency system."

I introduce this bill today, at the beginning of the 96th Congress so that opinions can be requested from appropriate agencies, businessmen, academicians, and interested citizens, so that early in the 96th Congress action can be taken on this archaic piece of law.

Mr. President, I ask unanimous consent that the brief text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 35
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Credit Control Act (12 U.S.C. 1901 et seq.) is repealed.

By Mr. McCLURE:
S. 38. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, I am today introducing two bills designed to bring about a fair and effective answer to the problem of criminal misuse of firearms. By any standard the Gun Control Act of 1968 has failed to halt the increase in violent crimes which plague our country. The reason for that failure, I suggest, is that the Gun Control Act of 1968 is fundamentally misdirected. It burdens the law-abiding citizen who obtains firearms through legal channels while affecting at not all the criminal who long before 1968 was barred from legal channels.

It is easy to erect obstacles to those who want to buy firearms for hunting or target practice or defense of their home and family. These people want to obey the law. But these people have nothing whatever to do with the crime problem. Yet, they, not the professional criminals, are the victim of gun control laws. So I propose that we need not Federal gun laws to deter this criminal behavior without infringing on the traditional right of law-abiding Americans to keep and bear arms. To do this I offer two bills. The first simply repeals a law that has failed, the Gun Control Act of 1968.

The second bill imposes a mandatory 5- to 10-year sentence on anyone who uses a gun to commit a crime of violence.

The bill is carefully drafted to avoid Federal preemption. It is tailored to make the law best handled by the States. I would like to see similar mandatory sentence provisions enacted at the State level. It can proceedward the present framework of our criminal justice system into an effective deterrent to crime. I introduced
priority item in that body. This legislation will provide the focus for the Banking Committee. Mr. President, this legislation is directed to the need to restrict the kinds of business in which bank holding companies are engaged. The Independent Bankers Association and the mutual savings banks testified in favor of control of expansion of bank holding companies. The purpose of this legislation comes from the various nonbank industries I have previously referred to which are the victims of unfair competition from bank holding companies. Mr. President, I commend this important legislation to my colleagues for their support and I ask unanimous consent that I may introduce this legislation in the Senate Banking Committee following my remarks because those remarks are as fully applicable to the need for this legislation today as when I made them.

There being no objection, the statement was ordered to be printed in the Record, as follows:

**COMPETITION IN BANKING ACT OF 1977**

Mr. PROXMIRE. Mr. President, I am today introducing a bill for reference to the Committee on Banking, Housing and Urban Affairs to control the concentration of the banking resources of the Nation into fewer hands and to put brakes on the unbridged growth of bank holding companies into nonbanking fields.

The legislation titled the "Competition in Banking Act of 1977" is identical to legislation which I sponsored in the 94th Congress (S. 2721).

The Department in support of the bill on the floor of the Senate on December 1, 1975, is fully applicable today. The Senate Banking Committee held 2 days of hearings on this bill last year. Strong statements in support of the provisions of the bill were made by spokesmen for the various commercial industries into which bank holding companies have expanded and competed unfairly. Such industries included insurance, and insurance agency, data processing, securities, automobile leasing, travel agencies, courier and armored cars, and realtors.

An analysis of the growth of large banking institutions reveals that over the course of the past 25 years, the 10 and 25 largest bank holding companies have increased their share of the Nation's bank deposits from 20 percent and 39 percent, respectively, to 29 percent and 38 percent. The 10 largest institutions were responsible for the major portion of this increase. Moreover, over 3 million, state, local, and major markets have remained highly concentrated. Mr. President, I believe, the concentration of banking resources is not a matter of esoteric academic concern. This is not "academic," nor is it "merely theoretical." The brunt of decreased competition in the form of higher costs on the money they borrow or in the form of reduced services, in its drive for growth, will distort the focus of the banking system and has all too frequently shifted to a high-profit oriented philosophy. We have gone through an era of "go-go" banking in which sensible rules of prudence have been cast aside in favor of speculation to earn high rates of return. In the process of funding speculative areas of the economy, banking institutions have been able to use the resources of the Nation which they hold in trust in the public interest. The public trust aspects in banking resources have, in too many instances, been eroded or weakened.

Bank mergers or holding company acquisitions of a bank would be prohibited under this bill if the resultant company would control more than 20 percent of the banking deposits in a given state. Mr. President, this provision is necessary in order to prevent the failure of a bank and if less anticompetitive alternative

Mr. President, this bill amends the antitrust laws regarding mergers of banks. It creates a genuine competition test for the mergers of banks in order to control the concentration of banking resources in the Nation and to bring about a moratorium of increased concentration of the banking industry. The bill will also amend the laws applicable to bank holding company expansion by establishing criteria that have been regarded as permissible "nonbank" activities to restrict permissible activities to those that are "directly" related to banking.

The need to control the concentration of banking resources and increased competition in the banking industry is both undeniable and urgent. Bank holding companies increasingly dominate banking in the United States. During the period 1968 to 1974 total bank deposits increased from $434 billion to $626 billion. The growth of bank holding company control of bank deposits went from $166 billion—36 percent—to $292 billion—70 percent. The rapid expansion, brought about by the pursuit of control under Federal law in 1970, makes us a substantial growth in bank size. If I wish to point out for your special note, Mr. President, that multibank holding companies, already controlling over $280 billion this period from $280 billion to 38 percent. The 10 largest institutions were responsible for the major portion of this increase. Moreover, over 3 million, state, local, and major markets have remained highly concentrated.

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holding companies to those activities "directly related to banking and will preserve the line between banking and commerce.

Bank holding companies are permitted to engage in activities which are "not directly related to banking. They underwrite certain types of insurance, act as insurance agents, act as investment advisors, and may invest in real estate and in the investment trusts and lease-and-market automobiles. Such activities are primarily commercial in nature and are "directly related to the business of accepting deposits or making loans. Instead of financing business and commerce, banks have themselves engaged in the business and commerce of the Nation.

To some extent, our fragmented regulatory structure has contributed to this situation. We have the example of the Federal Reserve denying a bank holding company permission to engage in a particular activity on the ground that the activity was not closely related to banking and the Comptroller permitting a subsidiary national bank of the holding company to engage in the same activity under the incidental powers clause of the national banking laws. This practice would be specifically forbidden by this bill. The Federal Reserve would be the final authority in such matters. Of course, on a broader level, my proposal is that the Federal Reserve or the Federal Bank Commission would put such practices to rest once and for all by eliminating this confusion-in-laxity among our Federal regulators.

When bank holding companies go beyond banking and engage in commerce, credit, insurance, and investment advisory services, they are potential for unsafe or unsound banking practices arise. The holding company no longer acts as a source of strength for the banks in the holding company. As a matter of fact, the bank subsidiaries in such situations are often called upon to rescue these nonbank operations from the consequences of their speculative and mismanagement. One need only examine the real estate investment trust experience to see first hand just how badly the public interest has been served by these speculations.

This bill will require the bank holding company and all of its subsidiaries to be adequately capitalized. Bank holding companies will be required to disclose their intra-corporate dealings to protect competition and the public interest.

Many of the industries into which bank holding companies have expanded recently are industries characterized by smaller producing units. In these circumstances, competition to develop a record upon which the Federal Reserve Board will be bound before allowing bank holding companies to engage in new services. This bill will require the Federal Reserve to apply the provisions of the Administrative Procedure Act to regulations and orders in its administration of the Bank Holding Company Act. Before the Board could approve any activity by a bank holding company, it would have to make two findings: first, that the proposed activity is directly related to banking; and second, that the proposed transaction is likely to produce significant benefits to the public which clearly and significantly outweigh any adverse effects.

Existing bank holding company laws have allowed banking organizations to expand the geographic distribution of their activities from coast to coast by establishing subsidiary offices across State lines. Bank holding companies have expanded ever more rapidly as the existing law has proliferated in recent years. Entry by acquisition has grown from 6 in 1920 to 2,860 in 1974. Bank activities have gone from 71 in 1971 to 524 in 1974. Care needs to be taken that the public interest by such expansion and that existing business relationships will not be altered contrary to the public interest by methods of unfair competition or credit misallocation. This bill will accomplish these public purposes.

By making the Administrative Procedure Act applicable to Federal Reserve Board proceedings, parties in interest, including concerned groups and departments of government, could build a record to determine if the public interest will in fact be served in particular instances.

These provisions will require the Board to tailor its orders precisely to the needs of the public. This bill gives the Federal Reserve continuing enforcement authority over its orders. Should the public interest fail to be served at any point, the Federal Reserve could require corrective action. Where the Federal Reserve fails to act, unreasonably, an appeal may be taken to a Federal Reserve to maintain continuous surveillance over bank holding companies and their subsidiaries to insure that their public interest functions will be served.

By MR. FORD (for himself, Mr. HUDDLESTON, and Mr. DeCONCINI)

S. 40. To extend the period for SBA disaster low-interest loans from October 1, 1978, to October 1, 1979.

S. 40. To extend the period for SBA disaster low-interest loans from October 1, 1978, to October 1, 1979. To the Select Committee on Small Business.

INTEREST RATE ON DISASTER LOANS

MR. FORD. Mr. President, this legislation, S. 40, which was introduced by Senator DeConcini and I, proposes to extend the interest rate on certain disaster loans granted by the Small Business Administration. Public Law 95-99, had provisions restricting the interest rates on loans to repair or replace residences and to repair damage on personal property. That change permitted low-interest loans for disasters occurring on or after July 1, 1976, and prior to October 1, 1978. This change would extend the termination date on these low-interest loans to October 1, 1979.

In December of 1978, devastating floods hit a major portion of central Kentucky. Record floods were experienced in the capital city of Frankfort. The major damage in the 30 counties affected was to primary residences. For those families with outstanding loans, even with low-interest rates, the loss is tragic. Many of these families were aware that the 1977 amendment was enacted to grant relief after the April 1977 floods that hit southeastern Kentucky and West Virginia. Special relief had been granted for the low-interest rates, but this legislation had terminated October 1, 1978, only 2 months before the December floods.

This legislation will simply extend the low-interest rates to cover this flood and any of the others that might occur in the remainder of the current fiscal year. It is important to recognize that these funds are not grants, but low-interest loans. Many of the individuals suffering losses will not only be required to repay this loan, but other outstanding loans that existed when the tragedy occurred. It retains the same interest rates that were authorized for disasters occurring between July 1, 1976, and October 1, 1978.

By MR. FORD (for himself and Mr. HUMMEL) S. 41. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; to the Committee on Agriculture, Nutrition, and Forestry.

MR. FORD. Mr. President, Senator Horn and I are today introducing legislation to transfer 47.04 acres of Forest Service land to the Bell County Board of Education. These schools have sustained significant
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damage from flood waters. If this bill is passed, the Bell County Board of Education will be able to replace both schools with a new school building.

Mr. President, this matter cannot be solved administratively. The Department of Agriculture has determined that legislation is necessary to achieve the transfer of this land.

The Bell County Board of Education has sought this property for over a year. The Board and school officials have been faced with the fact that funds for construction of a new school building will be used exclusively for educational purposes by the Bell County Board of Education and permits the board to replace the old school building with a new one.

Bell County has two high schools which are located in the flood plain on the banks of the Cumberland River. Every time the river floods or there is high water school officials are faced with removing mud and debris, replacing expensive teaching supplies, and repairing structural damage, all of which make re-turning the school building uncomfortable. The damages to these school buildings and the county administration building from the April flood were assessed at more than $1.1 million by the Department of Health, Education, and Welfare. This school system can ill afford to finance the construction of a new school building without the enactment of this legislation. Therefore, I cannot emphasize too strongly the urgency of this situation and urge my colleagues to join with me in supporting legislation.

Through considerable correspondence with the Department of Agriculture officials I learned the Department has no authority to release the title for this land and that special legislation would be required to transfer the land. A year and a half has passed since this land was originally conveyed to the Bell County School Board and school officials remain helpless in their efforts to finance the construction of a new school building without the enactment of this legislation. Therefore, I cannot emphasize too strongly the urgency of this situation and urge my colleagues to join with me in supporting legislation.

By Mr. HATCH for himself, Mr. WALLOR, Mr. DURKIN, Mr. TUMPHREY, Mr. LAXALT, Mr. LEARY, Mr. MELCHER, and Mr. SIMPSON] S. 43—A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I am pleased to introduce the Senate resolution of the 96th Congress a bill extending full recognition and gratitude to the National Ski Patrol System as a non-profit, volunteer organization of over 23,500 individuals. The Ski Patrol has played a crucial role in the lives of skiers and winter sports enthusiasts with the help of the Department of Health, Education, and Welfare. This school system can ill afford to finance the construction of a new school building without the enactment of this legislation. Therefore, I cannot emphasize too strongly the urgency of this situation and urge my colleagues to join with me in supporting legislation.

In following up previous legislation to support this measure, I have discovered many other reasons to act upon this bill. Among the activities that occurred during World War II the "Tenth Mountain Division" was established at the behest of the National Ski Patrol by Gen. George C. Marshall to patrol the slopes of Germany and assist in the rescue of American military personnel. Today, the National Ski Patrol System's International Division includes 200 members in 9 patrols, 6 in West Germany, and 1 each in Spain, Italy, and Israel. These patrols concentrate on insuring the safety and enjoyment of skiing and winter outdoor activity for U.S. Government employees and American military personnel and their families.

The National Ski Patrol System is also unique in that it has helped to foster friendly relations between nations. Exchanges of ideas, training aids and sometimes patrollers themselves, have taken place with Australia, Chile, Canada, and New Zealand.

The National Ski Patrol has maintained a written understanding of cooperation with the American Red Cross and has worked hand in hand with such Federal agencies as the U.S. Forest Service and National Highway Traffic Safety Administration. It should be noted that the NSPS has assumed near total responsibility for avalanche control on lands under the jurisdiction of the U.S. Forest Service and the U.S. Park Service. To illustrate the importance of this cooperation, I ask unanimous consent that letters from the U.S. Forest Service, the U.S. National Highway Traffic Safety Administration, and the statement of understanding with the American Red Cross be printed in the Congressional Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:


Hon. ORRIN G. HATCH, U.S. Senate, Washington, D.C.

DEAR SENATOR HATCH: We have been requested by telephone to furnish information concerning the National Ski Patrol System and how they relate to National Forest lands.

The National Ski Patrol System (NSPS) has a longstanding record of assistance to the Forest Service with respect to avalanche control, ski safety, law enforcement officials, medical personnel, and the general public at National Forest ski areas. NSPS provide rescue and first aid services, snow safety training, avalanche control, and other assistance at many ski areas. Their activities give full support to winter safety programs at ski areas where many employees change seasonally. We support the request of the National Ski Patrol System (hereafter referred to as NSPS) and its divisions, the American National Red Cross with respect to First Aid and Safety Training.

STATEMENT OF UNDERSTANDING BETWEEN NATIONAL SKI PATROL SYSTEM AND THE AMERICAN NATIONAL RED CROSS WITH RESPECT TO FIRST AID AND SAFETY TRAINING

PURPOSE

The purpose of this statement of understanding is to promote the safety and health of skiers participating in the cooperative working relationships between the National Ski Patrol System (hereafter referred to as NSPS) and the American National Red Cross (hereafter referred to as ANRC) in the provision of first aid and safety training.

The NSPS has provided invaluable assistance in developing avalanche forecasting and control methods, and in-training for avalanche control and rescue. They offer a basic and advanced avalanche course annually. The basic course provides training in avalanche awareness, recognition and basic rescue techniques. The recipients of this training are better able to participate in winter sports such as cross-country skiing, back-country skiing, and ski patrol activities. They can also offer their services in organized rescue of persons missing or caught in avalanches. The advanced avalanche course, on the other hand, trains NSPS members in methods of forecasting and control of avalanches and trains them to team leaders in rescue activities.

Ski area operators are responsible for controlling avalanches and other snow safety work at the individual ski area. The Forest Service inspects these activities under the terms of the special use permit. The NSPS volunteers assist the ski area operator in performing these activities, thereby, reducing operating expenses and public costs.

Whether it be downhill skiing, cross-country skiing, or general winter mountaineering activities, the NSPS continues to promote user safety and enjoyment of National Forest and other lands suited to winter activities.

Sincerely,

Owen J. Jamison
(For John R. McGuire, Chief).


Hon. Orrin G. Hatch, U.S. Senate, Washington, D.C.

DEAR SENATOR HATCH: It has been brought to our attention that the National Ski Patrol System submitted a request to become nationally recognized.

The Department of Transportation's Emergency Medical Services program was authorized under the Highway Safety Act of 1966 to develop standards and guidelines and provide funding assistance to upgrade the pre-hospital emergency medical services system. There are numerous organizations involved in a State's emergency medical services system including hospitals, ambulance and rescue services. American National Red Cross, American Heart Association, and in many areas, the National Ski Patrol.

The National Ski Patrol has had over the years a very unique role to play. Their members cooperate with the local ambulance services in providing lifesaving medical care to injured individuals, stabilizing these individuals and transporting them to a hospital where the safety and well-being of the patient may be transported by ambulance to the hospital emergency department.

A large number of National Ski Patrol members are also members of volunteer ambulance and rescue squads. The high level of patient care required in the ambulance services obviously benefits the winter wilderness. We support the request of the National Ski Patrol for a charter.

Sincerely,

Charles P. Livingston,
Acting Associate Administrator,
Traffic Safety Programs.
regard.

I wish to point out that this measure provides only for recognition and a congressional charter, and does not authorize any expenditure of Federal funds.

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


Hon. Orrin G. Hatch, U.S. Senate, Washington, D.C.

Dear Senator Hatch: I was particularly pleased to learn that you have joined as a sponsor of S. 1971, which would provide a federal charter for the National Ski Patrol System. I have been acquainted with the National Ski Patrol System for some years since I was a junior racing coach, and can recall its services several times. They are a very fine group of dedicated volunteers and professional people, and I invite my colleagues in support of Senator Wilson of Salt Lake City in the Senate, as well as articles from the Salt Lake Tribune and Deseret News and the text of the bill itself. I wish to point out that this measure provides only for recognition and a congressional charter, and does not authorize any expenditure of Federal funds.

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


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Dear Senator Hatch: I was particularly pleased to learn that you have joined as a sponsor of S. 1971, which would provide a federal charter for the National Ski Patrol System. I have been acquainted with the National Ski Patrol System for some years since I was a junior racing coach, and can recall its services several times. They are a very fine group of dedicated volunteers and professional people, and I invite my colleagues in support of Senator Wilson of Salt Lake City in the Senate, as well as articles from the Salt Lake Tribune and Deseret News and the text of the bill itself. I wish to point out that this measure provides only for recognition and a congressional charter, and does not authorize any expenditure of Federal funds.

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CONGRESSIONAL RECORD—SENATE

January 15, 1979

EXTRA MEASURE OF SAFETY

Even people who have never seen snow or heard of the National Ski Patrol have gained an extra measure of safety because of the nation's ski patrol system. But now the NSPS needs help. The organization that has amassed an impressive fount of safety knowledge and has served skiers and snowboarders for generations is finding it harder and harder to make ends meet. The pinch of inflation and rising insurance costs are threatening the NSPS.

And for the third time the NSPS is seeking aid in the form of a national charter similar to that given the American Red Cross and the Boy Scouts of America. But for the third time the bill is in danger and it may never have a fair chance to be exposed to the congressional process.

It seems the bill, sponsored by Senator Thomas McIntyre (D-NH) and co-sponsored by a bi-partisan group of 24 other Senators, is stuck in the Senate Judiciary Committee. The bill, with a quarter of the senators as its sponsors, is bogged down in Senate James O. Eastland's (D-Miss.) committee, and if it isn't there by the time the 96th Congress adjourns next week, it will have to wait for Senator Edward Kennedy to take the helm of the Senate Judiciary Committee before it gets its day in the sun.

With Utah Senator Orrin Hatch as one of the bill's strongest supporters, the bill has made definite headway, only to be stalled in committee.

While there is no skiing in Eastland's home state, the merits of the NSPS are not restricted to a ski slope alone. Three similar measures are also meeting with some difficulty in the House Judiciary Committee. Meanwhile, inflated costs are creeping into the NSPS coffers. In 1977 the insurance costs amounted to $46,534 while the same coverage in 1976 came to $46,460. Senate Bill 1571 will not be a total cure all for the NSPS finances, but it will open the door to greater service to Americans and continuation of the 40-year tradition of safety provided by the group.

PASS THE SKI PATROL CHARTER

You see them during the skiing season at resorts—pulling skiers and snowboarders off the mountain in a toboggan, marking dangerous places, checking for avalanche dangers, making sure at any given day that all the skiers are off the mountain. They're ski patrol members. And while June is a time to talk about skiing, the topic is timely because the National Ski Patrol is trying to obtain a charter from Congress.

A charter would help eliminate much of the red tape the patrol now has to go through to establish its non-profit status whenever it wants to organize a local affiliate. The present situation makes it increasingly tough to keep interest in the volunteer organization.

But the charter proposal has been languishing for three years now. Perhaps the best explanation of the long wait is then-President Lyndon Johnson's veto of S. 504 in 1968, which the NSPS group thought the veto was based on. They thought the group in question was not deserving of such national recognition.

Since then, Congress has been loath to grant any other federal charters. Some Congressmen have pointed out that tax-exempt status under the Internal Revenue Code, and that charters are sometimes abused as well as of little importance.

But the ski patrol is not a farce or nonexistent, productivity among their members is increasing. Utah Senator Orrin Hatch, a member of the Senate Judiciary Committee considering the charter, said the bill would allow the ski patrol to secure action on S. 1571 (the charter ap-plication) very soon. Momentum has been picking up here in the Senate.

A charter most certainly would help the ski patrol in prestige and fund-raising to promote its function, which is to minimize the effects of the patrol's services, the ski slopes could be much more dangerous than they are now.

By Mr. HATCH:

Mr. HATCH. Mr. President, I am pleased to reintroduce on the first day of this Congress the "Fair Treatment for Skilled Trades Act of 1979." This legislation I introduced in the prior Congress, the premise of which is simple and straightforward—to unshackle the thousands of skilled tradesmen in our society who find themselves trapped in unwarranted and rising insurance costs, by the Board has been loath to grant any other federal charters. Some Congressmen have pointed out that tax-exempt status under the Internal Revenue Code, and that charters are sometimes abused as well as of little importance.

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S. 46

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested, under the Constitution, to extend to the members of all offices represented by the administration wants to avoid granting any legal or official standing of any kind to the representatives of the Republic of China before diplomatic recognition, now apply to the Republic of China. The authorized representatives of that nation working in the United States are entitled to full diplomatic privileges and immunities. This is exactly what my bill, if enacted, would accomplish.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 46

A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

SIMPLIFORM TAX ACT

Mr. HATFIELD. Mr. President, you will recall that on August 1, 1977, I introduced the Simpliform Tax Act (S. 699). This bill is similar to a proposal I presented to the Platform Committee of the 1972 Republican National Convention. I have also offered it as legislation in prior Congresses. Today I am introducing a modified version of the bill.

Without going into a section-by-section analysis of the bill, let me point out that its intent is best summarized by its title—towards radically reform and simplify the Internal Revenue Code relating to individual income taxes, as well as the forms used to file annual tax returns. The premise of "Simpliform" is that heretofore piecemeal "reform" efforts have failed—that special interests have inhibited Congress from taking the radical steps necessary to untangle the maze we refer to as the Internal Revenue Code.

Accordingly, many of the complex provisions now contained in the Tax Code, such as tax deduction provisions which are often no more than tax expenditures, restructures personal income tax rates; and substitutes a single five-line calculation for the computation of individual income taxes. Under the Simpliform system virtually every taxpayer would be able to figure his or her own taxes without having to incur the expense and inconvenience of retaining a tax consultant.

Furthermore, passage of "Simpliform" would restore progressivity to the tax system, and affirm Adam Smith's basic criteria for a good tax system, convenient, cost little to collect. I would submit that the Internal Revenue Code in its present form falls short of those goals—that its complexity has long since overcome its simplicity. Today I am reintroducing the Simpliform Tax Act with one significant change. There has been a great deal of discussion in Congress concerning the role of the Tax Code in stimulating private philanthropy. Charitable contributions are the life blood of many institutions. Under current law, they are rewarded for certain kinds of contributions with the opportunity to use the donations to offset a portion of their taxable income. While this may suggest that many special provisions add to the complexity and inequity of our current tax laws and return forms, it is difficult to justify the prohibition of all tax incentives for behavior as worthwhile as charity.

The question is how to continue tax incentives for charity within the philosophy of "Simpliform." Many of the present tax deductions provide incentives for behavior which is beneficial to the individual in the long run, and unavailable to lower-income taxpayers, since only those who qualify to itemize their deductions may avail themselves of the deductions.

A tax incentive for charitable contributions, however, involves an entirely voluntary expenditure usually for a public purpose. Nonprofit organizations often offer services that would otherwise be left to Government to provide. While they may share the same social goals, charities can often be more effective than Government due to their proximity to those served and their moral commitment. To the extent that the Tax Code encourages private-sector involvement in solving social problems, the Government's responsibility will be reduced. That, in itself, is strong justification for this tax proposal.

According to the National Council on Philanthropy, Americans donated about $32 billion in 1977. This figure may have topped $35 billion in 1978. While it is important to recognize tax incentives for these gifts, certainly a significant factor must be the tax deductions representing the Republic of China in the United States; to the Committee on Finance.

By Mr. HATFIELD:

S. 47. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.
that are presently available. While I firmly believe that contributions to reli-
gious and educational institutions should not be penalized by changes in the Tax Code.
(10) To revise "Simplifarm," to add a fifth line computation. This
would consist of a tax credit equal to 20 percent of charitable donations, not to exceed 10 percent of the adjusted gross income of a taxpayer. The Internal Revenue Service
would continue to certify the kinds of contributions that would qualify under this
provision.
Not only does this proposal meet the standards of simplicity and equity con-
tained in "Simplifarm," but it will ac-
tually broaden the scope of tax incentives for gift giving. As a credit rather than a
deduction, all taxpayers will be able to participate. As my colleagues are aware, one of the greatest problems facing charities today is the diminishing base of zero bracket amount of income. While these increases simplify the filing of tax returns and reduce the number of tax-
payers who itemize their deductions, they may negate the tax incentive for charitable
contributions.
According to reports I have received from the Library of Congress and the Treasury Department, the revenue impact of the new tax credit within the context of "Simplifarm" should not exceed the revenue loss incurred as a result of the tax credits. Treasury esti-
mates the revenue impact of a 20-percent credit to be about $4.7 billion annually, and the Library of Congress projects an even smaller loss of about $3 billion. It is important to point out here that the determination of exact figures is difficult due to the large number of variables present.
The change in the tax structure itself provided for in "Simplifarm" would undoubtedly affect contribution behavior. It is also impossible to determine how many new taxpayers would partici-
pate under the expanded availability of the tax credit vis-a-vis the tax deduction. Nevertheless, it seems safe to assume that the revenue loss caused by the creation of this tax credit will almost certainly be less than the $5.8 billion that we will lose in the current fiscal year as a result of itemized deductions.
Believing in the worthwhile function of private sector charities in our society, and recognizing the need for the proper use of incentives in stimulating charita-
table behavior, I am proposing today this revised version of the Simplifarm Tax Act. While for purposes of simplification I would rather not have added this fifth-
line computation, I recognize the depen-
dence of charitable institutions on the gifts of a supporting public. This new proposal recognizes and accommodates that need.
Mr. President, the need for tax reform has not been changed by recent tax law changes. The enormous cost to society of compliance with the present Tax Code is unacceptable. The special treatment of many forms of income encourages non-
education by taxpayers simply to receive tax benefits. And the progressive-
ness of the tax, accepted by most Amer-
cians as fundamental to tax justice, is greatly reduced by the special treatment of many forms of income. In short, "Simplifarm" is needed today more than ever before.
Mr. President, I ask unanimous con-
sent that the text of the bill and the re-
marks I made prior to my introduction of the Simplifarm Tax Act on August 1, 1977, be printed in the Record.
Thereafter, the bill and remarks were ordered to be printed in the
Record, as follows:

8. 47

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Simplifarm Tax Act":
(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act a reference is made (by way of amendment, repeal, or otherwise) to a sec-
tion, chapter, or other provision, the reference shall be considered to be made to a sec-
tion, chapter, or other provision of the In-
ternal Revenue Code of 1954.
(c) Technical and Conforming Changes.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event within 60 days after the date of the enactment of this Act, submit to the Com-
mittee on Ways and Means of the House of Representa-
tives a report on any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

EFFECTIVE DATE
SEC. 2. Except as otherwise provided the amendments and repeal by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

REPEALS
SEC. 3. (a) The following provisions in chapter 1 (relating to normal taxes and sur-
taxes) are repealed:
(i) Section 37 (relating to credit for the elderly)
(ii) Section 41 (relating to contributions to candidates for public office)
(iii) Section 42 (relating to contributions to trade associations)
(iv) Section 50 (relating to low-income housing)
(v) Section 54 (relating to minimum tax for tax preferences)
(vi) All sections in part VII of chapter B (relating to items specifically excluded from gross income under section 212 and treated as deductions for injuries or sickness).
(vii) Section 101 (relating to certain death benefits)
(viii) Section 102 (relating to gifts and in-
hancements)
(ix) Section 104 (relating to compensation of injuries or sicknesses)
(x) Section 105 (relating to amounts received under accident and health plans)
(xi) Section 106 (relating to contributions by employer to accident and health plans)
(xii) Section 109 (relating to improvements in income tax by husband and wife)
(xiii) Section 110 (relating to income taxes paid by lessee corporation)
(xiv) Section 115 (relating to income of States, municipalities, etc.)
(xv) Section 116 (relating to contributions to the capital of a corporation)
(xvi) Section 118 (relating to deductions for life insurance policy death benefits)
(xvii) Section 119 (relating to certain reduced uniformed services retirement pay, and
(xviii) Section 124 (relating to cross refer-
cences to other provisions)
(xix) Section 125 (relating to deductions for personal exemptions)
(x) Section 126 (relating to interest)
(xii) Section 127 (relating to gifts and contributions)
(xii) Section 140 (relating to charitable, etc., contributions and gifts)

(9) All sections in part VII of chapter B (relating to additional itemized deduc-
tions for individuals) except—
(i) section 201 (relating to allowance of
(d) section 212 (relating to expenses for production of income), and
(c) section 215 (relating to alimony, etc.,
payments).
(10) Subchapter D (relating to deferred compensation, etc.).

(11) Section 911 (relating to earned income from services without the United States)
(d) section 401 (relating to joint returns of income tax by husband and wife).
(2) All provisions of section 102 (relating to the provisions of subtitle A of the Internal Revenue Code of 1954, as amended by this Act), and all administrative regulations or orders which exempt or exclude items of income of individuals from the tax imposed by such subtitle A shall have no force or effect for taxable years beginning after the date of the enactment of this Act.

RATE OF TAX ON INDIVIDUALS
SEC. 4. Part I of chapter A of chapter 1 (relating to tax on individuals) is amended to read as follows:

"PART I—TAX ON INDIVIDUALS

"SEC. 1. Tax Imposed.
"Sec. 2. Community property laws not to apply.
"Sec. 3. Cross references relating to tax on individuals.

"SECTION 1. Tax Imposed.
"(a) Basic Tax.—There is imposed on the taxable income of every individual a tax of

10 percent.
"(b) Surtax.—There is imposed on the taxable income of every individual a surtax in accordance with the following table:

"If the taxable income is:

The surtax is:

Over $10,000 but not $25,000, plus 10% of the excess over $10,000.

Over $25,000 but not $75,000, plus 10% of the excess over $25,000.

Over $75,000 but not $100,000, plus 25% of the excess over $75,000.

Over $100,000 but not $125,000, plus 30% of the excess over $100,000.

Over $125,000 but not $150,000, plus 35% of the excess over $125,000.

Over $150,000 but not $200,000, plus 40% of the excess over $150,000.

Over $200,000 but not $250,000, plus 45% of the excess over $200,000.

Over $250,000 but not $500,000, plus 50% of the excess over $250,000.

Over $500,000 but not $1,000,000, plus 55% of the excess over $500,000.

Over $1,000,000...... $344,000, plus 16% of the excess over $1,000,000.

"(c) Nonresident Aliens.—In the case of a non-resident alien individual, the tax im-
posed by subsection (a) and (b) shall apply only as provided by section 871 and 877.

"Sec. 2. COMMUNITY PROPERTY LAWS NOT TO APPLY.

"For purposes of this subtitle, the income of a married taxpayer shall be deter-
mined without regard to the property laws of any State under which any part of the income of a married individual is treated as the income of his spouse.

"Sec. 3. Cross References Relating to Tax on Individuals.

"(1) For rates of tax on nonresident aliens, see section 871.
"(2) For purposes of computation of tax where taxpayer restores substantial amount held under amount held in claim of right, see section 1311."
PERSONAL EXEMPTION CREDIT

Sec. 5. (a) Subpart A of part IV of subchapter A of chapter 1 is amended by adding before section 151, and after section 150, the following new section:

"Sec. 150B. PERSONAL EXEMPTION.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed to an individual who is a dependent of an individual (unless such individual files a separate return)...

"(1) $250 for the taxpayer, and...

"(2) $250 for each dependent of the taxpayer who is 18 years of age or older.

"(b) DEFINITION OF DEPENDENT.—For purposes of this section, the term 'dependent' means any of the following individuals over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer (or is treated under subsection (c) or (e) as received from the taxpayer):

"(1) A stepson or stepdaughter of the taxpayer;

"(2) A son or daughter of the taxpayer;

"(3) A brother, sister, stepbrother, or stepsister of the taxpayer;

"(4) The father or mother of the taxpayer;

"(5) A brother or sister by the mother of the taxpayer, and

"(6) An individual who—

"(A) is not a spouse of the taxpayer;

"(B) is related to the taxpayer as his spouse under section 613 (d) (1) (relating to self-employment income)...

"(c) by striking out "and by adding the zero bracket amount", and inserting in lieu thereof "and by adding the zero bracket amount".

"(d) The table of sections for such part is amended by striking out "in gross income" and inserting in lieu thereof "credit for personal exemptions)."
percentage (determined under subsection (c) of the gains and losses which would have been realizable and taken into account in computing taxable income (of the decedent or some other person) if all the property (other than property which is subject to the provisions of subsection (a)) required to be included in determining the value of the decedent's gross estate under chapter 1, as amended by section 6, is less than $60,000.

"(b) EXCLUDED PROPERTY.—Subsection (a) shall not apply to—

(1) property which passes or has passed from the decedent to his surviving spouse and which qualifies for the deduction provided by section 2056; 

(2) property which passes or has passed to a corporation, organization, or other entity described in section 2055 and which qualifies for the deduction provided by such section; 

(3) items of gross income in respect of a decedent described in section 691; or

(4) any other property includable in the gross estate of the decedent under chapter 11 of the Internal Revenue Code for the taxable year in which the decedent died, or in the case of an election under section 2032 or 2032A, its value at the application of subparagraph (A) or (B) as subparagraph (C) as subparagraph (B). 

(2) Paragraph (9) of section 1014(b) is amended by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(c) Section 1015 (relating to property subject to the provisions of sub- section (a)) is less than $60,000, and the gains and losses which would be allowable to the taxpayer after the date of the enactment of the Simpliform Tax Act do not exceed $60,000.

(2) Gifts to spouse.—Subsection (a) shall apply to a transfer of property to the taxpayer's spouse. 

(b) (1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(d) Section 1015 (relating to property subject to the provisions of subsection (a)) is less than $60,000, and the gains and losses which would be allowable to the taxpayer after the date of the enactment of the Simpliform Tax Act do not exceed $60,000.

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(e) Section 1015 (relating to property subject to the provisions of subsection (a)) is less than $60,000, and the gains and losses which would be allowable to the taxpayer after the date of the enactment of the Simpliform Tax Act do not exceed $60,000.

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Specific Inclusion in Gross Income

Sec. 8. (a) Part II of subchapter B of chapter 1, as amended by section 6, is amended by adding at the end thereof the following new section:

"Sec. 87. SOCIAL SECURITY AND WELFARE PAYMENTS.

"There shall be included in gross income any insurance benefits paid under title II of the Social Security Act to the taxpayer and any other cash benefits paid (other than a lump sum payable on account of death) to the taxpayer under any other Act of the United States or of any State providing for the payment of money in order to enable any person to purchase food, clothing, and shelter and otherwise provide for their general welfare."

The table of sections of such part is amended by adding at the end thereof the following new item:

"§ 1027. SOCIAL SECURITY and WELFARE PAYMENTS.

For taxable years beginning:

Less than 1 year after the date of enactment of the Simpiform Tax Act...

1 year or more but less than 2 years after such date...

2 years or more but less than 3 years after such date...

3 years or more but less than 4 years after such date...

4 years or more but less than 5 years after such date...

5 years or more after such date...

(d) Time for Filing Return.—If subsection (a) applies to the taxable year, the time for filing the return for such year shall be the date 9 months after the date of the decedent's death if such date is later than the date prescribed in section 6072 for filing such return.

(e) Liability With Respect to Property Transferred Before Death.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be deemed to have made the transfer during his lifetime, without regard to a beneficiary's power to revoke the transfer, and the property shall be included in the gross estate of the decedent for purposes of subsection (a). 

(f) Regulations.—The Secretary shall by regulation prescribe regulations for determining the amount of any gain or loss realized by a decedent on the date of the decedent's death.

Sec. 9. (a) Subpart A of part IV of subchapter B of chapter 1 (relating to credits allowed) is amended by adding after section 3610 the following new section:

"Sec. 3611. CREDIT FOR CHARITABLE CONTRIBUTIONS AND GIFTS.

"(a) General Rule.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount of the deduction (as defined in section 170) attributable to the application of section 170 to the fair market value of the contribution during the taxable year of the property transferred as a gift after the decedent's death.

(b) Application With Other Credits.—The credit allowed by subsection (a) for the taxable year shall not exceed the amount of the tax imposed by this chapter reduced by any other credits allowed by this Act.

"(2) an activity described in section 212 (relating to amusement, entertainment, or recreation), or

(c) Section 85 (relating to charitable contributions and gifts) is amended to read as follows:

"Sec. 85. CHARITABLE CONTRIBUTIONS AND GIFTS.

"(a) CHARITABLE CONTRIBUTIONS AND GIFTS.—There shall be allowed as a credit against the tax imposed by this chapter the excess (if any) of the amount allowed as a deduction by section 170 for the taxable year over the amount allowed as a deduction by section 61 on account of paragraph (1) of section 170 after the date of the enactment of the Simpliform Tax Act.

(b) RULES FOR APPLICATION OF SUBSECTION (a).—For purposes of subsection (a) of this section, the aggregate amount of gains and losses which would otherwise be allowed to be deducted in respect to any property is the aggregate amount of such fair market value of the property at the date of the decedent's death, or, in the case of an election under section 2032 or 2032A, its value at the application of subparagraph (A) or (B) as subparagraph (C) as subparagraph (B).

(c) RULES FOR APPLICATION OF SUBSECTION (b).—For purposes of subsection (b) of this section, the aggregate amount of gains and losses which would otherwise be allowed to be deducted in respect to any property is the aggregate amount of such fair market value of the property at the date of the transfer, or, in the case of an election under section 2032 or 2032A, its value at the application of subparagraph (A) or (B) as subparagraph (C) as subparagraph (B).

(d) Time for Filing Return.—If subsection (a) applies to the taxable year, the time for filing the return for such year shall be the date 9 months after the date of the decedent's death if such date is later than the date prescribed in section 6072 for filing such return.

(e) LIABILITY WITH RESPECT TO PROPERTY TRANSFERRED BEFORE DEATH.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be deemed to have made the transfer during his lifetime, without regard to a beneficiary's power to revoke the transfer, and the property shall be included in the gross estate of the decedent for purposes of subsection (a).

(f) Regulations.—The Secretary shall by regulation prescribe regulations for determining the amount of any gain or loss realized by a decedent on the date of the decedent's death.

Sec. 10. (a) Subpart B of part IV of subchapter B of chapter 1 (relating to credits allowed) is amended by adding after section 3611 the following new section:

"Sec. 3612. CREDIT FOR CHARITABLE CONTRIBUTIONS AND GIFTS.

"(a) General Rule.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount of the deduction (as defined in section 170) attributable to the application of section 170 to the fair market value of the contribution during the taxable year of the property transferred as a gift after the decedent's death.

(b) Application With Other Credits.—The credit allowed by subsection (a) for the taxable year shall not exceed the amount of the tax imposed by this chapter reduced by any other credits allowed by this Act.

"(2) an activity described in section 212 (relating to amusement, entertainment, or recreation), or
letter designation than this section, other
than the credits allowable by sections 31,
39 and 42.

(b) The table of sections for such subpart
is amended by inserting before the entries
relating to section 45 the following new
item:

"Sec. 44D. CREDIT FOR CHARITABLE, ETC., CON-
TRIBUfIONS.

MISCELLANEOUS AMENDMENTS

Sec. 10. Section 62 (relating to adjusted
gross income defined) is amended by striking
out paragraphs (3), (4), and redesignating
paragraphs (5), (6), (7), and (8), respectively.

(b) The text of section 63 (relating to tax-
able income defined) is amended to read as
follows: "For purposes of this subtitle the
term 'taxable income' means gross income
minus the deductions allowed by this
chapter."

WITHHOLDING

Sec. 11. (a) Section 3402 (relating to income
tax collected at source) is amended by

(1) striking "GENERAL RULE," in paragraph
and (m), and

(2) amending subsection (a) to read as
follows:

"(a) REQUIREMENT OF WITHHOLDING--

Every employer making payment of wages
shall deduct and withhold upon such wages,
except as otherwise provided in this section,
a tax determined in accordance with tables
prescribed by the Secretary.

(b) Subsection (a) to extension of with-
holding to certain payments other than
wages is amended by

(1) striking "GENERAL RULE," in paragraph
and inserting in lieu thereof "SUPPLEMENTARY
EMPLOYMENT COMPENSATION BENEFITS
AND ANNUITIES."

(2) redesigning paragraphs (1) through
(4) through (6), respectively.

(3) striking "paragraph (1)" in paragraph
(3) (A) (as redesignated by this Act) and
inserting in lieu thereof "paragraph (2)"
and

(4) inserting before paragraph (2) (as re-
designated by this Act) the following new
paragraph:

"(1) IN GENERAL--Under regulations pre-
scribed by the Secretary, any person making
a payment of interest, a dividend, or any
other payment subject to tax under chapter
1, shall deduct and withhold from such pay-
m ent an amount of tax

(2) Subsection (a) is amended in subpara-
graphs (2) and (3), respectively.

"Sec. 2. Section 6421 (relating to tax on
interest on obligations of the United States)
is amended by inserting in lieu thereof
"paragraph (2) (as redesignated by this Act)"
and

(3) as (2) through (4), respectively,
(b) Subsection (b) to extension of with-
holding to certain payments other than
wages is amended by

(1) striking "GENERAL RULE," in paragraph
and inserting in lieu thereof "SUPPLEMENTARY
EMPLOYMENT COMPENSATION BENEFITS
AND ANNUITIES."

(2) redesigning paragraphs (1) through
(4) through (6), respectively.

(3) striking "paragraph (1)" in paragraph
(3) (A) (as redesignated by this Act) and
inserting in lieu thereof "paragraph (2)"
and

(4) inserting before paragraph (2) (as re-
designated by this Act) the following new
paragraph:

"(1) IN GENERAL--Under regulations pre-
scribed by the Secretary, any person making
a payment of interest, a dividend, or any
other payment subject to tax under chapter
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m ent an amount of tax

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graphs (2) and (3), respectively.

SIMPLIFIED TAX OF 1977

Mr. President, perhaps the most enduring
issue before the U.S. Congress has been the
need for tax reform and simplification. Most
of my colleagues agree that tax reform and
simplification is necessary, but when we set
to out to do it, conflicting interests result in a
tax code even more incomprehensible than
before.

During the last two years the Congress has
taken action on two major tax "reform" or
"simplification" bills. The Tax Reform Act of
1976 and the Simplified Retirement and Ex-
penditure Act of 1978. But between the two
bills, the debate over the principles, the
benefits, and the costs of tax reform and
simplification, I would say, has been
neglected. In a world where the government
keeps getting bigger each year, we have
scarcely addressed the problem of clarifying
how the government gets its money. I am
convinced that we need to have a clear and
objective debate on how the tax system works.

For this reason, Mr. President, I am send-
ing to the Senate the Simplified Retirement
and Expenditure Act of 1978. The Simplified
Tax Act, which is before us today, is a pro-
mised in the last Congress, and to the con-
cept originally offered to the Republican
Platform Committee.

Few would deny that the Federal income
income tax is an indispensable tool for gath-
ering revenue and encouraging economic
behavior. Since it was first authorized by the 16th
amendment to the Constitution in 1913, it has
played a leading role in our Federal reve-
ue system. In its present form, the Federal
income taxes are expected to provide 52 percent
of the revenue for the fiscal year 1978 Federal
budget. State and local governments have also
employed income taxes to supplement other
forms of revenue.

Nearby, 200 years ago Adam Smith offered a
helpful set of criteria for a "good tax." He said:

"It should be certain, convenient, cost little
to collect, and be based on the capacity of
the taxpayer.

There is little question that our income
tax system is currently falling well short of
these goals.

In the first place, income taxes are not cer-
tain in the sense of being clear and indisput-
able to the ordinary taxpayer. The layman
who itemizes deductions struggles through a
very complex tax form or turns to a profes-
"tional tax preparer or Internal Revenue
Service employee for assistance. Even the
expert, who uses a computer every day,
frequently disagree or make errors about
the application of tax laws to an individual.

The complexity of the forms required for
filing a return with itemized deductions viola-
tes the principle of convenience. While
allowing a person a choice of methods of
withholding is a great improvement over
simply imposing income tax forms, they remain far too
inconvenient and complex. The person who can
afford to employ a tax preparer still has
his personal taxes benefits more than those
who cannot afford such services.

Of greater concern to me, however, in of-
fering the simpliform tax proposal, is the failure of the present system to genuinely reflect the capacity to pay. The Internal Revenue Code is still formally based upon the principle of the ability to pay. That is, the rates are scaled upwards along with in-
come. There is also a theory (I'm not sure
about this committee to income redis-
tribution. From the very adoption of income
tax laws, it has been asumed that the funds
to meet the social and economic needs of
those with little or no income must come from the higher end of the wealthy.

The failure of the individual income tax to
genuinely progressive in this country is
demonstrated by examining the total tax bills, particularly including the regressive payroll
tax. This combined analysis, however, is not
ecessary to demonstrate the fallings of the
individual income tax. The public exposure of the minimal income tax payments of pub-
lic figures over the last several years has
"dramatized the failings of our tax code.
Quite apart from the ethical and legal ques-
tions about the tax payments of particular individuals, the data show that the intent of the tax has been violated when a wealthy
person pays little or no tax and a person of modest
income owes $1 in 85 to the Federal
Government.

It should not be thought that income tax
underpayments is a new, high-profile, pub-
lized case. In fact, studies by the Brookings Institution have indicated that the tax paid by those with incomes of less than 5 figures and over $170,000.00 more than
30 percent in spite of a statutory rate up to
79 percent. Recent attempts to correct the
错 have not solved the fundamental problem. The re-
ult of this nonprogressive tax is a serious
imbalance of income in a country that sup-
po\ its economy upon the economic output of the wealthiest 10 percent of the population.

The feature of the tax laws which allows
most people, regardless of income, to keep
some portion of their income is the principle of the ability to pay. That is, the Federal income tax system is a system of hidden appropriations in the form of tax expenditures.

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insist that it be considered as a necessary component of current as well as long-range economic policy.

Despite the well-intentioned efforts of the Congress to achieve comprehensive tax reform last year and on a more limited basis earlier in the year, the resistance to basic tax reform from many sectors, item-by-item reform, in my opinion, is as understandable a failure. Benefits of tax loopholes will continue to bring pressure to bear in order to protect laws that are advanced to be self-defeating.

For these reasons, Mr. President, I offer Simpliform as one solution to the failings of existing tax law. It provides one tax credit for adults in place of the myriad of deductions for contributions. Actually, reduced rates for capital gains would be subject to more constructive anger should spark a concerted demand for fundamental reform. No thousand-dollar savings under Simpliform, their tax rate would not surpass 30 percent unless their income exceeded $150,000.

Simpliform would also achieve some profound gains in fairness and equity. Personal tax credits are much more equitable than exemptions, for they always carry the same dollar value. The present personal exemptions given as much tax saving for the wealthy as for the lower-income person. Simpliform's restriction of credits to the single and childless taxpayer must be considered as well, hoping that they too will be thorough and simple. Let us not become so preoccupied with economic solutions that we neglect the urgent goal of true comprehensive tax reform.

Mr. President, I submit Simpliform in the hope that it will be given thorough consideration. Other tax reform plans will be offered and I am happy to have them considered as well, hoping that they too will be thorough and simple. Let us not become so preoccupied with economic solutions that we neglect the urgent goal of true comprehensive tax reform.
On October 11, 1913, Edward S. Beach dashed off an angry letter to the New York Times. He called President Wilson "the father of fraud" and thanked the "whole brood of predatory politicians for the coming epoche.

Beach was convinced that the new tax law would unleash upon the country a whole "army of Federal spies whose nose will be stuck into the affairs of every man sus­pected of having an income of $5,000 or more a year."

Unfortunately for Beach, the vast majority of Americans earned much less than $5,000 a year in 1913. In fact, they welcomed a law which promised to police the incomes of the rich, a measure which would redistribute wealth and equalize the tax burden. The week before Beach’s letter, Congress had attempted to do just that.

With its newly acquired Sixteenth Amend­ment powers, Congress wrote the first in­come-tax law of the century, an appendix to the Underwood-Simmons Tariff Act which reduced the tariff to its lowest level since the Civil War. Rep. Cordell Hull, chief draftsmen of the income tax, had called it "virtually the same" as the old tariff, except for increased stringency. The new tax, he argued, would rectify the inequities of a system which treated "virtually" exempting the Morgans, the Vanderbilts, the Morgans and the Rockefellers with their ag­gregated billions of hoarded wealth.

The new tax was brief. In less than fifteen pages, Congress spelled out the income-tax require­ments for corporations and individuals. Only on net incomes above $3,000 (roughly equivalent to $17,550 today), said Congress, would the "nominal" tax of 1 percent be leveled. An additional tax ranging from 1 to 6 percent was imposed on amounts in ex­cess of $20,000 (about $117,000 today). In the first full year of enforcement of the new law, the tax burden fell to a scant 397,000 people living on one-half of 1 percent of the population. Few could complain. At a time when the per capita annual income of the gainfully employed hovered near $900, the weight of the tax bailiff fell clearly to those most able to pay.

On January 6, 1914, the Treasury Depart­ment undertook a "simple income-tax form blank. Form 1040, together with its instructions—four pages in all—read like a Dick­and-Jane book. It was short enough to be reproduced, instructions included, in four columns of a single page of the New York Times. (The two New Jersey men filled the Times’ clippings, dutifully filled in, with their local revenue agent.) The orig­inal 1040 form is not a relic of the times, times before the 1913 law itself. But the major­ity of the country, it seems, once granted a reprieve from taxation in 1913, sighed in relief and promptly fell asleep. From a per­spective granted by six decades of tax in­creases and bureaucratic expansion, it ap­pears that something has run amok.

Rep. Charles A. Vanik was born just a few

months before the passage of the first in­come-tax law. He now sits on the House Ways and Means Committee, but he believes that "there is an American-Broadway quality in speaking of a voluntary tax system when nearly half of the nations’ taxpayers feel that they must get or pay others to help them complete their own returns." The phenom­enal proliferation of law, loophole, litigation, and judicial executive branch has spawned a huge tax industry. It gathers its capital from legal conundrums. "The tax system and support for it, he says, "is being maddened by the endless forms, instructions, and complexities of present tax law."

DURING 1913 THE WEEKLY Internal Revenue Bulletin notified its subscribers by 876 reve­ nue rulings, 68 revenue procedures, 27 public laws relating to Internal Revenue matters, 31 committee reports, 3 executive orders, 42 Treasury decisions, and a host of other ad­enda. What does this catalogue of IRS sta­tistics and tax-law twits and turns do for taxpayers? It insures that millions of them run to the doors of their preparers each year for guidance. But even this recourse is not safe. A report reluctantly released by the IRS last year re­vealed that the new income-tax returns are, confusing. Three out of four tax returns filed by paid preparers—attorneys, public accountants, CPAs, commercial preparers—those with incomes between $10,000 and $50,000 contain mistakes. Even the IRS errs on 79 out of each 100 returns it completes for the middle-income taxpayer.

Altogether the IRS audits a couple of mil­lion returns each year. The American taxpayer comes up short—$5.3 bil­lion in 1978. Countless millions more contain mathematical bloopers, many of which increase the taxpayer’s liability when corrected. (The word countless is a slight exaggeration be­cause IRS statisticians believe that mistakes are being made by a very few which the IRS doesn’t count.) The mistakes, whether made innocently or fraudulently, speak less about either our ability to comprehend our tax responsibilities or our desire to tolerate them.

So Congress bemoans the muddle in the IRS while the service pleads for simplifica­tion of the law. Commissioner Donald Alex­ander once told a Ways and Means subcom­mittee that taxpayers couldn’t “find their way through the maze that Congress in­tended for them.” Though the Tax Reform Act of 1976 was an overall improvement of the system since the Internal Revenue Code of 1954, it did little to de-maze the law. As a result, the commission was forced back to the drawing board to relay the good news to 1977 taxpayers. “Completing your return this year,” he writes, “could be more difficult.”

The instructions for page one of this year’s 1040 compile nearly four pages. If the tax­payer perseveres that far he will have already encountered 15 “cautions” and “notes,” as well as 206 “(c) clauses and 10 which increase the taxpayer’s liability when corrected. If he had a question about estimated itemized deductions for alimony expenses, for example, and had a copy of the new law at hand he might turn to Code Sec­tion 3402(m)(2)(A) for explanation:

| THEN AND NOW |
|---|---|---|---|
| Item | 1914 | 1975 | Percentage change |
| U.S. population | 87 millions (est.) | 214 million | 147% |
| U.S. labor force | 34.8 millions (est.) | 107.2 million | 145% |
| Gross national product | $125.5 billion (est.) | $1,251.2 billion | 894% |
| Federal individual income tax income | $41.3 million ($24 billion) | $556.4 billion | 1,022% |
| Number of persons covered | 357,515 | 231,800 | 7% |
| Percentage of labor force covered | 1% | 1% | 0% |
| Tax per capita | $4.28 ($256.05 today) | $1,357 | 313,900% |
| Tax per return | $11.48 ($671.56 today) | $1,340 | 1,092% |
| IRS employees | 4,000 | 82,900 | 1,923% |
| IRS employees per capita | 1.24 (288) | 2,029 | 1,601% |
| IRS employees per residence | 0.24 (61) | 2,029 | 1,601% |
| ARA members | 3,500 (1913) | 375,140 | 107,037% |
| Tax-related court cases | 4,731 | 820 | 100% |
| Tax liability (in millions: 1975) | $600 billion ($39.7 million 1913) | $41.587 | 101% |
| Number of laws of wordage | 10,000 (good est.) | 750,000 (good guess) | 7,500% |
| Percentage change | 177 | 935% | 1,092% | 1,601% |

The latest development in the tax im­broglio industry is the electronic law li­braries. Their services are Increasingly valu­able as a means of sorting through what other­wise would be reams of paper. The Lexis Library of Meade Data Central, Inc., for example, has nearly 300 subscribers through­out the country. In a matter of seconds any one of them may requisition the latest tax regulation or court decision from an IBM 370/155 computer. Not surprisingly, Meade’s most frequent patron is the Internal Revenue Service.

It has taken less than sixty-four years to slide into a system which warrants Mr. Beach’s wrath. In the meantime we seem also to have slipped "through the looking-glass" and come upon a system bereft of manage­ability, not to mention comprehensibility. But Lewis Carroll said it best. "Curiouser and curiouser!" cried Alice. "Now I’m opening out like the largest telescope that ever was! Good-bye, feet!"
January 15, 1979

CONGRESSIONAL RECORD—SENATE 259

BY MR. RANDOLPH (for himself, 
Mr. ROBERT C. BYRD, Mr. HUD- 
LESTON, and Mr. FORD):

S. 48. A bill to authorize flood control and flood protection measures on the Tug Fork and Levisa Fork of the Big Sandy River, West Virginia and Kentucky and the Cumberland River, Ken- tucky; to the Committee on Environ- 
ment and Public Works.

BIG SANDY RIVER FLOOD CONTROL ACT OF 1979

Mr. HUDDLESTON. Mr. President, I wish to state my strongest possible support for the emergency flood control au-

thorization for the Tug and Levisa Forks of the Big Sandy River and the Cumberland River in Kentucky and West Vir-

ginia.

Nearly every human activity in the Big Sandy and Cumberland River Basins is affected by persistent repetition of flooding. In the past 5 years, five major floods have occurred taking 11 lives and resulting in $277 million in damages. The existing flood control system, mostly in the Levisa Fork Basin, prevented at least $175 million in damages. Nevertheless, the destruction that did occur caused severe economic dislocation and distress, with thousands of families left homeless and hundreds of businesses totally destroyed. Relatively flood-free lands for rebuilding communities essentially are nonexistent, particularly in this area. The proposed projects would provide a high degree of protection at least sufficient to protect against the April 1977 flood. The projects also would provide protection to a substantial amount of developable land which otherwise would be subject to frequent flooding. Development of housing on these relatively flood-free acres would ease the critical housing shortage—over 42 percent of all eastern Kentucky housing units are classified as substandard due primarily to withstand continued flooding.

This legislation would authorize the Corps of Engineers to design and construct levees, floodwalls, levees and other appurtenant facilities in those areas hit hardest by the repeated flooding on the Tug and Levisa Forks of the Big Sandy River and its tributaries and on the Cumberland River and its tributaries. It is my understanding that this authorization does not include any new flood control dams. I wish to emphasize that this legislation is not limited in its application to the communities included in the legislative language. There are a number of unnamed unserved communities located along the Big Sandy River and the Cumberland River that have been severely damaged by repeated disastrous flooding. The welfare of the people who live in these communities is just as important as that of residents of those communities mentioned in the legislation. I would like to make clear that the authorization contained in the legislation allows the corps to dredge, deepen, clear, and maintain the Big Sandy River, including both the Tug Fork and the Levisa Fork and their tributaries and the Cumberland River and its tributaries. So I want to again make this point for purposes of legislative history.

I believe it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that have evidenced Presidential declarations in the past. In anticipation of this authorization, at my request the Senate Appropriations Committee included an amendment to the Army Appropriations Act directing the corps to use available funds to proceed with this work as soon as Congress approves the authorization. I quote the language:

The committee understands the emer- gen
cy situation existing in portions of Ken- tucky, West Virginia and Virginia which entered one of the most disastrous floods experienced in the area on April 3-4 of this year. The committee believes it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous Presidential disaster declarations in the past. The commit- tee is aware that section 119 of S. 1529 would authorize funds to deal with these disasters. It is discontinuing its efforts moving through the Congress toward enactment. The committee would expect the Secretary of the Army to be alerted to this legislation so that the Department of the Army would be in a position to initiate the appropriate budget request at the earliest possible date. For its part, the committee would be willing to entertain and consider reprogramming requests or budget requests in an early fiscal year supplemental request for relief of these disastrous conditions. In addition, the committee expects the Corps of Engineers to submit to appropriate committees of the Congress within six months its schedule and plan for flood protection measures to be undertaken.

This emergency flood control legisla-
tion is absolutely vital and should re- ceive the very highest priority.

By Mr. HATFIELD:

S. 50. A bill to require a refund value for certain containers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

BEVERAGE CONTAINER REUSE AND RECYCLING ACT OF 1979

Mr. HATFIELD. Mr. President, today I am introducing the "Beverage Container Reuse and Recycling Act of 1979." Since I introduced this bill in the 95th Congress, three more States, Delaware, Connecticut, and Iowa, have passed legis- lation to require refundable deposits on beverage containers. This brings the total number of States encouraging reuse and recycling of beverage cans and bot- tles to seven.

This is the third time I have intro- duced similar legislation to the U.S. Congress. Good sense dictate that we pass a nation that addresses a national problem. Manufacture, bottling, consumption, and disposal of beverage is done, by and large, in a geographic basis by the local one. Yet, the problem created by the disposal of approximately 80 billion beverage con- tainers each year is being addressed by a plethora of State, county, and local ordi- nances, each one slightly different from the other.

In the 96th Congress, the opportunity exists for us to face a nationwide prob- lem, correct it with relatively little cost, and reap tangible benefits the first year.

Each year 360 trillion Btu's of energy is expended in the manufacturing of beverage containers in the United States. Under this legislation, 32 to 43 percent of that figure could be saved through the return of bottles, as compared to 1965, approximately 210 million tons of refuse will yearly fill our land. Under this bill, we will have the means to recycle approximately 10.5 million tons of refuse, through the simple device of a manda- tory deposit on beverage containers.

Since I introduced this bill in the last Congress, the General Accounting Office has released its study, "Potential Effects of a National Mandatory Deposit on Beverage Containers." That study reconfirms reports by the Federal Energy Administration (in October of 1976) and the Environmental Protection Agency findings, prior to the EPA approval of guidelines establishing a system of refundable deposits on all beer and soft drink containers sold in facilities. The GAO study notes that much of the pressure to switch from returnable to nonreturnable containers comes from immediate cost and dis- tributors, rather than the ultimate consumer. It speculates that the consumer may have had little effect on the industry choice of container type.

Mr. President, this bill will not in- fringe on any citizen's convenience. He or she will still have the option of discarding beer containers. It will only oblige each user who discards a bottle or can to pay something nearer to the true cost of that decision to discard. Con- versely, it will provide incentive to those who choose to participate in the clean- up of our land, the recovery of resources and the saving of scarce energy.

For centuries, we have had the luxury of ignoring the indirect costs of our use of our planet. That is a luxury we can no longer afford. We must become stewards of the Earth. If our stewardship is to be wise rather than insincere, we must give value for value. We must be able to balance the Earth's resources with renewal of those resources, wherever possible. Where resources are not renew- able, we must use no more than a rea- sonable share, and reuse what we can.

This bill is both a symbolic and sub- stance step in that direction.

Mr. President, I ask unanimous con- sent that a general summary of the im- pacts of a returnable beverage container proposed by the Environmental Action Foundation, as contained in an answer sheet prepared by the EPA be printed at this point in the Record.

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

BOTTLES & CAN

(Researched and written by Patricia Taylor; edited and produced by Nancy Sachs, Carol Greenblatt, Kathleen De- mon; Production consultants: Philip Mich- ael, Peg Averill; drawings by Michael Mer- chant)

The returnable bottle is a wonderful in- vention whose time has come—again. We
didn't fully appreciate the returnable 15 years ago when it was the only way to buy beer and soda. So currently there is only the possibility of reducing litter that makes the returnable look good: it's a great money saver for the consumer, as well as an energy and material saver.

The consumer doesn't buy a deposit bottle—he borrows it. No wonder returnables are cheaper than throwaway cans and bottles! A returnable bottle can be refilled an average of 15 times. No wonder returnables are more energy saving and materials conservative than throwaways. (We could save 115,000 barrels of oil a day and 7 million tons of reusable materials each year if we returned to returnables nationwide.)

The refillable bottle is making a comeback across the country as more and more cities, counties and states pass laws which require a deposit on all beverage containers. It's only a matter of time before refillable bottles are as readily available and in use as they were before the throwaway ethic began. Why not, sense for the fact, that they're a simple way to save energy, money and materials at a time when all of these resources are scarce.

The proliferation of one-way, throwaway beverage containers places a heavy and unnecessary burden on national energy sources. According to the U.S. Environmental Protection Agency (EPA), we waste 224 trillion BTU's of energy each year manufacturing throwaway aluminum and steel drink cans and bottles. (1) That's enough energy to furnish all the electrical energy needs of New York City and perhaps an entire continent. It would be enough energy to meet the combined yearly requirements of 185 million people, a population in Asia, Africa and Central America. (2)

The Citizen's Advisory Committee on Environmental quality recognized the need for federal leadership in effective energy conservation. Therefore, the Committee recommended that national legislation be enacted to require a refundable deposit on all beverage containers. Citing the 'energy crisis as a national problem,' the Committee reported that "refillable" beverage containers provide an immediate energy-saving alternative to . . . energy-wasting disposable beer and soft drink containers." (3)

John J. Talty, Administrator of the Federal Energy Administration, has said, "there are few other instances . . . where energy is sacrificed so shamefully. . . . The major reason for this is the lack of packaging the "leisure beverage" we drink.

Although some industry officials promote voluntary returnable programs as a cure when recovery facilities as effective ways to reduce energy loads in the beverage industry, their claims are hard to substantiate. (11) The ugliness of littered beer cans and broken pop bottles along roadsides, in parks and on beaches prompt the sad facts of beverage container legislation in the states of Oregon, South Dakota and Vermont. In addition, Oberlin, Ohio; Bowie and Montgomery County, Maryland; Berkeley, California; Cuyahoga County, New York; Fairfield and Loudon Counties, Virginia have all passed legislation curtailing throwaways.

Footnotes at end of article.

Beverage containers make up between 60 and 80 percent of litter by volume and 20 and 30 percent by weight. (2) Some states have found the steel can an easy item to recycle and bills can be recycled. If the glass bottle can be sent through the recycling process because their aluminum lids contaminate the steel, making re-

CONGRESSIONAL RECORD-SENATE
January 15, 1979

Energy Use of Different Containers

<table>
<thead>
<tr>
<th>Environment</th>
<th>Energy (million BTU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass</td>
<td>15 Trip Glass</td>
</tr>
<tr>
<td></td>
<td>(Returnable)</td>
</tr>
<tr>
<td>Steel</td>
<td>All Steel</td>
</tr>
<tr>
<td>Bi-metal</td>
<td>One-way Glass</td>
</tr>
<tr>
<td>Aluminum</td>
<td>Aluminum Can</td>
</tr>
</tbody>
</table>

Source: Midwest Research Institute under EPA contract.

Throwaway cans and bottles are an energy luxury we can no longer afford. With a national population of 250 million, one can easily cut energy consumption in the beverage industry by 50 percent. Through a dramatic change in driving habits, Americans have recently succeeded in saving 200,000 barrels of oil a day under the 55 mph speed limit conservation measure. By simply returning one product they are using, they could save an additional 115,000 barrels of oil each day. (5)

MATERIALS

Manufacturing throwaways is a wasteful and expensive habit. One throwaway can or bottle uses four to six times more raw materials than one returnable bottle refilled 15 times or more. Millions of tons of potentially useful materials end up discarded as garbage or litter.

In 1975, the U.S. beverage container industry used 7 million tons of glass, 2 million tons of steel and 500,000 tons of aluminum to make beer and soft drink containers, most of which were used once and thrown away. These materials represent a phenomenal 45 percent of all glass, six percent of all aluminum, and 25 percent of all steel production in the United States. (6) As William Coors, president of the nation's fourth largest brewer, was recently quoted as saying, "I'd like to have the materials in which to market our product if we don't start getting our containers together.

Unless the "throwaway ethic" is reversed, the need for raw materials imports will continue to grow. Scientists Glenn T. Seaborg recently called for better planning of materials policy. "As economic growth and industrialization accelerate over much of the world, the competition for mineral supplies will increase and the developing countries will exert more control over their mineral resources. This situation has the seeds for crisis . . . ." (8)

Dependence on overseas suppliers for materials is especially critical in the aluminum industry, which produces 85 percent of the aluminum used to make beverage cans in the United States. When bauxite prices rose recently, Alcoa cut back production of aluminum for housing, construction materials, airplanes and household items. Aluminum was still available, however, for beer can manufacture, one of the top three categories of aluminum consumption in the United States. (9)

It is time to recognize the folly of using precious imported materials to make throwaway beverage containers. Returning to returnables would safeguard these limited materials and more sensibly allocate our nation's resources.

LITTER

In 1975, over 60 billion beer and soft drink containers were manufactured in the United States. That figure will climb to 80 billion in 1985. (10) One beverage container in four ends up discarded as garbage or litter. (11) The ugliness of littered beer cans and broken pop bottles along roadsides, in parks and on beaches prompt the sad facts of beverage container legislation in the states of Oregon, South Dakota and Vermont. In addition, Oberlin, Ohio; Bowie and Montgomery County, Maryland; Berkeley, California; Cuyahoga County, New York; Fairfield and Loudon Counties, Virginia have all passed legislation curtailing throwaways.

Footnotes at end of article.

Beverage containers make up between 60 and 80 percent of litter by volume and 20 and 30 percent by weight. (2) Some states have found the steel can an easy item to recycle and bills can be recycled. If the technology is successfully developed.
Chairman Joseph Griesedick, "Returnable
lar-and often worse-in other communi-
ties in 12-bottle cases. According to Falstaff Vice-
bottles are the most economical for the con-
sumers. It was argued that the sewage treatment
plant can operate efficiently. (18) In fact,
there is no conflict between resource re-
covery systems and a nationwide returnable
system. According to the EPA, “changing the
composition of municipal waste through
mandatory deposit legislation would not
significantly affect the economics of most
resource recovery plants.” (19)

Our first priority should be to get rid of
what we don't need; then when the tech-
nology is available, we should recover the
rest. In the meantime, manual separation of
recyclable materials by citizens is a viable
alternative to expensive, energy-intensive
recovery. When a transaction is related to a
nationwide deposit system, it would ensure
that six to seven million tons of materials
would be returned for reuse and recycling each
year.

The Consumer

Buying beer and soft drinks in returnable
packages instead of throwaways is a good
way to save money. In New York state alone,
consumers could save close to $40 million
each year under mandatory deposit legisla-
tion.(20) That’s how much extra they now
spend for the “convenience” of throwaway
cans. For the average equivalency.

The reason for the higher prices is that
the major expense in throwaway container
production goes for packaging—not for labor,
ingredients or transportation. According to a
survey conducted by market analysts San-
ford C. Bernstein & Co., “packaging is the
major factor in the production of beer,” ac-
counting for as much as 56 percent of the
costs while the ingredients account for only
12 percent.(21) But with returnable bottles,
the consumer saves money by borrowing the
containers. The Institute estimated that 39,000
jobs would be lost: (32) yet at the same time,
unemployment was rising.
The Effectiveness and Impact of the Oregon Bottle Bill, for Returnables, David May, 211 E. 53rd St., New York, N.Y. 10022, February, 1975. ($3.00 a copy)

Group, 408 W. 2nd Ave., Portland, Oregon 97201, May, 1974. (1 copy $2.50; bulk rate on request)

Oregon’s Bottle Bill: A Riproaring Success, Oregon State Public Interest Research Group, 408 W. 2nd Ave., Portland, Oregon 97204, 1974. ($3.00 a copy)


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U.S. GOVERNMENT PUBLICATIONS


Questions and Answers on Returnable Beverage Containers for Beer and Soft Drinks

(Waste Reduction Branch, Resource Recovery Division, Office of Solid Waste Management Programs, U.S. Environmental Protection Agency, July 1975)

1. What are returnable beverage containers?

Returnable beverage containers are containers that are accepted for return after use. Usually a cash deposit is paid when the beverage is purchased and refunded when the container is returned. The purpose of the deposit is to provide an incentive for the return of the container either for reusing or for recycling of the container material.

2. What are the environmental and resource conservation benefits of returnable beverage containers?

The return of beverage containers reduces the generation of beverage container waste and litter. Reuse and recycling of containers reduces air and water pollution resulting from the production of containers, and conserves energy and materials.

3. What is mandatory beverage container deposit legislation?

Mandatory deposit legislation is a law or ordinance which requires a deposit on all beverage containers sold in a particular jurisdiction.

4. Is there mandatory deposit legislation in existence today?

Twenty-three States have enacted mandatory deposit or returnable container laws for beer and carbonated soft drinks: Oregon, Vermont and South Dakota.

In Oregon, a refund value of 2 cents is carried by all “certified” containers, which can be reused by the container manufacturer. All other containers carry a refund value of 5 cents. Metal containers with tamper-evident caps are also required to pay the retailer a fee of 20 percent of the deposit (1 cent per 5-cent deposit container) to cover the costs of handling.
duling the returned containers. In January 1977 nonrefillable bottles will be banned in Vermont, as will metal containers with detachable tops and non-biodegradable container carriers.

South Dakota has passed a law which requires the disposal of a non-biodegradable container carrier. That state, subsequent to July 1, 1976 shall be either a reusable container or a container carrier which is biodegradable.

Several communities including Bowie, Maryland; Loudoun County, Virginia and Ann Arbor, Michigan have passed similar laws which have not been implemented due to legal challenges.

Does mandatory deposit legislation eliminate the use of the metal can as a beverage container?

Mandatory deposit legislation does not prohibit the use of metal cans. However, in Oregon, after passage of the law, the use of refillable bottles increased and the use of cans decreased. For soft drinks, refillable bottles increased from 53 percent of the market prior to the law to 88 percent of the market in the year following the law. Soft drink cans decreased from 40 percent of the market to 12 percent. Refillable beer bottles increased from 5 percent of the market before the law to 96 percent afterwards. Beer cans declined from 40 percent to 2.5 percent. The market mix of containers varies significantly for different geographic regions.

Mandatory deposit legislation would probably result in a shift towards the increased use of refillable bottles. Nonrefillable glass bottles may well disappear from the market (however for larger sizes nonrefillable bottles may remain). Cans would probably decline in market share but would remain in some quantities in areas where they are currently predominant.

How much solid waste can be prevented by recycling?

On a national basis, beer and soft drink containers accounted for 8 million tons of solid waste in 1973. This represents 6 percent of total municipal (household and non-industrial) waste. Beverage containers are a rapidly growing segment of municipal waste, with an estimated growth rate of 10 percent per year from 1962 to 1972. If 80 percent of the containers bearing a deposit were returned to the beverage company for recycling, there would be a reduction in beverage container waste of 70 to 76 percent, or 3 to 6 million tons per annum.

What about littered beverage containers?

Most studies show that beer and soft drink containers account for 80 to 90 percent of roadside litter by item count.13 17 However, many other littered items are smaller and more ephemeral, beverage containers and degrade more rapidly in the natural environment. On a volume basis, which is a better measurement of the severity of the problem, beverage container litter has been found to represent 62 percent of highway litter. For the year following the deposit/liter legislation and beverage container litter decreased by 66 percent in Oregon and by 67 percent in Vermont.12

Footnotes at end of article.

8. How much energy could be saved by use of returnable containers?

Beverage containers that are refilled or recycled could save significant amounts. A glass returnable beverage container used 10 times consumes less than one-third of the energy of non-returnable container used 10 times. The required quantity of beverage.24 Aluminum and all-steel cans that are recycled save 78 and 39 percent, respectively, of the energy required to manufacture a can from virgin raw materials.25

The energy that would be saved through mandatory legislation depends upon the resulting container mix and the return and recycling rates for the containers. For example, if national mandatory deposit legislation had been in effect in 1973, and if the bottle and can container mix had not changed, and if 80 percent of all cans had been recycled, approximately 151 trillion British Thermal Units (BTU) of energy would have been saved. If on the other hand in 1973 refillable bottles had represented 80 percent of the market share and (bottle and can had been returned and recycled at the above rates) approximately 290 trillion BTU's of energy would have been saved.

9. How significant are these energy savings?

A saving of 209 trillion BTU's is equivalent to the energy content of 30 million barrels of oil. It is also equal to about one-half of the energy content of the current mix of beverage containers. While this amounts to a saving of just 0.3 percent of total national energy consumption, it is important to note that it is of similar magnitude to the saving achievable through other energy conservation measures being considered. For example, it is equivalent to one-half of the energy saving that can be achieved from a fuel oil pipeline of a 55-mile per hour speed limit nationwide.31

10. How much could be saved through the use of returnable containers?

If in 1973 90 percent of all bottles had been refilled, and 80 percent of all cans had been recycled, between 5 and 6 million tons of raw materials would have been saved that year. This would represent a savings of 3.8 to 4.6 million tons of glass, 1.1 to 1.3 million tons of steel and 300,000 to 350,000 tons of aluminum.32

11. How would a returnable system affect beer and soft drink prices?

Beer and soft drinks sold in refillable containers cost less to the consumer than beverages in one-way bottles and cans. Savings in the range of $0.03 to $0.05 per 12 ounces could have been frequently observed.33 34 35 36 However, industry has been argued that the costs of handling and transporting returned containers are not fully reflected in retail prices and have been estimated to range from less than $0.01 to $0.02 per container.37 Therefore, even if these costs are assumed not to have been reflected and are added, beverages in refillable containers cost less to the consumer. To the extent that returnable legislation induces a shift to refillable bottles, average prices for beer and soft drinks should decline.

However, it should be pointed out that a rapid widescale shift to an all refillable beverage bottle system would require considerable investment and change.38 Many of these soft drink industries and would result in additional costs that could be passed on to the final consumer. Some of these additional costs could also be passed on to beverage distributors and retailers to offset increased costs in these areas. In fact, it was said that refillables takes place gradually over a period of years, the costs of rapid changeover would be avoided.

12. How many times do containers have to be returned before energy and cost savings are achieved?

For an energy saving to be achieved from use of a refillable bottle, it must make at least four trips or have a return rate of 75 percent.39 Refillable bottles generally become cheaper than one-way containers at return rates of 80 percent (5 trips), although this varies by bottle size.40

In Oregon one year after passage of the deposit law, refillable soft drink containers were returned to bottlers at a 96 percent rate, refillable beer containers at an 80 to 95 percent rate.41 Approximately 63 to 70 percent of all cans were being returned and this rate was increasing.42 43 Detailed data are not available from Vermont, although several bottlers indicated return rates of 90 to 95 percent.44

The subject of average national return rates for refillable bottles is a matter of considerable debate. An estimate calculated by dividing container fillings by container purchases results in a average return rate during the period 1963 to 1972 of 94 percent for soft drinks and 96 percent for beer. These figures may not represent actual return rates since bottle inventories may have been changing. Furthermore, these figures include both "on-premise" beverage consumption (in taverns and restaurants) where return rates would be expected to be higher than for "off-premise" consumption (e.g., beverages purchased from retail stores). However, another estimate indicates soft drink container tripage of 10 to 15 (return rate of 90 to 94 percent) and a beer container tripage of 7 to 8 (return rate of 90 to 95 percent).45

In any case, for a mandatory deposit system it appears reasonable to expect a return rate for refillables of 90 percent or more and that the costs of handling returned containers that would be much greater than that necessary for energy and cost savings.

13. How would a mandatory deposit law impact on the beverage production, container manufacturing and distribution industries?

The impacts of mandatory deposit legislation upon industry would depend upon the extent to which the change in the market mix of containers and the time period over which this change takes place. Most estimates of economic impact have been based on the extreme assumption of a complete and sudden switch to refillable bottles. Under these circumstances, facilities for the production, storage and distribution of one-way containers, not convertible to refillable systems, would become obsolete and would have to be replaced. A metal can container production would decline. Bottlers and brewers would initially have to invest in additional equipment and refillable container lines. Additional transportation costs would be incurred for the distribution of returnable vs. one-way containers. Some retailers would need additional storage space and would have to add employees to handle returned containers.

Based on 1969 data in an industry-sponsored study of the impacts of a ban on non-refillable products, total sales would decline 81.3 billion, and total new investments $1.2 billion.46 More recently the brewing industry estimated that a ban on non-refillable products would result in lost sales of $21 billion for a sudden switch to refillables and a ban on one-way containers.47

Footnotes at end of article.
postiom in which nonrefillable container
were not completely eliminated. Capital
losses would be reduced if time were allowed
for normal utilization of current inventories
over a period of years. A 1975 study for the
State of New York, assuming a 3 year
phase-in to a mandatory deposit law, recom
mended that new investment
requirements in that period would be $33
million per year, compared to a normal in
vestment requirement of $80 million per year
with no legislation.25
It should also be noted that normal industry
compliance in changing from rela
tive container prices or introduction of new
container types (such as the plastic bottle)
could have similar impacts on the container
industries.

14. What would be the effect of National
mandatory deposit legislation on employ-
ment?
The impact of mandatory deposit legisla-
tion upon employment would also depend on
the rate of change of container usage. A
rapid shift toward the use of refillable bot-
tles would eliminate some jobs, primarily
skilled positions in the container manufac-
turing industries. It has been estimated that
a mandatory deposit law that was introduted
in 1989 would have resulted in the loss of
60,000 jobs that year.26 However it was also
estimated that establishment of a returnable
system would also create a roughly
equal number of new jobs, primarily jobs of
lower skill, which would be paid, in fact
and distribution sectors of the econ-
y.27 It is important to note that the em-
ployment impact of nonrefillable container
laws would not be transferable to these new jobs. Employment
dislocations would be reduced if nonrefill-
able laws allowed existing nonrefillable
containers to be sold or if the change in container usage
took place over a period of time. A transition period
period in which new container systems are intro-
duced and current systems are phased out
would allow for some temporary
employment to absorb some of the job losses.
Also it would provide time for employment
to shift to other plants or industries manu-
facturing other containers or similar prod-
ucts. For example, it has been estimated that
a gradual transition over a 5 year period to a
90 percent reduction in nonrefillable con
tainers would result in the loss of 38,000 posi-
tions.28 A 10 year transition to a similar
market would result in the loss of about 17,
000 positions.29

Studies conducted for the States of Mary-
land, Minnesota, New York, Connecticut,
Illinois, Michigan and Maine all found that
the job gains in the retail and distribution
sectors were approximately 175 to 200
new jobs and a loss of 420 to 472 exist-
ing jobs but not estimate job increases
in retail stores.30 Another study estimated a
net job gain of 365 jobs (including retail).31

15. Is mandatory deposit legislation at:
cross-purposes with plans built for the
recovery of energy and materials from waste?
A resource recovery process plants mixed
hnus to recover energy or materials and other products which can be
sold. Changing the composition of municipal waste through a mandatory deposit legislation would not significantly affect the economic
benefits of most resource recovery plants. Approximately
80 percent of the total waste stream is organic materials—paper, plastic, rubber, etc. A deposit fraction should be the primary concern of a resource recovery plant. It represents the bulk of the waste, and provides potential revenue ($10 to $15 per ton of waste proc-
ed) needed to make resource recovery economically feasible.32

As a maximum result of mandatory deposit
legislation, glass in the waste stream could be reduced by about 25 to 45 percent, ferrous
metal wastes could be reduced by 15 percent, and, where use of aluminum cans is sub-
stantial, aluminum wastes could decline by
30 to 40 percent. Under normal economic conditions, gross revenues from the beverage container fraction of the waste stream amount to about $1 per ton of waste processed. These costs of recovering and transporting these fractions are considered, the net revenue contribution is considerably
less. Hence, implementation of a mandatory frac-
tion through a mandatory deposit system would probably not cause a net revenue re-
duction.

It should be emphasized that recovery technologies and mineral fractions are found in the most part not yet fully demonstrated and markets for recovered glass and metal remain to be developed. In light of the uncertainties of separating
and marketing aluminum and glass from solid wastes, the net revenue contribution does not entail undue risk for the installa-
tion of resource recovery facilities.

Further, whether a system tax should not be
decided solely on the basis of glass,
aluminum and steel recovery economies.
Other major fractions of the waste, the general uncertainty regarding future markets
(explicitly for the organic fraction) and the institutional impediments to organizing and implementing a venture of this sort. A signif-
cant number of future recovery investment
decisions might therefore be adversely impacted by mandatory deposit legislation.

16. Are there other mechanisms, such as
litter taxes on cans, that will achieve benefits similar to a
mandatory deposit law?
Litter taxes are generally small taxes
(fraction of a cent per pound) imposed at
the time of sale of products likely to be
littered. Such taxes could provide additional revenues to control traffic
highways, and recreational areas. The major shortcoming of a litter tax is that it does not
create a disincentive for the consumer who
purchasing the product litterers the item or not). Furthermore, such a mechanism would
not reduce the generation of solid waste, nor
would it result in savings of energy or mate-
rates. Thus while a system tax is not incom-
patible with mandatory deposit legislation, it is not a substitute for such legislation.

17. Is there a better problem in storing used
containers?
While there is a possibility of insect prob-
lems with bottles and cans containing beverage residues, it
should be noted that returnable containers have been shown to be free of significant adverse public health impacts. If
public health laws and sanitation codes are strictly enforced, and consumers are picked
up on a frequent and timely basis, such prob-
lems should be minimized.

18. Isn't there a loss of convenience to the
consumer?
A deposit law does not require return of the containers to the consumer who discards the container pay the amount of the deposit. A study for the State of Ore
gon found that less than 5 percent of those surveyed found no inconvenience with returns.33 Furthermore this survey found that 91 per-
cent of the respondents approved of the legis-
lation and only 5 percent voiced any dis-
approval at all.34

19. What is the position of the U.S. En-
vironmental Protection Agency on mana-
datory deposit legislation at the Federal, State and local levels?
The U.S. Environmental Protection Agency
has testified in favor of the adoption on a
national scale of a mandatory deposit sys-
tem for beer and soft drink containers.35
Based upon several years of analysis and ob-
servations in the States which have enacted mandatory deposit laws, it is concluded that
a mandatory deposit program would result in significant conservation of energy and mate-
rials, and a reduction in solid waste and litter caused by beverage containers. As a result, some
reduction in the adverse economic repercussions, it
would be recommended that a nationwide system be placed in effect over an extended period.

While ideally such legislation should be
national, State-level legislation, based upon
the experience in Oregon and Vermont, also appears to be effective in regions, coun-
ties or metropolitan areas. Not enough ex-
perience has been acquired to indicate whether local ordinances for smaller com-
unities would be effective.

EPA neither supports nor opposes State or
local deposit legislation. EPA favors national
legislation in this area and has decided not
to promote the adoption of State or local
laws, which may be superseded by a na-
tional law at a later time. Furthermore the
Agency does not have the resources to ana-
lyse the economic impacts of different State
laws. However, EPA does not oppose State or
local deposit legislation that is designed to reduce litter and employment and economic impacts and contains provisions anticipat-
ing possible national laws.

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LITTER AND SOLID WASTE

A beverage container is any container that contains any beer, wine, liquor, sparkling water, soft drink or any other beverage and is used for the consumption of such beverage, or is used to store a beverage for a short period of time.

The Oregon bottle bill was passed in 1972, and it required consumers to deposit a small fee on each glass or aluminum beverage container. The deposit could be refunded when the container was returned to a specified location.

The impact of Oregon's bottle bill has been widely studied, and the results have been mixed. Some studies have shown a reduction in litter and solid waste, while others have not.

In Oregon, the bottle bill has been credited with reducing the amount of glass and aluminum containers in the waste stream. A study conducted by the University of Oregon in 1974 found that the bottle bill had reduced the amount of glass containers in the waste stream by 50 percent, and the amount of aluminum containers by 40 percent.

However, a study conducted by the U.S. Environmental Protection Agency in 1975 found that the bottle bill had not significantly reduced the amount of plastic containers in the waste stream. The study also found that the bottle bill had not significantly reduced the amount of food waste, which accounted for the majority of the waste stream.

In addition, some studies have found that the bottle bill has not significantly reduced the amount of litter. A study conducted by the Oregon State University in 1974 found that the bottle bill had not significantly reduced the amount of litter in the state.

Despite these mixed results, the Oregon bottle bill has been praised for its role in reducing the amount of glass and aluminum containers in the waste stream. The bill has also been noted for its role in raising public awareness of the issue of solid waste disposal.

In conclusion, the Oregon bottle bill has had some success in reducing the amount of glass and aluminum containers in the waste stream. However, its impact on reducing the amount of litter and solid waste has been more limited. Further research is needed to determine the true impact of the bottle bill on solid waste disposal in Oregon.
Washington Gov. Dan Evans says his state has reduced the rate at which litter is dropped along the highway by 60 percent since 1971, based on estimates of littering before the litter act took effect. Former Oregon Gov. Tom McCall, meanwhile, has been claiming in the East that Oregon’s litter was reduced by 47 percent after the litter act went into effect.

The Journal study was not able to determine to what extent the differing anti-litter programs have affected the rates at which litter is dropped along roadways in the two states.

Officials at Washington’s Department of Highways and Department of Ecology, which both conduct litter pickup programs, say they do not keep accurate records on exact highway locations cleaned. In one case—Oregon’s Highway 224 and Washington’s Highway 6—was litter collected on nearly the same date.

On the Oregon route, 97 beer and soft drink containers were found and on the Washington route a total of 144.

Illustrated by the survey is the fact that Oregon emphasized roadside cleanup more than Washington, in spite of the fact that more tax dollars are spent on litter programs in Washington.

The Oregon Highway Division spent $633,000 on litter removal during fiscal year 1975-76, while its Washington counterpart spent only $302,000 on the same program.

In addition, Washington spent $724,438 for funding education, advertising and litter control programs during the fiscal year, according to Mike Aarhaus, assistant program director for the act.

That money comes from a small tax assessed on litter producing industries, he said.

Linda Bradford, a DOE official, said much of the litter collection funded by the act this summer was performed in state parks and other non-highway areas.

Although the bottle bill has strong public support in Oregon, it has fared poorly thus far elsewhere, with only Vermont passing a similar law.

Industry proponents reportedly will spend $800,000 in Maine, at least $750,000 in Michigan and as much as $1.3 million in Massachusetts to defeat the ballot measures.

Proponents have raised only a fraction of that to boost the refund laws, sources in those states say.

The measure is on the ballot as an initiative in Michigan and a referendum in the other states.

In all but Colorado it would ban pull-top cans, and would institute a minimum 5-cent per container refund in all four states. (Oregon recently passed a refund on certified containers able to be used by more than one manufacturer.)

The Journal survey, volunteers went to pre-designated survey miles and picked up only the “observable” litter seen while walking along the highway shoulder.

The sites were chosen based on their average daily traffic load, similarity in the type of road (2-lane versus 4-lane, for example) and the nature of the travel it generated.

All carbonated soft drink and malt beverage containers were collected—along with wine and whiskey bottles—and were returned for tabulation.

In the case of broken glass containers, only the neck portions were retrieved to avoid counting a single container more than once. Bottle caps, pull-tab tops and other beverage-related litter were not collected.

In Oregon, 166 beer cans, 44 soft drink cans, 169 beer bottles, 17 wine and soft drink bottles, 20 wine bottles and 9 whiskey bottles were recovered.

In Washington, 1,273 beer cans, 695 soft drink cans, 806 beer bottles, 161 soft drink bottles, 44 wine bottles and 22 whiskey bottles were recovered.

Compilations of the survey data are available by writing the Journal, 1920 SW Broadway, Portland, 97201.

OREGON, WASHINGTON ROADSIDES COMPARED

| Average daily cars | Cont-
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>tainers lost pickup</td>
</tr>
<tr>
<td>Oregon Highways</td>
<td></td>
</tr>
<tr>
<td>Oregon 26, 9 miles west of Boston</td>
<td>1,200</td>
</tr>
<tr>
<td>Oregon 47, 5 miles south of Vermont</td>
<td>515</td>
</tr>
<tr>
<td>Oregon 99W, 2 miles south of Duned</td>
<td>500</td>
</tr>
<tr>
<td>Oregon 96, 9 miles south of Springfield</td>
<td>2,000</td>
</tr>
<tr>
<td>Oregon 26, 4 miles east of Eugene</td>
<td>3,000</td>
</tr>
<tr>
<td>Oregon 96, 4 miles south of Woodburn</td>
<td>6,500</td>
</tr>
<tr>
<td>Oregon 219, 10 miles north of Newberg</td>
<td>1,200</td>
</tr>
<tr>
<td>Oregon 224, 8 miles west of Eagle Creek</td>
<td>3,400</td>
</tr>
<tr>
<td>Oregon 222, 4 miles south of Dayton</td>
<td>1,050</td>
</tr>
<tr>
<td>Oregon 5, 4 miles west of Giles Creek</td>
<td>2,500</td>
</tr>
</tbody>
</table>

Total (for 10 miles) 35,515 385

Averages (per mile) 3,551 38.5

WASHINGTON HIGHWAYS

Washington 14, 4 miles west of Albion | 2,725 | 343 | 1,156 |
Washington 140, 8 miles north of Washougal | 900 | 339 | 217 |
Washington 502, 4 miles west of Battle Ground | 5,000 | 306 | 217 |
Washington 503, 4 miles east of Washougal | 2,300 | 591 | 217 |
U.S. 101, 3 miles north of Raymond | 3,900 | 423 | (2) |
U.S. 101, 2 miles south of Raymond | 6,300 | 232 | (2) |
Washington 600, 4 miles north of Woodburn | 1,300 | 149 | 139 |
Washington 153, 10 miles west of Chehalis | 3,000 | 144 | 73-80 |
Washington 41, 12 miles north of Longview | 900 | 253 | 217 |
Washington 508, 3 miles west of Castle Rock | 1,300 | 155 | 227 |

Total (for 10 miles) 28,345 2,935

Averages (per mile) 2,835 293.5

1 Estimate only. 2 Undetermined.

Note: The Washington Highway Department said crews worked portions of these highways at the approximate time indicated, that is, 10 a.m. until 1 p.m. of the exact workshift actually cleaned up by foot patrols.

ENERGY

Mr. HATFIELD. Mr. President, another problem created by the continued use of nonreturnables, and one that has taken added significance over the past few years, is the waste of energy resources due to our willingness to discard perfectly good glass and metal containers after one use. By switching to returnables, we could reduce the container industry’s energy consumption by 42 percent and save between 80,000 and 125,000 barrels of oil per day.

According to the testimony of the U.S. Environmental Protection Agency during hearings on my returnable beverage container bill as the Senate Commerce Committee in May 1974, the manufacture of one-way bottles and cans wastes the equivalent energy needs for 1 year of all the residents of New York and Chicago. While reducing this wasteful energy consumption would by no means solve our energy problems, this amendment offers us the opportunity to make significant progress on this critical national problem.

In a study released by the Federal Energy Administration (now DOE) it is predicted that cans will continue to have a significant share of the market in beverage containers and there will be significant reductions in material use and energy consumption. Based on a return rate of 10 trips for refillable bottles—and it is conceivable that the rate could be higher than the case in Oregon—the study predicts energy savings of about 81,000 barrels, which is about 44 percent of the total energy that will be consumed by the entire beverage container industry.

The study also contains additional figures that indicate an increase of 158,000 jobs primarily in distribution and retailing, along with a decrease of about 38,000 jobs in the container and metals industry, leaving a net increase of 118,000 jobs. These labor statistics collaborate with the experience we have had in Oregon with our own deposit law, and present favorable prospects for success for a national law. Returns can and do work. The FEA study bears this out.

I ask unanimous consent that the FEA executive summary be printed at this point in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

ENERGY AND ECONOMIC IMPACTS OF MANDATORY DEPOSITS: EXECUTIVE SUMMARY

September 1976

ACKNOWLEDGEMENTS

This project was conducted by the Research Triangle Institute, Research Triangle Park, North Carolina under Contract No. CO-0450175-00 with the Federal Energy Administration. The statements, findings, conclusions or recommendations expressed herein are those of the authors, and do not necessarily reflect the view of the Federal Energy Administration.

Tayler H. Bisingham, RTI, was the project manager for this study. Working with him were Bun Song Lee, Paul F. Mulligan and Philip C. Cooley. Franklin Associates, Ltd., was a subcontractor. At Franklin Associates were William E. Franklin, Robert G. Hunt and Marjorie A. Franklin were primarily responsible for the materials presented in appendices D, G, H, I, and parts on appendix M.

Morris J. Zisman, Federal Energy Administration, was project officer. Michael Loubie, also of the Federal Energy Administration, assisted in the preparation of this study. Their interest, guidance and critical reviews are very much appreciated.

Many individuals in the government agencies, industry, labor organizations, environmental groups, and in research provided important data, insights and reviews of both the methodology (at an early meeting at RTI) and/or critical reviews of the draft version of this study. Their efforts are very much appreciated. Likewise we owe a debt to other published studies of this issue which also were important sources of data.

EXECUTIVE SUMMARY

1. Overview

The subject addressed by this study is the impact of proposed mandatory national beverage container deposit legislation—commonly referred to as “bottle bill” legislation. The study examines specific impacts that the imposition of a 5-cent refundable deposit on beer and soft drinks (returnable bottles, nonrefundable bottles and cans) would have on the total beverage related industry.

This study is not intended as a cost-benefit analysis of mandatory deposit legislation, but rather examines three major areas of potential impact. These impact areas are...
The wide range of impacts at the extremes of the possible market response points out one reason why this legislation has been so controversial. Figure 1 shows that under different scenarios the energy impact could be either positive or negative. The extreme case is if all consumers switched to refillable bottles (a zero can share) and discarded the cans. The average can energy consumption would increase by 332 x 10^6 Btu annually or 155,000 barrels of oil required daily. (This is realized by entering figure 1a (the beer panel), at the zero can share point and the zero return rate point, adding 100 Btu x 10^6 for the can and adding it to the 220 Btu x 10^6 that is read in a similar manner from the soft drink curve). At the other extreme, if all consumers switched to refillable bottles and always returned them, energy consumption would be reduced by 292 x 10^6 Btu annually or 141,000 barrels of oil equivalent per day.

Neither extreme is realistic. If all refillable bottles are discarded, producers would find it cheaper to package in one-way containers because refillable bottles are returned several times, they are more expensive to use. The other extreme is also unrealistic since some bottles are broken or chipped and some consumers will not return bottles under any circumstances.

The format for figures 2 through 5 is similar to that for figure 1. In figure 2 the net change in total annual trippage for the complete life cycle for each post-deposit law market share is projected from one extreme to another. The parameters from which many possible market share combinations can be computed are the deposit, replacement rate, market share, and life cycle of the container. The combined effect of these variables results in a large range of possible market shares. In any one case, the market share may be a result only of the market share and deposit. The physical and behavioral responses of the consumer will be important in determining what the market share will be. Figures 4 and 5 present the range of possible market shares. While the total net impact of each scenario is shown in the previous figures, figures 4 and 5 present the range over which the impacts will vary.
a deposit law the ease of returning the bottles would be greatly increased thus suggesting a 40 percent, present value way container purchasers who switched to retable bottles might still be inclined to discard them rather than work for lower trippe rate. The assumptions chosen for the two illustrative scenarios, continuing today’s trippe rate of slightly more than $4 billion within a reasonable range of expected outcomes after a deposit law is in place.

2) Under most of the nation there are currently collection centers for the recycling of aluminum cans. Aluminum can containing three quarters of a cent per can, today receive approximately 25 percent of all aluminum beverage cans sold. The aluminum industry projects this rate to be increasing rapidly in the future years. In the state of Oregon, which has a deposit law, about 70 percent of all cans are returned.

Under a national law the can return rate will depend on a number of key factors. Since the relatively low-value beverage from the aluminum can generally value the convenience of immediately discarding the container, low return rates would be realized. However, under a national law, a convenience stand point, cans should be easier to return than bottles, particularly beverages consumed in relatively small space. In addition, since cans may be returned even in a damaged condition, it will be cheaper for beverage producers to replace non-refillable cans from waste or litter. Thus, while it is possible that a greater proportion of cans than bottles could be returned at similar rates a national deposit law will be possible. Finally, the assumptions used in the illustrative scenarios—90 or 95 percent returns—seem to fall within the range of experience for national return laws.

3) Can Market Share—By 1982 the can market share is projected to be 80 percent. With the imposition of a deposit law, and the enhanced value, the deposit share would be reduced. If the behavior continued. However, from a convenience standpoint, cans should be easier to return than bottles, since cans are lighter and require less space. In addition, since cans may be returned even in a damaged condition, it will be cheaper for beverage producers to replace non-refillable cans from waste or litter. Thus, while it is possible that a greater proportion of cans than bottles could be returned at similar rates a national deposit law will be possible. Finally, the assumptions used in the illustrative scenarios—90 or 95 percent returns—seem to fall within the range of experience for national return laws.

4) Behavior response assumed: The 1982 quantity of cans sales will fall to about 30 percent in 1982. This same process can be applied to refillable cans, without the assumptions used in the illustrative scenarios—90 or 95 percent returns—seem to fall within the range of experience for national return laws. A return rate of about 95 percent of the energy that would have been used by the beverage industry.

Labor: Employment increases by about 168,000 Btu annually or 81,000 barrels of oil equivalent daily, compared with 1982 projections of energy use without deposit legislation. This savings is equal to 44 percent of the energy that would have been used by the beverage industry.

Labor: Employment increases by about 824 million. This is an increase of 11 percent over capital needs without deposit legislation.

Capital: Requirements would be increased by slightly more than $2 billion.

Labor: Employment increases by a net 117,000 jobs (1982) (increases of 166,000 jobs and decreases of 49,000). Total labor income increases by $986 million.

The impacts described have their basis in the assumptions and behavior responses assumed. The following short discussion represents the reasons and logical responses that yield these results. This same process should be followed to examine and evaluate the impacts obtained from any scenario taken from the parametric curves.

Energy—In the case of the illustrative scenarios, energy savings are due to the increased use of refillable bottle and the recycling of cans. Reuse of bottles avoids the raw material extraction and processing stages of production, as well as the materials and container-fabrication stages. Energy savings are also obtained from recycling metal since one recycling process lowers the energy extraction and processing stages and lowers energy needs in the refined materials processing stages. This is of particular significance in the case of aluminum cans.

Capital—In the case of the illustrative scenarios, increased capital needs are due to additional space and handling required to return containers as well as the fact that refillable bottle lines are more expensive per unit of output.

Labor—In the case of the illustrative scenarios, additional labor is required to the retail and the beverage producer and distributor level, both to handle and transport returned cans.

6.5 Sensitivity of Results

Although the parametric curves can be used to examine the sensitivity of the impact of a deposit law across the entire range of market response, it is convenient to use the two illustrative scenarios to examine the sensitivity of the impacts to large perturbations in the market response.

With the exception of capital, all of the impacts are inelastic with respect to market responses in the range of the illustrative scenarios. For a 50 percent change in the size of the market and a 50 percent change in the trippe rate (market response.
changes going from illustrative scenario 1 to illustrative scenario 2), the energy impact changes only 14 percent, the jobs lost change only 6 percent, the jobs lost change 29 percent, the net, jobs gained change 1 percent, and the labor change 8 percent. The major shift is in capital requirements which change 143 percent. There is, however, a choice for the nation that any particular scenario will in fact occur, which is why the parametric curves have been developed, allowing for the identification and examination of other scenarios. It is apparent that within this broad range of costal factors the differences impact of a deposit law on energy and labor is relatively constant.

7.0 Qualifications
In evaluating the conclusions of this research, the reader should keep in mind that the beverage production and distribution system is very complex and that packaging has a critical effect on the system. Any attempt to describe the system in terms of only three markets: each for beer and soft drinks (the refillable bottle, nonrefillable bottle, and metal can markets), as is done in this review, is to ignore many factors that will influence the final set of impacts obtained if mandatory deposit legislation is enacted. Furthermore, the set of impacts analyzed in this study, while it includes some of the more important issues, does not provide a complete set of impacts required for a comprehensive cost-benefit evaluation of mandatory deposit legislation. The material presented can provide an important input to an informed decision-making process.

IMPACT ON THE CONSUMER
Mr. HATFIELD. Mr. President, now let me turn to the cost of the throwaway beverage on the individual shopper. The use of returnables adds to the expense of the beverage being purchased. The average price of a beverage in a returnable container is about 2 cents less than one purchased in a one-way bottle and about 5 cents less than an in a can. When you buy a no-deposit, no-return bottle or can and discard it after use, you are paying for the total cost of packaging that beverage. When you purchase your beer or soft drink in a returnable container, however, you are actually borrowing the package, and giving its cost with 15 or as many as 20 other consumers, as is the case in Oregon.

Let us be accused of trying to regulate the marketplace by mandating the use of returnables, let me point out to my colleagues that the industry, through advertising and production policy, has convinced the consumer of the "convenience" of nonreturnables. For this reason, you are hard pressed to find beer and soft drinks sold in reusable containers in most areas of the country. In most stores today you have no choice but to purchase your favorite beverage in a nonreturnable container.

According to Mr. Joseph Griesedieck, the vice chairman of Falstaff Brewing Corp., returnable bottles are the most economical for the consumers and the brewer.

Mr. J. Lucien Smith, the president of Coca-Cola, made the following statement before the Senate Judiciary Committee: Changes in non-returnable packaging is priced, on the average, 30 to 40 percent higher than Coca-Cola in returnable bottles. The difference lies essentially in the different costs of packaging. The cost of returnables is spread over many uses; the cost of the non-returnable package is absorbed in one use.

Mr. President, I ask unanimous consent that the "Price Comparison Survey of Beer and Soft Drinks in Refillable and Nonrefundable Containers," prepared jointly by the EPA and the League of Women Voters, be printed in the Record at this point.

Mr. President, I also ask unanimous consent that a nonrefundable container be inserted in this survey that sold beer, only four carried soft drinks in 32-ounce refillable bottles, which were an average 16.8 cents per container less expensive than soft drinks in the same size nonreturnables.

The League members also reported that soft drinks were generally available in refillable containers, but the brand and size selection was considerably less than the selection that was available in nonreturnables. Because, however, was a very limited number of refillable bottles in only a limited number of instances.

Of the surveys taken in the Washington, D.C., area, the survey on acquiring a refundable deposit on beer and soft drink containers. The deposit would serve as an incentive to the consumer to return the empty container, so that it could be reused or recycled. In general, a returnable beverage container system is the one that the League members for soft drinks in 7-ounce to 16-ounce refills. Consumers would be able to economize on their premium beer purchases by buying in refillable bottles. The average potential savings was said to be 50 cents per case with premium beer.

Savings averaging five cents per container, or 10 cents per six-pack, were reported by the League members for soft drinks in 7-ounce to 16-ounce refillable. Consumers of beer would be able to economize on their premium beer by buying in reusable soft drinks in 32-ounce refillable bottles, which were an average 16.8 cents per container less expensive than soft drinks in the same size nonreturnables.

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1. comparison in this size, and therefore it is not possible to offer an explanation for this occurrence. It is noteworthy that this is the only instance in the three surveys where a beverage in a refillable container was not less expensive than the same beverage in a similar sized nonrefillable container.

The largest potential savings for consumers of soft drinks is in the 32-ounce size container. Table V-D. In this size beverage container, savings ranging from 14 to 18 cents per container were reported, or in percentage terms from 40.5 percent to 66.7 percent. The average price differential for the 12 price comparisons was 18.8 cents per container.

For beer, price savings from 30 to 65 cents per case of 24 containers were reported by the League members. This translates into savings in percentage terms from 4.6 percent to 12.0 percent. The average price reduction with refillable was 45 cents per case, see Table V-D.

**TABLE V-D**

<table>
<thead>
<tr>
<th>Size of refillable container (cents)</th>
<th>Range</th>
<th>Low</th>
<th>High</th>
<th>Average savings per refillable container (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>High</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

**TABLE V-C**

<table>
<thead>
<tr>
<th>Size of refillable container (cents)</th>
<th>Range</th>
<th>Low</th>
<th>High</th>
<th>Average savings per refillable container (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>14.0</td>
<td>14.0</td>
<td>14.0</td>
<td>14.0</td>
</tr>
<tr>
<td>High</td>
<td>18.0</td>
<td>18.0</td>
<td>18.0</td>
<td>18.0</td>
</tr>
</tbody>
</table>

**APPENDIX III-LIST OF WOMEN VOTERS SURVEY**

**APPENDIX III-A: SAME BRANDS, CONTAINER, VOLUME, AND PACK SIZE**

<table>
<thead>
<tr>
<th>Location: Brand: Type of container</th>
<th>Size of container (ounces)</th>
<th>Containers per pack</th>
<th>Price per container</th>
<th>Savings per refillable container</th>
<th>Percentage savings per refillable container</th>
</tr>
</thead>
<tbody>
<tr>
<td>California—San Francisco:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mug Root beer:</td>
<td>7-0z</td>
<td>6</td>
<td>$1.45</td>
<td>$0.30</td>
<td>$1.15</td>
</tr>
<tr>
<td>Coke:</td>
<td></td>
<td>6</td>
<td>$1.49</td>
<td>$0.30</td>
<td>$1.19</td>
</tr>
<tr>
<td>7-oz container</td>
<td></td>
<td>6</td>
<td>$1.37</td>
<td>$0.30</td>
<td>$1.07</td>
</tr>
<tr>
<td>Diet Mountain Dew:</td>
<td></td>
<td>6</td>
<td>$1.77</td>
<td>$0.30</td>
<td>$1.40</td>
</tr>
<tr>
<td>Diet Mug Root Beer:</td>
<td></td>
<td>6</td>
<td>$1.77</td>
<td>$0.30</td>
<td>$1.40</td>
</tr>
<tr>
<td>Diet Mountain Dew:</td>
<td></td>
<td>6</td>
<td>$1.39</td>
<td>$0.30</td>
<td>$1.09</td>
</tr>
<tr>
<td>Diet Coke:</td>
<td></td>
<td>6</td>
<td>$1.77</td>
<td>$0.30</td>
<td>$1.40</td>
</tr>
<tr>
<td>Location: Brand: Type of container</td>
<td>Size of container (ounces)</td>
<td>Containers per pack</td>
<td>Price</td>
<td>Deposits</td>
<td>Net price</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------------------------</td>
<td>---------------------</td>
<td>-------</td>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Fresca:</td>
<td>RET</td>
<td>12</td>
<td>6</td>
<td>$2.25</td>
<td>$0.95</td>
</tr>
<tr>
<td>Dr. Pepper:</td>
<td>RET</td>
<td>12</td>
<td>6</td>
<td>1.45</td>
<td></td>
</tr>
<tr>
<td>Squirt:</td>
<td>RET</td>
<td>12</td>
<td>6</td>
<td>2.25</td>
<td>.95</td>
</tr>
<tr>
<td>Squirt:</td>
<td>NR</td>
<td>12</td>
<td>6</td>
<td>1.45</td>
<td></td>
</tr>
<tr>
<td>Virginia—Richmond: Coke:</td>
<td>RET</td>
<td>12</td>
<td>6</td>
<td>1.29</td>
<td>.30</td>
</tr>
<tr>
<td></td>
<td>NR</td>
<td>12</td>
<td>6</td>
<td>1.42</td>
<td></td>
</tr>
<tr>
<td>12-OZ CONTAINER, 1 CASE—SOFT DRINK AND BEER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pennsylvania—Allison Park:</td>
<td>Pepsi:</td>
<td>12</td>
<td>24</td>
<td>7.00</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td>NR</td>
<td>12</td>
<td>24</td>
<td>6.25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budweiser:</td>
<td>12</td>
<td>24</td>
<td>7.50</td>
<td>1.60</td>
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<tr>
<td></td>
<td>NR-Bottle:</td>
<td>12</td>
<td>24</td>
<td>6.80</td>
<td></td>
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<tr>
<td></td>
<td>NR-can:</td>
<td>12</td>
<td>24</td>
<td>6.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Iron City:</td>
<td>12</td>
<td>24</td>
<td>6.40</td>
<td>1.00</td>
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<tr>
<td></td>
<td>NR:</td>
<td>12</td>
<td>24</td>
<td>6.05</td>
<td></td>
</tr>
<tr>
<td>16-OZ CONTAINER, 6 PACK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Hampshire—Nashua: Coke:</td>
<td>RET</td>
<td>16</td>
<td>6</td>
<td>1.73</td>
<td>.60</td>
</tr>
<tr>
<td></td>
<td>NR</td>
<td>16</td>
<td>6</td>
<td>1.43</td>
<td></td>
</tr>
<tr>
<td>16-OZ CONTAINER, 8 PACK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan—Rochester: Pepsi:</td>
<td>RET</td>
<td>16</td>
<td>8</td>
<td>2.19</td>
<td>.40</td>
</tr>
<tr>
<td></td>
<td>NR</td>
<td>16</td>
<td>8</td>
<td>1.97</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diet Pepsi:</td>
<td>16</td>
<td>8</td>
<td>2.09</td>
<td>.40</td>
</tr>
<tr>
<td></td>
<td>NR:</td>
<td>16</td>
<td>8</td>
<td>1.77</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pepsi:</td>
<td>16</td>
<td>8</td>
<td>2.45</td>
<td>.80</td>
</tr>
<tr>
<td></td>
<td>NR:</td>
<td>16</td>
<td>8</td>
<td>2.45</td>
<td></td>
</tr>
<tr>
<td>28-OZ CONTAINER, SINGLE CONTAINER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>California—San Francisco:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada Dry:</td>
<td></td>
<td>29</td>
<td>1</td>
<td>.73</td>
<td>.20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29</td>
<td>1</td>
<td>.53</td>
<td></td>
</tr>
<tr>
<td>32-OZ CONTAINER, SINGLE CONTAINER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>1</td>
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<td>1</td>
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<tr>
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<td>7-Up:</td>
<td>32</td>
<td>1</td>
<td>.44</td>
<td>.10</td>
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<tr>
<td></td>
<td>NR:</td>
<td>32</td>
<td>1</td>
<td>.49</td>
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</tr>
<tr>
<td></td>
<td>Coke:</td>
<td>32</td>
<td>1</td>
<td>.44</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>NR:</td>
<td>32</td>
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<td>.49</td>
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<tr>
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<td>32</td>
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<td>.20</td>
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<tr>
<td></td>
<td>NR:</td>
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<td></td>
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<tr>
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<td></td>
<td>NR:</td>
<td>32</td>
<td>1</td>
<td>.47</td>
<td></td>
</tr>
</tbody>
</table>

1 Bottle, 2 Can.
Mr. HATFIELD. Mr. President, I ask unanimous consent that the report ordered to be printed in the RECORD, be printed without any further challenge to the Law's constitutionality.

The length of time between legislative adoption and the effective date of the bill gave opponents a chance to prepare before the bill became effective. There has been a wealth of information, misinformation, fact and conjecture which has been generated on this subject. Why so much interest in Oregon's Bottle Bill? The reason goes well beyond the boundaries of Oregon. It has been interpreted by both supporters and opponents as symbolic in the effort to reverse the move toward the "throw away society." It has been argued that the bill would not work and further that it has not worked. Others have agreed with former Governor McCullough when he called the bill a "rip roaring success."

This report has been written with several purposes in mind. It was intended to provide a detailed discussion regarding the implementation of Oregon's Bottle Bill for use by others who might consider similar legislation. Second, it was intended to document the value of container refund legislation in a world with finite resources that are being rapidly and, in the case of beverage packaging, unnecessarily depleted.

SUMMARY OF CONCLUSIONS

The major conclusions of this report have been summarized below:

1. Roadside litter was reduced overall 26% on a piece count basis and 42% on a volume basis after 2 years. Beer container litter was reduced by 83 percent during those same 2 years with no change in litter rates and expenditures.

2. We are saving 1.4 trillion BTU's annually in Oregon. This is enough energy to satisfy the home heating requirements of 50,000 Oregonians or to generate 130 million Kilowatt hours of electricity worth $2.8 million annually. Moreover, there was a net gain of 365 full-time jobs, hardy substantiating the gloomy forecasts of many prior to adoption of the Oregon law.

3. No increase in enforcement activities was observed which would affect littering rates.

4. No changes in litter pickup expenditures were observed.

5. For beer, returnable bottles captured 96% of the market after the Act was implemented compared to 38% before. Nonreturnable bottles, which had held 31% of the market previously, were eliminated and cans sales dropped from 33% to 4%.

6. For soft drinks, returnable bottles moved from 15% of the market before the October 1, 1972 date to 88% of the market two years after. Non-returnable bottles, which had held 7% of the market were reduced from 40% to 12% one year later and 9% of sales two years later.

7. A "Littering Index" which shows the relation of littering rate for deposit beverage containers shows that beer cans have 16 times the chance of being littered as does a soft drink returnable bottle.

8. Return rates continue to improve for the certified compact eleven ounce "stubby" bottle. 1974 data shows a 93% return rate which compares a 96% return rate for soft drink bottles. As a result, tripages for beer and soft drink refillables are 15 and 24 respectively.

9. Beer sales continue on historical growth trends following the first year adjustment which occurred due to the move from larger cans bottles to the eleven ounce "stubby".

10. Beer prices in Oregon were slightly higher than in Washington. In Washington there was an increase at the end of 1974. Prior to that time no significant differentials existed.

11. Soft drink sales have been strongly affected by the large price increases due to sugar price variations. Prices remain comparable between Oregon and Washington with large differentials between non-returnables and the cheaper returnable packages.

12. Employment has been increased as a result of the Act. An increase of 55 to 365 full-time jobs have been created.

13. The economic effect on industry has been small. Other factors not related to the bottle bill have been far more important. Direct consequences of the Act have been estimated to have caused an operating income change ranging between a negative 6.8% to a positive 3.1% based on total sales at retail.

14. Energy savings as a result of a move from 43% refillables to 94% are significant. 1.4 trillion BTU's are being saved annually, providing enough energy to provide enough energy to provide 75% of the energy needs for 50,000 Oregonians or to generate 130 million Kilowatt hours of electricity worth $2.8 million annually.

PROVISIONS OF THE LAW

The Act covers all beer and carbonated soft drink beverage containers sold at retail after October 1, 1971. It requires that a refund be paid to any person presenting empty soft drink or beer bottles or cans for refund. A minimum five cent refund is required except for certified standard reusable (refillable) containers where the minimum refund is two cents. The pull tab can is prohibited. Beer and soft drink refillables are prohibited under the law.

The provision to encourage a standard reusable container was included to attempt to replace the then existing "stubby" beer bottle. It was also hoped that it would promote the emergence of a similar bottle for soft drinks. The concept of a "stubby" had been in wide use by the regional breweries for some time. Since any brewery could use the "stubby" for the pull tab beer bottle and for each refill, sorting by the retailer and distributor was held to a minimum. Shortly after the Bottle Bill became effective, more than twenty different brand labels were being attached to the "stubby" by re-
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gional and shipping brewers. It could therefore be said that the tax, only on labels and the beer was different—the bottle was the same.

No move by soft drink bottlers has been made to establish a certified container. None is expected because the spread between a refund of two cents and new soft drink containers is still substantially greater. The margin is much larger than for the "stubby" which has a new cost of approximately five cents. Bottles return from their reusable bottle return service. In some cases ten cents on soft drink bottles of sixteen ounces or less. Similarly, quart-pop bottles were increased from ten cents to fourteen and twenty cents.

APPLIED DECISION SYSTEMS STUDY

The provisions of the Bottle Bill as enacted in 1971 require that a review of the consequences be made for presentation to the 1975 legislature. To fulfill this requirement, bills were drafted as amendments to bills in 1973. Applied Decision Systems, a Massachusetts firm was awarded the contract on November 13, 1973.

The draft copy of the ADS report was released on September 3, 1974. Hearings were set for October 6, 1974, to receive testimony regrading the ADS report. Conclusions regarding litter reductions were challenged as being too small and economic consequences were finally acted unanimously to accept the ADS report. The report was referred to the 1975 legislature, November 1, 1973. Applied Decision Systems, a Massachusetts firm was awarded the contract on November 13, 1973.

Unfortunately, the Bottle Bill is a concept that this is an official report. A California study was paid for in part by the National Science Foundation. Professors Charles M. Gudger and Jack C. Ransell's statement that "my personal opinion regarding the "stubby" bottle was different—the bottle was the same.

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BEER SALES—TOTAL OREGON ANNUAL BEER SALES BY VOLUME

FIGURE XI.—ANNUAL OREGON BEER SALES

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual sales (thousands of barrels)</th>
<th>Percent increase over previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>1,351</td>
<td>1.9</td>
</tr>
<tr>
<td>1969</td>
<td>1,362</td>
<td>0.8</td>
</tr>
<tr>
<td>1970</td>
<td>1,370</td>
<td>0.6</td>
</tr>
<tr>
<td>1971</td>
<td>1,376</td>
<td>0.5</td>
</tr>
<tr>
<td>1972</td>
<td>1,389</td>
<td>0.3</td>
</tr>
<tr>
<td>1973</td>
<td>1,397</td>
<td>0.6</td>
</tr>
<tr>
<td>1974</td>
<td>1,406</td>
<td>0.7</td>
</tr>
</tbody>
</table>

It can be seen that beer sales increased at a relatively uniform annual rate after 1968 through 1972. During the first full year immediately following the Bottle Bill’s date, the increase again rose to the historical rate of 5.67 percent. The ADS study used the period three months before the Bottle Bill’s date, the increase again rose nine months after its effective date to compare to previous growth rates. They concluded that the Act had caused a long-term change in the trend of beer sales.

While it is true that there was a slight reduction from historical increases during the TRANSITION year, it is very important to further analyze the reasons for this change.

One of the goals of the supporters of the Bottle Bill was to encourage a switch away from single-use containers back to reusables. This is indeed what happened. The reusable “stubby” 11 ounce bottle increased from 48 percent of total beer sales by container in 1971, to 89 percent in 1973 and 90 percent during the first nine months of 1974. By comparison, the cans were moving from 20 percent of the market during 1971, to 2 percent during 1973 and 3 percent during the first nine months of 1974. Similarly, the 16-ounce can has changed from 8 percent in 1971 to 1 percent in both 1972 and 1973. In addition, the 12-ounce bottle which captured 14 percent of the market in 1971, moved to 6 percent in 1973 and dropped further to 3 percent in 1974. Sales of reusable quarts remained at 2 percent to 5 percent throughout the period.

The net effect of these changes was to move to a single-use or bar container. Thus, through fillings increased by 13 percent between 1971 and 1973, container barreleage increased only 7.7 percent. Putting it another way, barreleage per 1000 fillings decreased by nearly 5 percent between 1971 and 1973. Since it is likely that a consumer sits down to have a “beer or two” rather than “12-ounces” or “16-ounces” of beer, it is not surprising that the sales trends of soft drinks both in Oregon and nationally. Inflation in virtually every aspect of the brewing industry has brought about these increases. It is difficult to evaluate the specific increases, if any, that should be attributed to the Bottle Bill. The decrease in the purchase of new containers contributed to a reduction in costs. On the other hand, increased handling costs for reusable containers was an offset to these savings. Nevertheless, prices for comparable packages of beer sold in Oregon compared to those in Washington, where the refund legislation, were essentially equal throughout both the TRANSITION and AFTER periods. This was true in spite of several increases in both States. Oregon Distributors and Retailers increased the percentage markups over their costs during this period. Between 1971 and August 1974, regional brewery price increases of 20.5 percent for the “stubby” 6-pak resulted in a 29.5 percent increase by the Distributors and a 31.4 percent increase posted by the Retailers.

In late December, 1974, regional brewery price increases of 25 percent of 6-pak became 4.9 percent at the distributor level and a 7.2% increase to Oregon consumers. Prices increased relatively 5% in Washington State. Therefore, prices for beer are approximately 2 to 3% higher per ounce in Oregon for regional brands on comparable sizes compared to Washington. Washington State has a sales tax of 5% while Oregon has none.

SOFT DRINK SALES

The ADS report detailed a shift from canning operations to franchised bottlers between 1973 and 1974. It concluded that there was probably no net change in packaged soft drink sales between the two years. It is extremely difficult to obtain precise information regarding Oregon soft drink sales. Nationally, soft drink sales stabilized in 1974 with no increase in sales reported.10 No specific information is published for Oregon. Since 1973, sugar price increases have required significantly increased prices of soft drinks, and this has adversely affected the sale trends of soft drinks both in Oregon and nationally. Consequently, it can be concluded that during 1974, whatever minor impacts the Bottle Bill had on soft drink sales have been completely overshadowed by price considerations.

SOFT DRINK PRICES

Soft drink prices have been subject to extreme inflationary increases of up to 50% in the Northwest during the past three years. Soft drinks, and therefore the cost of the product, are significantly affected by the market price of sugar. In Washington, the one-way container is priced between 20% and 25% more per ounce for the same brand in the same size package compared to reusable containers. In Oregon it is difficult to compare refills to single-use containers of the same size and brand. Comparing an 8-pak 16-ounce returnable package to a 6-pak 12-ounce can package of the same brand, however, can cost approximately 50% more per ounce. The same is true in Washington between these two packages.

EMPLOYMENT INCREASES

Two researchers have directed themselves to the employment impacts of the Bottle Bill. Drs. Gudger and Balles considered retail soft drink bottlers, brewers, distributors, can manufacturers, and bottling manufacturers. ADS was unable to obtain sufficient information from retailers and failed to include wholesalers. Figures for Washington for common carrier trucking man hours but did obtain information regarding all other groups.

FOOTNOTES

Footing at end of article.
January 15, 1979

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increase. The most critical differences stem from comparing return rates of stubby beer bottles to "Trippage" changes as a result of the Bill. ADS concluded that there was virtually no change or difference in the number of stubby bottles returned. The return rates rose from 80% to 83% when Gudger and Balles concluded that the return rates rose from 80% to 83%, similarly, for beer. ADS estimates that the increase in return rates rose from 82% to 86% while Gudger and Balles used a change of from 75% to 85% in their calculations.

The procedure emphasized the importance on the container purchase costs for the brewer and bottler. For example, Gudger and Balles estimated that $104,000 savings in container costs to the brewers and bottlers. The many smaller changes found by ADS resulted in single savings for these sectors. Consequently, the negative impacts on bottle and can manufacturer who lost business continued to increase in the industry for the brewery and bottler in the ADS analysis.

It is different to resolve this discrepancy. As was noted earlier under "Trippage", return rates on stubby beer bottles did increase to 83%. However, it does appear that soft drink returnable packages have remained essentially unchanged by the Act. The majority of sales in stubby beer at retail were $126,000,000. The increased profit found by Gudger and Balles is therefore 9.1%. This is a comparatively small loss shown by ADS is 6.5% to 6.8% of total sales. When the savings to the consumer as a result of more frequent purchases of the cheaper, better soft drink and returnable package is also considered, the impact on the consumer will be very small indeed. Other factors such as increased raw materials and container costs and general inflationary pressures have had far greater consequences than the shift back to returnables.

ENERGY SAVINGS

Returnable containers are somewhat bulkier than single use containers. As a result, more labor is needed to handle them. In addition, the extra sorting, handling and cleaning steps involved in the return to the bottler or brewery for reuse also require additional labor. By comparison, the single use container requires more energy in mining, transportation, molding, reduction, smelting and metal forming processes required. Thus, the single use system is energy intensive.

Returnable containers have grown from approximately 10,000 in 1974 to nearly 1,500,000 in 1975, while soft drink and beer market to approximately 94% during the second year after the Act went into effect. Based on the current EPA report "Resource and Environmental Profile Analysis of Nine Beverage Container Alternatives" using Oregon container mix changes, return rates and recycling experience, energy savings have been computed (See Appendix N). This analysis shows that approximately 1,400 billion BTU's are being saved each year as a result of the Bottle Bill.

This is equivalent to the average Oregon home needing 12,000 BTU's to heat with natural gas or the population of a residential community of approximately 8,000 people. If that energy were first converted to electricity, then the annual savings would total approximately 180 million kilowatt hours. If electricity rates are at the approximate average national rate of 2.2 cents per kilowatt hour, this would total $2,800,000 savings annually.

CONCLUSION

This combination of decreased consumption of energy plus increased employment as a result of the B.B. is the "returnable" to be very significant. One clear advantage of container re- ventage packaging is that it often causes energy intensive alternatives to be substituted for those which are labor intensive. Thus, energy requirements are increased, while at the same time, jobs are eliminated.

It is regrettable but true that many existing jobs and very large corporate investments are dependent upon the wasteful practices of the "no-deposit—no return" concept. More new jobs would be created by a return to returnables than would be lost. The impact upon the specific individual who must abandon old skills and perhaps move to a new job is a general problem which is as yet unsolved but which must be dealt with as our society abandons the wasteful patterns of recent years.

It is perhaps ironic that the highly visible consequence of the "throw-away" being literally thrown away on our road sides has prompted a new awareness of the more general problems which are caused by the acceptance of the "throw-away ethic". The focus of the debate will likely shift over time from litter reduction to energy conservation and source reduction and the attendant employment increases.

Now that the results of the "Oregon Experiment" are known for the brewery and bottler in the ADS analysis. Considering the effects on the consumer will be very small indeed. Other factors such as increased raw materials and container costs and general inflationary pressures have had far greater consequences than the shift back to returnables.

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that few piano crates are thrown out of cars. Mailing materials and the disposal of both results in environmental problems.

Additional opposition was based on considerations that the law would be, at best, only minimally effective in reducing litter. Further, different legislation is proposed, the so-called Oregon Beverage Bottle Bill. It would not be appropriate to consider only the economic effects of the Oregon Bottle Bill on malt beverage brewers, malt beverage distributors, soft drink bottlers, retailers, and manufacturers of beverage containers. Those changeover costs that have been identified as potential capital losses for equipment within the state of Oregon used solely for carrying soft drinks, in returnable soft drink bottles, have not been realized to date. The largest of these possible capital losses would involve the approximately 6,000,000 book value of canning equipment owned by Emerald Canning Company. The market value of that equipment was unattainable.

CHAPTER FOUR.—SUMMARY AND CONCLUSIONS

4.1 Introduction.—This chapter summarizes the economic effects of the Oregon Bottle Bill on malt beverage brewers, malt beverage distributors, soft drink bottlers, retailers, and manufacturers of beverage containers. Those results are based on empirical data collected for the year 1973 and include the effects of the bill on operating income, capital losses and changeover costs, and new investment. Further conclusions are presented concerning the economic impact of the Bottle Bill on the Oregon State Government and on the malt and carbonated beverage consumers of Oregon. Finally, implications are drawn as to the potential impact of the Bottle Bill on litter, solid waste, and employment.

4.2 Summary of the Economic Impact of The Bottle Bill on Business:

4.2.1 Operating Income.—Table 4-1 presents the effect of the Bottle Bill on the operating incomes of three business sectors directly affected by the legislation.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change in Operating Income in 1973 Due to the Bottle Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Drink Bottlers</td>
<td>$75,000</td>
</tr>
<tr>
<td>Retailers</td>
<td>$99,027</td>
</tr>
<tr>
<td>Total Changeover Costs</td>
<td>$174,027</td>
</tr>
</tbody>
</table>

Those changeover costs shown for retailers represent the cost of inventory that did not conform to the requirements of the Bottle Bill and could not be sold after September 30, 1972.

4.2.2 Capital Losses and Changeover Costs.—All industry segments reported zero or insignificant capital losses. This was due to the localization of the Bottle Bill to the state of Oregon and the disposal of both results in environmental problems.
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favoring returnable bottles and the increases in percentages of beer and soft drinks sold in returnable bottles have been the effect of the 1973 price increases. As shown in Table 4–3, the total expenditure in 1973 by Oregon consumers on beer and soft drinks increased by $186,550 over what they would have spent under 1972 prices and sales mixes. This increase amounts to 1 percent of the actual total expenditure in 1973. If the 1973 price increase is assumed to be due to the Bottle Bill, the consumer cost has only an insignificant effect on the total amount spent by Oregon consumers for beer and soft drinks. In Chapter Two, it was concluded that the Bottle Bill did not cause the price increases; under this assumption, the Bottle Bill has resulted in significant savings to consumers. Table 4–4.

TABLE 4-3.—TOTAL EXPENDITURE BY OREGON CONSUMERS FOR SOFT DRINKS AND MALTED BEVERAGES

<table>
<thead>
<tr>
<th>Type of container</th>
<th>Soft drink</th>
<th>Malt beverage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonreturnable</td>
<td>49,246,800</td>
<td>$76,462,000</td>
<td>$125,708,800</td>
</tr>
<tr>
<td>Returnable</td>
<td>$98,900,000</td>
<td>75,543,250</td>
<td>152,525,250</td>
</tr>
</tbody>
</table>

Increase in deposit losses due to bottle bill. As to its cost to businesses: It cannot be demonstrated that the bottle Bill has caused reduction in sales volumes. Container manufacturers, bottlers, distributors, and retailers have experienced adverse economic effects, but total operating income for all business sectors involved has remained constant. The $366,822 savings in solid waste disposal costs would not necessarily result in a similar reduction in total costs. However, the estimate of the cost of collection and disposal of beverage containers to be $176 million (Bingham and Mulligan, p. 22). This estimate is based on past costs and somewhat overstated in that it compares the proportion of beverage containers to all waste and use that proportion of total disposal costs. Obviously a reduction in one type of waste would not necessarily result in a similar reduction in total costs. However, these estimates of cost to businesses is $3.93 million per year assuming no change in frequency or intensity of litter cleanup. Perhaps more realistically, others have estimated that the beverage industries at an annual cost of $86 million dollars (Bingham and Mulligan, p. 34).

4.6 Employment—There has been much speculation as to the effect of the Bottle Bill on the loss of employment in skilled jobs and the gain in unskilled jobs. (Wagner, Midwest Research Institute, Bowman.) In the industry sectors considered in this report, container manufacturers have reduced production employment as has contract canners, soft drink bottlers and brewers have increased production employment

TABLE 4-4.—NUMBER OF BEVERAGE CONTAINERS PER YEAR IN SOLID WASTE

<table>
<thead>
<tr>
<th>Type of container</th>
<th>Pre-Bottle Bill</th>
<th>Post-Bottle Bill</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonreturnable</td>
<td>18,000,000</td>
<td>0</td>
<td>18,000,000</td>
</tr>
<tr>
<td>Soft drink</td>
<td>161,300,000</td>
<td>3,478,000</td>
<td>157,822,000</td>
</tr>
<tr>
<td>Total cans</td>
<td>263,300,000</td>
<td>11,578,000</td>
<td>251,722,000</td>
</tr>
<tr>
<td>Total beverage containers</td>
<td>436,922,500</td>
<td>51,433,400</td>
<td>385,489,100</td>
</tr>
</tbody>
</table>

Source: Oregon State University bottle bill survey.

TABLE 4-5.—OPERATING EMPLOYMENT EFFECTS OF THE BOTTLE BILL

| Source: Oregon State University Bottle Bill Survey.

The above figure does not include employment in industries supplying the required new capital-machinery, buildings, trucks, etc. Only the increase in the share of solid waste reduction operations in the beverage and container industries. Administrative and clerical labor has not been estimated, but it is doubtful that it would be lower by the legislation. The total annual payroll addition represented by the net increase shown in Table 4–6 is estimated to be $61,000,000.

4.7 Conclusions.—The Oregon Bottle Bill was adopted with the objective of reducing litter and solid waste by encouraging the use of returnable beverage containers. It has been estimated that the measure would be effective in accomplishing the objective and result in minimum losses to business, minimal increase to government cost and inconvenience to consumers. The findings of this study indicate that the objective is being met very well and that the costs are well below anticipated levels.

As to effectiveness: The use of returnable containers has increased from 44.6% in 1972 to 93.12% in 1973. Beverage container solid waste and litter has been decreased by 88%.
As cost and inconvenience to consumers: Carbonated beverage price increases in Oregon could be attributed to costs caused by the Bottle Bill. Yet considering price increases and deposit losses, the total expenditure for the same quantity of beverages in 1973 is $75,000 less than in 1972. This study has made no attempt to simulate the effects that removing the 5-cent deposit would have on sales. On the assumption that what consumers actually do is more indicative of their real attitude than what they say they will do, we conclude that consumers do not perceive great inconvenience resulting from the bill.

Given its objectives and constraints, the Oregon Bottle Bill has been highly successful. Whether other approaches would be as effective or as efficient can be determined only by other experiments.

BIBLIOGRAPHY


Clausen, E. "Oregon's 'Bottle Bill, the First Six Months", Environmental Protection Agency, 1971.


Maille, Jeff. The National Economic Impact of a Ban on Nonrefillable Beverage Containers, Midwest Research Institute, Kansas City, Mo., 1971.


We, in Oregon, are proud of the success of the Bottle Bill, the first of its kind in the nation.

Not only has our natural environment benefited from the law, but our economy has gained as well. By sharing the information we have gained from our experience, we hope you will see the value and application of similar legislation for yourselves.

BOB STURM, GOVERNOR.

OUTLINE OF LAW

OREGON BOTTLE BILL: THE 1977 REPORT

The basic provisions of the Oregon law, commonly called the "Bottle Bill" are:

1. "Beverage" is defined as beer, malt beverage, mineral water, soda water, and carbonated soft drinks.

2. All beverage containers must have a minimum refund value clearly marked, paid by distributor to dealer, and by dealer to consumer.

3. Dealers and distributors may not refuse to accept and refund the deposit on empty "beverage" containers of the kind, size, and brand which they sell.

4. A "certified" beverage container is reusable by more than one manufacturer; capacity and shape may be set by the Oregon Liquor Commission.

5. Minimum refund value of each container is $0.05, except for "certified" containers, for which the minimum refund is 5¢.

6. Metal "beverage" containers with pull tabs that are detachable without the aid of a can opener may not be sold or offered for sale.

7. Redemption centers may be established by any person in order to accept returned containers.

(See Appendix for copy of law.)

SUMMARY

The Bottle Bill works in Oregon. The evidence that it is valid and effective is overwhelming. There is no basis for the rumors and misinformation continually circulated by Bottle Bill opponents across the country as they attempt to discredit the Oregon successes and to thwart other states' legislation. A few facts should dispel these distortions; formidable data backs our statements.

Among these facts are:

Beverages sold in returnable containers cost less, as they always have, not only in Oregon but all through the nation. Post-Bottle Bill prices have increased, associated with runaway sugar prices and general inflation, occurred in Washington and California as well as in Oregon.

Sales have not fallen. They have increased. Weather and the availability of disposable income have their usual effects on beverage sales.

Employment has increased as a result of the Oregon Bottle Bill. A study has been sponsored by the Federal Energy Administration. Projects increased employment nationwide as a result of a proposed national Bottle Bill.

Highway department expenditures for litter collection remain stable. And litter has been reduced. Clerical errors involved in the 1972-74 highway department litter survey, long since corrected, are still being trotted out by the beverage industry as evidence against the Bottle Bill.

The aluminum can has not disappeared from Oregon, nor has any container been banned. After an initial slowing in sales, beer and other beverage sales climbed, reclaiming their share of the market in Oregon.

Oregonians support the Bottle Bill with an enthusiasm usually reserved for popular sports, motherhood and the flag. They are not disenchanted or embittered, as some industry representatives would have us believe.

The Bottle Bill gives some Americans a chance to demonstrate their real priorities: a good life and clean environment based not on the脯erism but on the law. The public does not demand a throwaway economy; it has merely responded to aggressive advertising and marketing campaigns which promote waste of natural resources.

The existence of a Bottle Bill, with its high public support and participation, has greatly enhanced community awareness of and commitment to environmental concerns. It has facilitated recycling and resource recovery operations in the State, as well as public acceptance of solid waste management programs, public involvement in community air quality standards, and public protection of open spaces.

EFFECT ON SOLID WASTE AND ROADSIDE LITTER

380 million fewer beverage containers are disposed of in Oregon each year because of the Bottle Bill. It has been calculated that the number of containers entering the solid waste stream has been reduced by 88 percent as a result of the law. A Portland garbage hauler commented that the volume of household garbage on his routes has been reduced by 7-10 percent when the law went into effect.

NUMBER OF BEVERAGE CONTAINERS PER YEAR IN SOLID WASTE

<table>
<thead>
<tr>
<th>Type of container</th>
<th>Probottle bill</th>
<th>Post-bottle bill</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>161,320,000</td>
<td>3,478,000</td>
<td>98.6%</td>
</tr>
<tr>
<td>Soft drinks</td>
<td>102,800,000</td>
<td>8,100,000</td>
<td>92.6%</td>
</tr>
<tr>
<td>Total cans</td>
<td>263,120,000</td>
<td>11,578,000</td>
<td>98.5%</td>
</tr>
<tr>
<td>Total beverage containers</td>
<td>436,922,500</td>
<td>51,433,400</td>
<td>98.9%</td>
</tr>
</tbody>
</table>

Source: Oregon State University bottle bill survey.

Oregonians take great pride in the beauty of their state. They recognize that tourists remark that there is noticeably less roadside litter in Oregon than in neighboring states. This fact has been substantiated by several surveys. One of these was carried out in late 1976 by an Oregon newspaper, collecting litter in Oregon, California, and those of its neighbor, Washington. They found 7.6 times more bottle and can litter in Washington. Roadside litter reduc-
The trend was clear: the Bottle Bill was indeed producing the desired result. There was the critical need to conserve energy has begun to receive national attention from both press and government. Bottle Bill proponents have long been aware of the need to look at all energy costs of container reuse, accounting for raw materials acquisition, manufacturing, and cleaning processes, and transportation at each stage. Taking into account total resource patterns, energy savings resulting from the shift to returnables have been significant. A net saving of 1.4 trillion BTU's per year has been realized in the new system in Oregon alone, enough to supply the heating needs of 50,000 Oregonians. Much higher savings would be realized with a national bottle bill. A Federal Energy Administration-sponsored study projects a savings of 144 to 169 trillion BTU's annually, equivalent to 70,000 to 80,000 barrels of oil per day saved nationally.

Higher return rates result in higher energy savings. In Oregon, returnable soft drink bottles are reused about 24 times and beer bottles about 20 times. At this rate, the returnable bottle system uses one third the energy consumed in the throwaway system. Added energy savings are obtained from recycling those bottles that are not refilled. The return rate for cans in Oregon is very high; at 80%; the recovered metals are recycled, for additional savings. According to industry figures, the manufacture of aluminum from virgin materials requires 20 times the energy needed for recycling aluminum.

PUBLIC HEALTH AND SAFETY

According to all government agencies charged with inspection and enforcement of health and sanitation standards, no problems related to the Bottle Bill have been reported, nor has any new staff been added to implement the law. Distributors and dealers are managing the return of returnable bottles efficiently sorting and handling them, with no adverse effect on health and safety standards in stores or other outlets. Public health agencies have reported by this law it outlaws metal beverage containers with pull tabs. The result has been to make Oregon's recreation areas cleaner and safer. Oregon has fine public beaches that run the entire length of the coast; the Bottle Bill has helped to keep them and our campgrounds and wilderness areas free of sharp metal and broken glass which are a hazard to the health and safety of people and animals.

Employment in Oregon increased as a consequence of the Bottle Bill. New jobs were created in brewing, soft drink bottling, transportation, and retail sales, while bottle and can manufacturing positions were reduced as the demand for containers dropped. An estimated net increase of 81-90,000 in annual payroll ensued, with its accompanying economic benefit to the community.

EFFECT OF BOTTLE BILL ON OREGON EMPLOYMENT

Source: Oregon State University survey.
A study by Gudger and Balles estimates a gain of 366 jobs, calculated from all segments of the economy. The lowest estimate, 135 jobs gained, is from a study by ADB which was based on inadequate data, having failed to elicit thorough responses from enough industry sectors.

Improving the employment picture in Oregon, a vital goal of the Bottle Bill has been a welcome effect.

THE ECONOMY: SALES UP, PRICES DOWN

The net economic effect of the Bottle Bill on beverage-related business sectors combined, Oregon consumers save money with the beverage industry efficiently, in Oregon. No state or local government has added staff or incurred significant added expense for administration of this law. Enforcement power was charged to the Oregon Liquor Control Commission; they report only five retailers prosecuted in as many years since the law went into effect.

Recycling centers, both commercial and non-profit, have continued to flourish in Oregon since the law went into effect. Since 1975, the number of recycling programs in the state has risen to 325. Bottle Bill proponents had predicted that it would cut into voluntary recycling and discourage the harvest of other recyclable waste products. In fact, the reverse is true; the public has been educated to take back other items. Public participation is the basis for recycling; beverage containers are not essential to economic operation of recycling centers.

Eighty percent of beverage cans are returned in Oregon; while they are not returned, they are recycled. Several recycling companies service beer and soft drink dealers, collecting the returned aluminum, steel, and glass containers and processing them in preparation for recycling.

The Bottle Bill has not hindered the planning or implementation of resource recovery processing facilities as part of solid waste management in Oregon. Today's technology allows recovery of energy from some materials from municipal wastes; as it develops, it must become self-sustaining in the concept of recycling and reuse. If it is to conserve scarce resources rather than serve as an end in itself.

Resource recovery from solid waste cannot rely on any one sector, such as beverage containers, and remain economically viable.

The Recycling Information Office of the Oregon Department of Environmental Quality has served as an information exchange for the public and recyclers throughout the state since 1972. Their Recycling Switchboard lists all recycling and resource recovery operations in the state. It includes bulletins, guides for recycling projects, fact sheets, and market lists are available for recyclers, legislators, educators, public officials, and interested citizens.

PUBLIC ACCEPTANCE

Public acceptance is the real measure of the Bottle Bill's effectiveness. In Oregon 90% of the population approve of the law, and 95% participate in its implementation, as illustrated by the high container return rate. Energy is saved; money is saved; bottler, consumer and environment gain.

Convenience is an extremely important role in the Bottle Bill's popularity. Customers are conveniently returned to the store where they were bought, returning easy for the consumer and the retailer. The other advantage is reduction of household garbage volume and collection cost. And, of course, pride in a cleaner landscape continues to reinforce Oregonians to prefer the returnable container system.

The public opinion surveys underscore the persistence of the Bottle Bill's popularity. One, conducted by Applied Decisions Systems in 1974, showed that 90% of the interview had an opinion of the law and, of those, 95% approved by law. The second survey, by the Oregonian in 1975, showed 90% in Oregon in favor of the bill, and in Washington, a neighboring state, 68% in favor of an Oregon-type refund law for their state.

Oregon retailers and distributors have cooperated in the spirit of the law from the start, making the transition smooth. Retailers continue to handle the returns themselves, in the creation of redemption centers as provided for in the law.

Government officials and politicians look favorably on the Bottle Bill. There has been no attempt to repeal this popular piece of legislation; instead, what modifications are to increase its scope in various ways have been proposed in each session of the state legislature. The fact that the Bottle Bill has not increased the costs of government nor expanded the bureaucracy enhances its popularity with public and officials alike.

BOTTLE BILL RELATED RESEARCH REPORTS


9. Oregon's Bottle Bill: A Riproaching Suc-
There being no objection, the statements were ordered to be printed in the Record, as follows:

[From Environmental Action]  
ALL'S WELL ON THE OREGON TRAIL  
A REFUTATION

In late 1975 the Aluminum Company of America (Alcoa) produced the pamphlet Trouble on the Oregon Trail. This publicity piece which angered environmentalists across the country is an effort to convince citizens and government representatives that the bottle bill in Oregon is a failure. Alcoa would have us believe that Oregon litter has increased since passage of the bottle bill and that the bill is causing serious economic problems.

The truth is that Oregon's experience has been almost entirely positive. Increased employment, reduced consumer cost, less litter, lowered energy consumption and improved quality of life have all followed the law. Let's look at the facts.

A RIP ROARING SUCCESS

Oregon's bottle bill became effective in October 1972. Under the law, all carbonated beverage containers (cans and bottles) carry a refund value. Dealers are required to pay a refund for any container they stock in that particular type and size. Soft drink and beer cans with detachable pull-tab openers were banned. Certified containers which can be reused by different bottlers carry a 2-cent deposit rather than the usual 5-cents.

The constitutionality of the law was challenged in Oregon courts and upheld. Oregon's ex-governor Tom McCall refers to it as a "rip-roaring success." And polls have shown that 91% of the consumers in Oregon favor the bill.

**LESS LITTER UNDER THE LAW**

Alcoa presents a chart entitled "Last of the Oregon Litter Count" in which they compare the average number of litter items found during the summer of 1973 (the first year after the bill) to the average number found in the following year. This chart shows a 52% increase in beverage container litter.

Alcoa draws its figures from a study prepared by George Wagner (an independent consultant) of the Oregon Highway Department's litter counts. Wagner's data has been found to be "inaccurate" for many reasons by the U.S. Environmental Protection Agency (EPA). In his study Wagner compared a significantly under-estimated recount of litter for the first year after the bill was passed to an over-estimated litter count for the second year.

Furthermore, EPA has stated that "since litter data is available for the entire three-year period before enactment, first and second year after it is not necessary, nor is it advisable to depend upon a comparison for one three-month period in two successive years after the law's enactment...", as Alcoa has done in its chart.

According to EPA, the Oregon Environmental Council's study of the highway department litter collection, "provides the most complete and reliable information on the impact of the bottle bill on litter in the State of Oregon."

There were twice as many returns sold after the bill than before and yet there was a 26% reduction in the number of returnables found in litter. And, the 83% reduction in total beverage container litter after two years of the law is most significant.

Alcoa would like to give credit for any litter reduction to an "all out effort" made by citizens and government in Oregon and not to the bill.

Alcoa claims that the state highway department quadrupled expenditures on litter clean-up. In fact, funds expended by the highway department on litter clean-up have remained almost constant from 1970 to 1974.

Alcoa's figures on litter citations are also misleading. They use figures which include citations for recreational vehicle sewage.

Alcoa also refers to "hundreds of young people" on patrol picking up litter in Oregon as a possible explanation for litter reduction. They refer to the Youth Litter Corps, SOLV (Save Oregon from Litter and Vandalism).
States that sale of private label
of the market before the bottle bill. These
and
throwaways.

To the law. Beer and soft drink prices in
necessary to buy
different kinds and sizes of containers as
But every major domestic beer, and most
brands which comprised only about 20%
stantial saving to malt brewers and soft
osual study." Although ADS was
ficial study." Although ADS was
longer carry as
soft drink containers. However, the results
show that the bottle bill with its
early each month. No other litter crew was
bottle bill only 51,433,400 containers per year
bottle bill. This is proportional to the number of
incompatible system more convenient for retailers.
The "stubby" is being refilled by all brands
beer interest. Standard size and shape make it easy to stack and handle.

There is no Oregon store, large or small, that has gone out of business as a result of the bottle bill.

Alcoa claims that eight of Oregon's 29 bottlers have shut out within two years of the bill. This is proportional to the number of independent small bottlers selling out to large concerns nationwide, regardless of legislation. It shows that the bill is different from going out of business. No bottling plant in Oregon has shut down since the bottle bill went into effect.

WHAT ALCOA DIDN'T TELL US
In addition to litter reduction, Oregon has experienced other environmental benefits from the bottle bill.

Energy. Don Waggoner of the Oregon Environmental Council has estimated that Oregon is saving approximately 1,400 billion BTU's each year as a result of the law. This is equivalent to the gas used for home heating by approximately 50,000 people in Oregon annually.

Solid Waste. The OSU study concluded that Oregon has experienced a significant reduction of beverage containers in garbage. Before the bill's enactment, 492,925,500 soft drink and beer containers contributed to Oregon's solid waste problem. After the bottle bill only 51,433,400 containers per year became waste—a reduction of 88%.

It's no surprise that Alcoa suggests resource recovery technology and the Action Research Model from Keep America Beautiful (KAB) as alternatives to bottle bills. KAB's Action Research Model (ARM), which Alcoa wholeheartedly endorses, is another attempt to draw public attention away from the materials and energy wastefulness of throwaway containers.

KAB's alternative is two-pronged. First: convince the public that the only problem with containers is litter and since cans and bottles make up such a small percentage (they use piece-count litter surveys), bottle bills do not help litter reduction. Second: convince the public that a substantial saving to the manufacturer is achieved by programs such as ARM. They do not, however, show any concrete evidence that ARM is saving any money.

Represented on the Board of Directors of the National Center for Resource Recovery and the Resource Recovery Association is Oregon's own Don Waggoner. KAB—including Alcoa. Resource recovery is a high technology, expensive process of recovering materials and/or energy from solid waste. Although it is a technology that is still in the experimental stage, great hopes are being placed in it for the future.

Oregon believes that there is no inherent conflict between their bottle bill and resource recovery. Their Conservation Management Plan, in its effort to achieve 90% recycling by 1982, includes the building of at least a half dozen resource recovery facilities.

ADDRESS BY DON WAGGONER, PAST PRESIDENT, OREGON ENVIRONMENTAL COUNCIL, AT THE SIXTH ANNUAL COMPOSTING-WASTE RECYCLING CONFERENCE

Good morning. I am very pleased to be able to return to beer today, which is the subject of Oregon's bottle bill. We are proud of its success here in Oregon.

The bottle bill concept approaches the problem of human waste by reducing the total amount of waste that is generated. This is proportional to the number of independent small bottlers selling out to large concerns nationwide, regardless of legislation. It shows that the bill is different from going out of business. No bottling plant in Oregon has shut down since the bottle bill went into effect.

The Act covers carbonated soft drinks and beer and requires that a refund be paid by consumers for all returnable drink containers. In order to encourage the use of standard reusable containers, a minimum 2¢ refund is required which are certified as being used by more than one manufacturer. For all other beverage containers (including cans) a 5¢ minimum refund is required. The law was passed in 1971 and its success in moving Oregon out of the flip-top, pull-tab, throw-away society has been nothing short of dramatic.

The beer can, which held 33% of the market in Oregon has moved to 4%. The non-refundable beer bottle, which held 51% of the market has been virtually eliminated and the returnable, refillable beer bottle has increased from 5% to 96% of the market.

For soft drinks, a similar pattern has occurred. Cans held 40% of the market prior to the Act. They moved to only 3% of total sales during the second year after the Act's effective date. Non-returnable soft drink bottles completely disappeared from the market. The 11 ounce 'steamer' container enjoys a 98% return rate from the five regional brewers and four of the major shipping brewers.

This is source reduction at its very best. During 1974, as a direct result of Oregon's bottle bill, there was a reduction of container purchases by bottlers and brewers of 81%. The solid waste stream was therefore reduced by three hundred and fifty million containers.

Now, it is conventional marketing wisdom that decreasing the different types of packaging in which the product is offered will reduce sales. The same conventional wisdom tells us that effectively eliminating single use "convenience" packaging by putting a 5¢ refund value on that container will also reduce sales. This simply hasn't happened in Oregon. Beer sales continue to increase as they have in the past and there is no evidence to indicate that soft drink sales have been adversely affected.

As a nation, we are beginning to accept the fact that there really is an energy crisis. For the first time in many years we realize that our natural resources are limited. Finally, there is a spreading revulsion against
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the highly visible litter which these throw away beverage cans and bottles bring to our roadsides, our trails, our rivers, our lakes and our beaches.

Before 1971, the Oregon bottle bill was enacted by a courageous and foresighted Oregon Legislature. At that time, very few people had any idea that the bottle bill would affect our national resources and energy. The book "Limits to Growth" had not yet been published. Off BEC had not yet shocked the industrialized nations by their price increases. However, Oregonians were becoming increasingly aware of the problems associated with the portion of which is often beverage containers. After all, aren't those containers designed to catch our eye? It will be very illustrative of the tactics which the bottle bill lobby if we examine this particular claim in some detail. Briefly, two separate studies were developed. The results which were compiled could not be successfully compared have indeed been compared. It is a classic "apples and oranges" comparison.

The first study lasted three years. Litter deposited on 30 one mile sections was picked up monthly or semi-monthly and tallied in the field. I will refer to these tallies as "field counts." The important thing to note is that the three year's data is comparable. Consistent methods were used throughout the full three years of the study. The study started one year before the act took effect and continued for two years after the October 1, 1972 effective date.

The second study covered only the period during which the Act went into effect. It consisted of an additional tabulation of a portion of the field count data. The methods used in the field count tabulations had been the litter sent to Salem for a recount. There, only the first twenty-five, whereby, is used. This data was provided by the Oregon Highway Department in a的形式 that the litter count was discontinued as a result of data which was unfavorable to Oregon's bottle bill. The fact is that in October 1973 it was decided that the litter count would be picked up for another year. During September, 1973, the Oregon Highway Department evaluated the first three year's data. It is significant to note that nowhere in this report is any comparison made between the first year's data and the second year's data. The report states that the litter count was not have been calculated. It is a similar fashion, the litter expenses increased significantly to balance off the Act's effectiveness, discusses this at some length in their final report. The pamphlet states that the increase found in ALCOA pamphlets do use the Salem recount in their calculations. Therefore, they have a low base or a lower base after the bill went into effect. It then relies upon the field count which utilizes the consistent method of counting for the second year after the bill's effective date.

An earlier report released on December 30th, 1974 by the Oregon Beverage Industry Task Force went even further and claimed a 127% increase. This report not only paired the low Salem recount against the field counts but further claimed a basic error in interpreting the data which was unfavorable to Oregon's bottle bill. The pamphlet reports that the increases found in ALCOA pamphlets do use the Salem recount in their calculations. Therefore, they have a low base or a lower base after the bill went into effect. It then relies upon the field count which utilizes the consistent method of counting for the second year after the bill's effective date.

The comparable field count versus field count comparisons show a continuing decline during the second year after the bill went into effect compared to the first. Comparing the year before the Act and two years after, there was a total reduction of 85% for beverage container litter and 21% for other items. This results in a 39% reduction on total litter by piece count and a 47% reduction by volume two years after the Act went into effect. Thus, the 83% reduction in beverage can and bottle litter is even slightly larger than the 81% reduction of all beverage containers entering the solid waste stream here in Oregon following the major switch to returnable, refundable bottles.

The second major ALCOA charge is economic. The "Trouble on the Oregon Trail" pamphlet states that sales of private label and warehouse sales decrease. The statement "the earnings of private label and warehouse soft drinks dropped 46% completely ignores the fact that franchised bottler sales, such as Pepsi and 7-UP increased significantly to balance off the private label and warehouse sales decrease.

The section "Twilight on the Trail" in ALCOA's October, 1975 version ends with the paragraphs "By September, 1974 littering of beverage cans and bottles increased by 52% while other litter not covered by the Oregon bottle bill dropped 26%. The litter count was discontinued as a result of data which was unfavorable to Oregon's bottle bill. In October 1975 it was decided that the litter count would be picked up for another year. During September, 1975, the Oregon Highway Department evaluated the first three year's data. It is significant to note that nowhere in this report is any comparison made between the first year's data and the second year's data. The report states that the litter count was not have been calculated. It is a similar fashion, the litter expenses increased significantly to balance off the Act's effectiveness, discusses this at some length in their final report. The pamphlet states that the increase found in ALCOA pamphlets do use the Salem recount in their calculations. Therefore, they have a low base or a lower base after the bill went into effect. It then relies upon the field count which utilizes the consistent method of counting for the second year after the bill's effective date.
To state that costs have not completely overwhelmed the efforts of millions of containers did not have to be purchased. Thus, in fact costs were down. This is the reason why actually provide the consumer with the change. If we look at consumer price level in Oregon and Washington since the bottle bill became effective, we find only slight cost differentials between comparable packages. The only significant differences have been that Oregonians are buying more refillable containers, there are higher unit costs, and continues to be a significant difference between the unit cost of a refillable compared to a throw-away container. Oregonians purchase a higher percentage of the lower unit cost refillables, they have actually increased.

Finally, to suggest, as ALCOA does, that "8 of the 29 bottlers sold out within two years" as a direct result of the bottle bill is again misleading. Beginning in 1972, the large increase in sugar prices caused the retail prices of soft drinks to go up all over the United States. This resulted in a soft squeeze nationally. In some cases an actual reduction in volume occurred as consumers resisted the higher prices. This was a difficult time for soft drink bottlers throughout the country. The important thing to note is that these bottling plants, even though they were sold, are still operating. One contract canner did close his can plant but only for two years. The same is true for the area and he continued to bottle Coca Cola.

Nationally, the period since 1950 has been a very bad time for soft drink bottlers. Over 60 percent of all soft drink bottlers went out of business in the period 1950 to 1974. The throw-away container contributed to this small part to this decline. During the same period, soft drink sales increased 276 percent. The answer is that there the importance of the Soft Drink Association as published in September, 1976 in the magazine Beverage Industry, 1974-1975 Annual Manual. ALCOA is not the only group which has been distributing this type of misleading information. The Aluminum Association has recently reprinted the October, 1975 version of ALCOA's pamphlet intact and is now distributing it. Recently the national Chl. Executive Officer of PepsiCo, Donald M. Kent, has used the Aluminum Association's pamphlet in an attempt to persuade the consumers to write a letter to the California State legislature. He promptly ordered a copy of your letter.

I am convinced that the truth will ultimately be understood. Container refund legislation points the way to the future. The Oregon Experiment has proven that a financial incentive to return a container results in increased sales in refillable containers and it helps bring back refillable containers with Oregon's return rates permitted Oregonians to save 14 trillion BTU's in 1974 by getting back instead of creating. The emphasis has been switched from manufacturing new containers to handling, recycling and refilling old ones--a source reduction concept and others which have been so impressively demonstrated here in Oregon slip through our fingers.

[From Sierra Club Bulletin, July/August 1976]

OREGON'S BOTTLE BILL WORKS!

(By Nancy Fadule)

Contrary to the widely reported rumors, we still drink beer and pop in Oregon, having found that they are just as refreshing in returnables as in the nonreturnables. Some of the nonreturnables that used to litter the state.

Consumption of these beverages has continued to increase since October 1972, when the Oregon "bottle bill," which requires a deposit on all beer and soft-drink containers sold in the state, became law. The only pattern that the Oregon Liquor Control Commission can find in the fluctuation of beverage sales relates not to the availability of returnable or nonreturnable containers, but to weather: the hotter the weekends, the higher the sales.

Only once since the initiation of the bottle bill have sales dropped below the pre-bottle bill level. That was in December 1972, a time distinguished by distinctly nonbeer weather. Or-Drinkers were changed. Or-Drinkers dropped almost thirteen percent that cold December; at the same time, the neighboring states of Washington and Idaho, where there is no bottle bill--experienced a twenty-percent drop in beer consumption.

Sales figures for soft drinks are harder to obtain because the Oregon Liquor Control Commission does not publish them, but an available information suggests that consumption of carbonated beverages in Oregon continues to follow national trends.

Consumers benefit when the don't have to pay for nonreturnable containers. One way or another, bottle bills have caused beverage prices to rise. Forecasts that the bottle bill would cause prices to soar have proved to be incorrect. Oregon today in pre-bottle bill days, it also costs more in Washington, Idaho and Idaho than it does in Oregon. Prices are comparable to, or lower than, prices across state lines. Contrary to the insistence of the anti-bottle bill lobby who have spent over twenty million dollars annually to fight the spread of the bottle bill idea, inflation and the bottle bill have contributed to, or lower than, prices across state lines. ALCOA's most enthusiastic supporters.

Bill Weisenger, who heads Oregon's major bottlers-Wells-Packard-manufactures one of the bottle bill's most enthusiastic supporters.

"We haven't bought a new bottle since the bottle bill became," he said. Bills refills returnables--bottles--bills--bills--a year--and passes some of the savings on to retailers to cover increased handling costs. But, if the bottle bill has only reduced a new beer is fine in old bottles. Others in the Northwest immediately discovered the savings in their own lives. The Budweiser-bottled in Los Angeles--has begun paying a premium price for returnables, returning them a thousand miles south for reusing.

In spite of inflation, litter pick-up costs in Oregon have not increased since pre-bottle bill days; roadside and recreation areas, while not immaculate, no longer look littered. Vacationing Oregonians return with reports that they are starting to see litter along roadsides in other states. Tourists vacuumed in Oregon, to be sure, the litter surveys were done. For example, some crews counted even lugs as litter: others did not distinguish between milk containers, which have no deposit, and beer bottles, which do. Another factor complicating before-and-after counts was missing a publication of which sections of highways were being monitored. Later, other sections had to be selected in order to avoid possible tampering which would affect results. Worst of all, only a few surveys were under way that those in charge realized that the total volume of litter was a more significant measure than the number of pieces. (A cigarette butt, for example, should not count the same as a beer bottle.) Other complications involved construction activities that were not covered, different regions, and discrepancies between counts in the field and those conducted at headquarters.
firm the value of the bottle in reducing litter.

Oregonians have also begun to realize that the bottle bill is energy legislation of the best sort: it takes less energy to recycle or reuse a container than to manufacture a new bottle. In 1977, 7.2 million bottles were sent to Los Angeles for recycling, than it does to make a new one. At a time of increasing world shortages of various materials, some industries have begun, the GAO assessed two extremes of the cost of the changeover. Under one model, the bottle bill provides a model for the kind of constructive legislation we can enact today. Last year, when home-canning jars were in short supply, America produced and threw away—8.5 billion disposable soft-drink bottles, plus billions more for beer. At the time, industries are concerned with shortages of aluminum, as well as the energy necessary to produce aluminum products even as throw-away cans continue to fill up America's landfills—another limited resource.

Ask any Oregonian and you'll learn that the Oregon bottle bill is the most popular piece of legislation ever enacted in the state. You'll find a scholarly, old, indoor and outdoor types, liberals and conservatives—all know about and like to talk about the bottle bill. So much citizen awareness about a piece of legislation occurred.

Recently, a survey was taken of 601 Oregonians to discover consumer attitudes about the host committee's behavior in making legislation. Oregonian by pointing out objectionable features, such as the bother of returning features, such as the safety of returning containers of paying deposits, ninety-one percent of those respondents were in favor of the law. Only five percent of those questioned took any unfavorable reactions at all, and only two percent expressed outright opposition. Other public-opinion surveys reveal similar support.

Oregonians' enthusiastic endorsement of the bottle bill is a clear refutation of industry's insistence that Americans demand throwaway packaging. The returns from Oregon indicate that perhaps Americans have embraced the throw-away ethic largely because industry has not offered opportunities for return and reuse.

There is not a single Oregon politician who doesn't boast of his or her support for the bottle bill. Former Governor Tom McCall (a Republican) calls it "a rip-roaring success." Governor Robert W. Straub (a Democrat) has said, "Most Oregonians just wish it went further.

Mr. HATFIELD. Mr. President, the General Accounting Office study, completed in December of 1977, attempts to assess the direct effects of a national beverage container deposit on American industry and consumers. In an effort to examine the range of possibilities in the effect the mandatory deposit will have, the GAO assessed two extremes of container mixes. One end of the scale was assumed to be the present mix of 59 percent bottles and 48 percent cans and the other was assumed to be the expected shift by manufacturers to a mix of 80 percent bottles and 20 percent cans. The final result might be anywhere between these two extremes.

With these as parameters, the GAO reached conclusions which should give us all pause to consider the opportunity we have to live in a more conservative manner without sacrificing convenience.

The GAO estimates that even during a 3-year changeover period to returnable containers, cost savings would more than offset the costs of handling returnables, plus the cost of changing filling equipment from one-way bottles to refillables. After the 3-year changeover, the GAO estimates that industry as a whole would save $1.3 billion and $1.9 billion the following year. The savings would accrue to the bottlers. Increased handling costs to distributors and stores would be offset by the greater number of empty containers.

The effects on the environment would be beneficial. U.S. iron ore requirements could be reduced by 2 to 3 million tons. Bauxite use could be reduced by 1 to 1.4 million tons. Aluminum would be reduced by 1.16 trillion to 1.56 trillion BTUs. The effect on the consumer would be minimal. The consumer will still have the opportunity to discard, but that opportunity will be more expensive. However, addressing that issue, the report notes that the return rate for refillable containers has never dipped below 90 percent from 1947 until 1975, nationally. Also, it publishes the rate for the State of Oregon since the passage of the Oregon bottle bill. Oregonians returned over 90 percent of their bottles and cans.

The alternative to this situation is probably one where the use of nonreturnable containers increases. The GAO reports that with the package of the soft drink market would increase its use of nonreturnable containers to 97 percent of total output, and the soft drink manufacturers would increase use of nonreturnable to 62 percent of the total by 1985, if the Federal Government does not intervene. As a part of an effort to prevent such a situation from developing, I ask unanimous consent that these portions of the General Accounting Office study be printed in the Record. There being no objection, the excerpts were ordered to be printed in the Record, as follows:

[Report to the Congress by the Comptroller General of the United States] PROFILE EFFECTS OF A NATIONAL MANDATORY DEPOSIT ON BEVERAGE CONTAINERS CHAPTER 6—CONCLUSIONS AND RECOMMENDATIONS CONCLUSIONS

A mandatory deposit system that imposes a deposit on one-way container mix and return rates would make some difference. It would cost much more to return bottles and cans to the container and recycling system because of the 100 percent coverage of a deposit law. If there were no substitution of returnable containers for single use bottles and under a mandatory deposit law, then marketing of the cost of supplying beverages would go up by about 5 percent of the present cost by handling previously nonreturnable containers. Even though we view the container mix and return rates under implementation of a mandatory deposit law as uncertain, we did assume that, as a minimum, refillable bottles would replace one-way bottles (Mix I). This change would create container cost savings which would help offset the rise in business costs noted above.

We analyzed the cost changes for the beverage industry for both the changeover period, assumed to be 3 years after implementation, and for a single year after changeover. Analysis of a larger change in container mix, with refillable bottles also substituting for one-way bottles (Mix II), had similar results. The analysis of the costs for the single year after the changeover (1981) showed that Mix I could be $1.3 billion less costly than continuing the present way of packaging beverages, and that Mix II could be $1.9 billion less.

The overall conclusion is that legislating a mandatory deposit on all soft drink and beer containers would reduce litter, increase the level of retained deposits, and increase the business costs of handling returnables. Other changes, including raw material use, energy use, business costs for filling containers and container costs depend on the container mix. The container mix which will be determined by the beverage companies, may not change much after implementation of a mandatory deposit system.

AGENCY COMMENTS

The draft report was sent to four Federal agencies for review and comment. This reflects the many areas which would be affected if a mandatory deposit law were enacted and implemented. Their comments are reproduced in appendix IV.

The Federal Energy Administration (now part of the Department of Energy) suggested that there is potential for energy savings in the beverage system should mean, given competitive markets, that consumer prices would not be affected. They suggested that this would be highlighted in our report. They believe in chapter 4 that there seems to be potential for lower prices, but do not believe that there is enough evidence of a direct link between lower industry costs and lower consumer prices to predict that a mandatory deposit system will result in lower prices.

The Department of Commerce is concerned that we did not examine all the options which could achieve all or part of the reported benefits of mandatory deposit legislation, but rather concentrated on the effects of one option which we felt would be before the Congress for decision in the near future. The specific comments of the Commerce Department about our draft report are reproduced in appendix IV.

The Environmental Protection Agency and the President's Council on Environmental Quality agreed with our presentation of material in our draft report.

NONFEDERAL COMMENTS

In addition to the Federal agencies which commented on the draft report, several industry groups, individuals, and environmental groups were asked to comment on and review the draft.

The industry groups, which included the
of the economic adjustments agree that U.S. Brewer's Association and the National Soft Drink Association took issue with some aspects of the draft report. We have attempted to answer these criticisms in Appendix V. We believe that each assumption which is implicit in the analysis of the Federal action is reasonable and that the analysis which flows from the assumptions is representative of the effects of a national mandatory deposit system as described in the report.

The industries which would bear the brunt of such actions are not well documented and solid waste burdens and depletion of raw materials. However, the policy trade-offs for such actions are not well documented and for that reason possible policy alternatives should not be disregarded just because there are other ways of achieving some of the same effects.

The environmental groups and individuals who responded to the draft report were in general agreement with the presentation.

RECOMMENDATIONS

The report was intended to compile in one study the major effects which would result from a Federal mandatory deposit system. In order to analyze the degree to which these effects would occur. The analysis we have made indicates that the direct positive and negative aspects to the effects of a mandatory deposit system. The ultimate question of the appropriateness of mandatory deposit systems is one which must be answered by the Congress. We do have several recommendations to the Congress which should consider enacting such legislation.

Only by treating all containers equally can the system provide positive results because it is necessary to have as many containers as possible, whatever the mix, returned for reuse. Most legislative proposals call for such treatment, but we emphasize it since any beverage container not included would tend to negate the environmental benefits.

Many allocation formulas are possible, and the executive agency designated as the implementing agency should be responsible for its design. Prime considerations should be administrative ease of implementation and equity of the allocation.

A problem in assessing the effects of the various States' mandatory deposit systems has been the lack of good data on the period before the start of the mandatory deposit system. Such analyses would keep the responsible agency informed about the effectiveness of the mandatory deposit system. Measurements should be taken of litter and solid waste, beverage industry changeover costs, the recycling payoff, reprocessable scrap, and employment changes.

Returned cans cannot be refilled; they are valuable only as scrap. The price the bottlers and brewers would receive for the scrapped cans is less than the deposit which they could retain if the cans were not picked up from the retailer. This means that there will be no economic incentive to pick up the cans. In addition, the legislation should provide some mechanism to encourage the recycling of these cans once they are returned. Without recycling, some of the environmental benefits, and the mandatory deposit system will not be realized.

FLIP-TOP HAZARDS

Mr. HATFIELD. Mr. President, I now ask unanimous consent that two articles which were not included in the draft report be printed in the Record.

There being no objection, the material was printed at the conclusion of the business of the day on January 15, 1979.
was present in the chest tube from the sec-
tond to the fifth day, although a diastromate
megalumine swallow examination showed
the tenth day showed no further leak-
age. The chest tube was consequently re-
moved, and he returned home on the six-
teenth day, although there was an occa-
sion of coughing and intermittent cyanosis.
This had begun during a family picnic at a public picnic ground.

Case 5.—An 11-month-old boy was brought to the emer-
gency room about one hour after one of the pop tops was
removed from his neck. He was in respiratory distress but
able to swallow his own saliva. Chest roentgenograms showed
mediastinal widening, with a tiny amount of fluid in the left of the chest. A diastromate megalumine swallow examination showed
complete obstruction of the esophagus at the level of the aortic arch but no extravasation of contrast material. After correction of dehydration and infusion of intravenous antibiotics, she underwent esophagoscopy and the metallic tab of a pop top was removed from her esophagus. After the food had been removed, it was not possible to pass the esophagoscopy catheter through the narrowed point of the esophagus. This scope was removed and a 3½" bronchoscope inserted. Through the telescope, the patient could be identified deeply embedded in
granulation tissue. At this point, the en-
doscopic instruments in the operating room.

On the following day, with two units of cross-matched blood on hand and with the
endoscopic instruments in the operating room, the endoscopy was repeated, and the metallic foreign body was removed uneventfully. There was a small amount of bleeding but no evidence of perforation. She was watched closely for four hours, after which time no further bleeding was noted. Two days after the perforation, the foreign body was expelled spontaneously.

Case 6.—A 13-month-old girl appeared in the emer-
gency room in one hour after her neck was caught on a pull tab of a soft drink can. A metallic object was palpated in her nasopharynx. She was treated conservatively, being unable to swallow due to her own saliva. Chest roentgenograms showed mediastinal widening, with a tiny amount of fluid in the left of the chest. A diastromate megalumine swallow examination showed complete obstruction of the esophagus at the level of the aortic arch but no extravasation of contrast material. After correction of dehydration and infusion of intravenous antibiotics, she underwent esophagoscopy and the metallic tab of a pop top was removed from her esophagus. After the food had been removed, it was not possible to pass the esophagoscopy catheter through the narrowed point of the esophagus. This scope was removed and a 3½" bronchoscope inserted. Through the telescope, the patient could be identified deeply embedded in
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Case 7.—An 11-month-old boy had been seen in emergen-
cy rooms over a period of ten days because of noisy
breathing and diminished intake of food and liquids. In emergen-
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final resting places for millions of easy-to-tote containers and their by-products, the flip-top pull-tabs and six-pack binders. While humans see this litter as an aesthetically pleasing problem, animals see it as a source of food. "The big problem with plastic can binders is that gathering and wading birds are curious and rubble their nesting areas in search of food,"explained Fran Carleson, Chief, U.S. Fish and Wildlife Service. "They manage to tangle them over their heads, a foot gets involved, and they struggle to free themselves from the rings. The tame, curious brown pelican—already a candidate for the endangered species list—is among the most vulnerable to such entanglement. But many states have recorded similar deaths among other types of waterfowl. "When a bird has the plastic rings jammed between the mandibles of his bill and stretched over the back of his head, he could fly, of course, but his vision obscured, he would not be able to find food. He would wander about, some common victims are gulls, ducks, and geese. If entanglement doesn't strand the bird, it may starve to death, Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of a seagull he saw in Chesapeake Bay. "The bird had the plastic rings jammed between the mandibles of his bill and stretched over the back of the head. He could fly, but of course, his vision obscured, he wouldn't be able to find food. He would wander about, but couldn't get close. I knew he was doomed." Other entangled animals may be able to function, but they become social outcasts. Michigan biologists found a Canada goose with plastic rings merely threaded loosely over its face. She thinks that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. "The tame, curious brown pelican—already a candidate for the endangered species list—is among the most vulnerable to such entanglement. But many states have recorded similar deaths among other types of waterfowl. "When a bird has the plastic rings jammed between the mandibles of his bill and stretched over the back of his head, he could fly, of course, but his vision obscured, he wouldn't be able to find food. He would wander about, but couldn't get close. I knew he was doomed." Other entangled animals may be able to function, but they become social outcasts. Michigan biologists found a Canada goose with plastic rings merely threaded loosely over its face. She thinks that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of this bird. However, we know that the bird may starve to death.
cost per ton to collect and dispose of solid waste remains stable, getting rid of all those bottles and cans could produce a savings of as much as $200 million nationally annually by the Biosential.

We are the world's leading garbage-producing nation. New York, New Jersey, and California together produce more garbage than all of China and Japan combined. While New York's population rose only 1.5 percent since 1960, its garbage doubled during this time. We are out of space for all that garbage. A 1973 survey by the National League of Cities revealed that it would take almost 400 years for all of the cities to run out of refuse landfill capacity by 1976.

The throwaway came to us about 15 years ago. It was an economy. Its initiators, society accompanied big gaudy cars and gasoline wars. The term energy shortage hadn't been coined yet. As a result, the resources appeared never-ending, and national environmental concern was still many years off.

But today big gaudy cars and gasoline wars have left the scene, and many people think the throwaway should do likewise. In recent years over 350 bills to regulate beverage containers have been introduced in Congress, or at state and local levels. Oregon, Vermont, Montana, and several others have passed such legislation. Others have failed. It is bitterly opposed by the steel, glass, and plastic industries, along with soft drink bottlers and brewers. Fear of the inconvenience and possible loss in profits has forced many millions each year to fight container legislation.

The manufacturers say that such legislation would raise prices, lower consumption, create unemployment, and fail to reduce litter. Certainly the change would create initial dislocations in the manufacturing industries, along with soft drink bottlers and brewers. Fear of the inconvenience and possible loss in profit has forced many millions each year to fight container legislation.

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The Oregon bottle bill was enacted in late 1972. It authorized a mandatory deposit and banning of pull-tab rings. Oregon's success with the bill prompted Republican Senator Mark Hatfield to introduce federal legislation requiring a mandatory deposit and banning of pull-tab rings. The bill (S. 613) would be phased in nationally over a three-year period.

Hatfield's bill is rapidly gaining support, but it is bitterly opposed by the steel, glass, aluminum, and plastic industries, along with soft drink bottlers and brewers. Fear of the inconvenience and possible loss in profit has forced many millions each year to fight container legislation.

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a.11 deposit system we could insure reuse or recycling of six to seven million tons of glass, steel and aluminum each year.

The sponsors of the New York bill reply that dislocations and new investments would be temporary, that more people would be employed in handling the containers than in the cost of collecting litter and garbage and of wasting energy and resources. Laymen, including legislators, may find these rival calculations dizzying. In the end they must choose, particularly when the market that has been left to its own devices has shifted the costs of both litter and waste wide whereas, between the custodians and consumers, it is the public which is paying for the cleaning up of litter one per day, year-round for every man, woman and child in the U.S.

The sponsors of the New York bill also have saved vitally needed energy that would have gone into making more throwaways, increased the number of jobs in the salvage and recycling industries, and has reduced by almost 90 percent the cans and bottles that used to be discarded and to escape the sight of one kind of throwaway so easily.

A couple of years ago, for instance, officials of Rocky Mountain National Park, the jewel of Colorado, tallied two million visitors a year. In January, any beverage you buy on the graph, efforts to block effective container legislation defending the freedom to pollute, have bitterly resisted the trend. They've poured millions into lobbying and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and soft drink companies and supermarket chains have bitterly resisted the trend.

The throwaway establishment has seen its market reduced and its packaging materials forgotten. Remember when those smiling youngsters in Oregon officials say they found that the incentive not to throw away a beverage can or bottle also spilled over to affect other litter in our lives. We have spent heavily in Oregon and elsewhere to fight anti-throwaway bills, a recent survey disclosed that 90 percent of Hawkins residents are pleased with the bill and its results.

Bottle Bill Is Key to the Future

The returnable bottle is on its way back into America's lifestyle, which is cheering news. It means the throwaway age and its nasty habits are nearing their end. A more welcome sign for travelers I cannot imagine.

A uniform national mandatory deposit system is the only long-range solution to the throwaway container crisis. This is the principle behind the national bottle bill sponsored by Sen. Gary Hart of Colorado has introduced a similar bill, the National Materials Policy Act of 1978. It would place a five-cent tax on containers, packaging materials and paper. Returnables make sense for our time as a means of conserving energy and increasingly scarce raw materials. As matters now stand manufacturers produce more than 60 billion throwaway beverage containers yearly. (That's one per day, year-round for every citizen!) A returnable bottle, however, can be refilled an average of 15 times. With a nationwide deposit system we could insure reuse or recycling of six to seven million tons of glass, steel and aluminum each year.

A recent poll conducted by the Des Moines Register and Ames Tribune finds 76% of Iowans in favor of the Oregon-type bottle bill. A private poll taken by an influential advertising executive found 82% of his constituents.

The Iowa House of Representatives has already taken the lead in requiring container deposits on bottles and cans and Gov. Bob Ray is pressing for action in the Senate. The country could take the first step toward a time shift or high gear for a national law. It's strictly a question of time.
In the summer of 1971, just at a time when the content when the Green-Up Day were first beginning to sprout, a young girl named Gatey Graves cut her foot on a broken bottle at a fishing access near several highways. Gatey's father happened to be a lawyer as well as a member of the Vermont legislative body. Disappointed with the relatively small percent of returnables, he encouraged his daughter, Graves went straight to his study and drafted a bill that would require the recycling of all products purchased within the Green Mountain State.

In the face of one of the most intensive lobbying efforts in the country-both in Vermont, the Graves Bill-altered to include a minimum-five cent deposit on beer and soft-drink cans as well as bottles—became state law at the twenty-fourth hour of the last day of the 1972 legislative session.

Besides the mandatory deposit, the original Vermont bottle law carried the provision that a fee of 20 percent of that deposit (amounting to roughly one cent per bottle or can) be paid to the retailer as compensation for the extra work involved in collecting and storing the empty containers.

The law was amended in 1975 to include a ban on flip-top cans, nonbiodegradable plastic rings for six packs, and nonreturnable beer and soda bottles.

As in Vermont, the over-the-counter price for beer and soft drinks was marked down in a manner to make them more attractive. If a bottle is returned to the consumer when he or she brings the empty containers back to the retailer, handling costs are reduced. With soft drinks and beer cans, it becomes the retailer's responsibility to pass them along to the distributor, who has the option of recycling them, dumping them, or returning them back to a beverage manufacturer to be refilled.

Despite the differences in implementation, the origins and boundaries of Vermont and Montana bottle laws were the same: to reduce litter. And both states have certainly accomplished that goal.

During the first year that the bottle law was in effect in Vermont, beverage-container refuse along roadsides dropped by 75 percent. In Vermont the reduction of landscape litter has been even greater. According to Donald Webster, Vermont's director of environmental conservation, just about all the beverage containers collected for refund in the state are currently being recycled.

In Vermont, where empty nonreturnable bottles have not yet been collected up in town dumps, the Carter Distributing Company of Albany, Ore., has recently installed a four-hour, one-thousand gallons-per-hour machine and is now smashing thousands of glass bottles a week and selling the glass to the Owens-Illinois Corporation.

Perhaps one of the most confusing, misunderstood, and generally maligned aspects of bottle legislation has been the impact upon the consumer.

Vermont's Donald Webster points out that in 1974-75 the beverage-container-manufacturing industry, in an all-out attempt to demagragh beverage-container-deposit legislation, engaged in a campaign of "resistance, misrepresentation, distortion, and, not only in Vermont, but it all other parts of the country where similar legislation might be considered," as Vermont's US Rep. James Jeffords noted that during ref-erenda campaigns in Michigan, Maine, Massachussetts, and Colorado, opponents of beverage-container-deposit legislation stated publicly and in numerous radio and television advertisements that the law in Vermont was costing consumers approximately a hundred dollars a year.

According to Jeffords, this hundred-dollar-a-year cost was "direct and he cites as evidence of the beverage economy of the refundability the testimony of Coca-Cola president J. Lucian Smith Jr. before the House Sub-committee on Monopolies and Commercial Law.

"Coca-Cola said ... in nonreturnable packages is priced, on the average, 33 percent higher than in returnable bottles," Smith told the Washington lawmakers. "The difference lies essentially in the different groups of costs involved. Returnable bottles and cans are generally planned and carried by the Coca-Cola company family actually saves about $60 dollars a year by purchasing beer and soft drinks in returnable bottles and cans. In Oregon, retailers estimate that their container legislation saves enough electrical energy to meet the all of their home-heating needs of 50,000 residents.

Although there appears to be little doubt that the average consumer will wind up being the beneficiary of bottle laws in Oregon and Vermont, the legislation has forced beverage manufacturers and distributors in both states to invest hundreds of thousands of dollars in converting their operations to comply with stricter legal standards.

In Oregon, the bottle and can-producing industry-often joined by beverage manufacturers and distributors of bottles and cans in the fight against container-deposit legislation-have had a sad history of winding up in court. Most environmentalists, on the other hand, look upon the nonreturnable bottle and can with about as much relihint as a gourmet surveying a fly floating in his soup.

Somewhere between these poles of vested interest stands the average consumer: harassed, and thristy.

If there is any place where the controversy over the beverage-manufacturer legislative legislation has spilled over into a semblance of objectivity, it must be in either Oregon or Vermont. Not only have these states pioneered the use of container-deposit legislation, they have also lived with the consequences of this act for a combined total of nearly a decade. While the widespread use of returnable containers predates current legislative efforts in this direction, it was more than a quarter of a century, it was not until the late 1960s that a small group of Oregon environmentalists began lobbying for a comprehensive statewide bottle law.

Their efforts were finally rewarded in the spring of 1971, when the Oregon legislature passed a law banning flip-top cans and prohibiting the sale of containers of beer or carbonated soft drinks without a minimum two-cent refund.

As in Oregon, impetus for a Vermont bottle law was public concern for growing litter levels within the state. In 1970, largely owing to the vocal support of the environmentalists, Gov. Deane C. Davis sponsored the first state Green-Up Day. During which all Vermonters were encouraged to voluntarily pick up trash along roadways, riverbanks, and in their town dumps.

Although Green-Up Day continued to be an annual rite of spring for the next few years, in 1979, the state's waste management effort was in serious trouble. Following an survey of public garage collection soon began to wane.
bottle law was in effect. Concurrently, Ore­
gon retailers appear to be just as concerned about storage as their counter­
parts in Oregon, but like Oregonians, they have kept careful track of the number of years and have learned, by necessity, how to cope with it.

As Bertie Nadeau, the owner of a small grocery store in Middlebury puts it: "If you have everything set up, ample storage space, and the right kind of help, the bottle law is all right."

What Nadeau and many other Vermont retailers report as perhaps the most serious problem for them is the "handling charge" per container.

Not all Vermont retailers—particularly those doing business in border areas of the state—think the bottle law is as burdensome as Bern­ni Nadeau. That's because following passage of the legislation, many of these grocers and retailers have found customers shopping in neighboring states where the price of beer and soft drinks is not inflated by a mandatory container deposit.

This disturbing trend has been particu­larly evident along the Vermont-New Hamp­shire border where, according to Jim Thiele, the executive secretary of the Vermont Retail Grocers Association, "we've had many of our customers go across the border and less than a dozen miles from where we do business to New Hampshire to shop."

One man who doesn't need to be reminded of one consequence is Dan Fraser, an owner of Dan and Witt's Store in Norwich.

Dan and Witt's is located almost within a beer can's throw of the New Hampshire border and less than a dozen miles from a Granite State shopping center.

For people who make a living between the New Hampshire and Vermont border, the success of their business is dependent on the business being on the border. The ones that don't have the business are those that are never to find a customer. The ones that do have it are those that have the business.

One of the most visible and nag­ging problems is the waste generated by customers storing beverages in their store and then returning them for a refund.

As the nation's largest conservation educa­tion organization, the National Wildlife Fed­eration (NWF) is concerned about waste in general and the waste generated by customers in particular. The NWF has long been a proponent of recycling and has advocated for the return of beverage containers to the consumer.
Containers which are refilled or recycled cause neither litter nor solid waste.

If the price of a refillable bottle is shared by all of the users, the price of the throwaway is borne entirely by the single user. Actually, a soft drink container purchased in a throwaway, the consumer is buying the container as well as the beverage. The container may cost around seven cents (a glass a little less, metal a little more). A recent survey conducted for EPA of soft drinks revealed that soft drinks in non-refillables cost consumers almost 1½ times more than in refillables.

If the consumer recycles, can the cost of the throwaway container be recovered? Some of it, yes, but only a very small portion. Even recycled aluminum, the most valuable of the containers, is worth only a fraction of what the consumer paid for the container. At 15-26¢ per pound recovered aluminum is valuable, but it takes 2€ and soft drink containers (12 oz. equivalents) to make a pound of aluminum.

Low value helps to account for the very disappointing recycling rates nationwide. In 1975, less than 16% of the aluminum beer containers purchased were recycled. Steel container recycling was below 5% and the glass rate even lower. Even aluminum containers major bottle users will pay 4½¢ per can, does not provide adequate economic incentive for most consumers to recycle.

NATURAL RESOURCES

In 1975, Americans purchased over 65 billion throwaway beer and soft drink containers. That amounts on an average to more than 220 containers for each man, woman and child in the nation. Worse still, the trend toward throwaways has yet to peak. The U.S. Department of Commerce estimates that by 1980, over 90 billion throwaways will be used annually. In 1975, over 80% of beer and 66% of soft drinks consumed were sold in throwaways.

In 1975, EPA estimates that 1.8 million tons of steel, 6.8 million tons of glass and 476,000 tons of aluminum were manufactured from raw materials to make beer and soft drink containers. It is estimated that this usage will increase to 1.7 million tons of steel, 8.2 million tons of glass and 643,000 tons of aluminum if we continue our current recycling efforts. Doubtless, this increase would not even be offset. Can we afford for such a depletion of our resources to continue? William Coors, who proposes to replace the aluminum beer container, addressed this when he told the Idaho legislature in 1974, "We do not have to face the materials to market our product, if we don't start getting our containers back.

In addition to our material resources, we must also consider the waste of what is fast becoming our most precious resource—energy.

F. ENERGY

Energy is required to remove the virgin materials from the earth, to transport them to factories, to manufacture the container, to transport each container (whether brand new or to be refilled), to transport the containers to the stores, to the delivery truck (whether empty or loaded with containers to be recycled or refilled), to pick up the litter, to haul or dispose of it, to shred and compact the throwaways in the disposal site. This energy is lost forever.

A refillable beer bottle used only ten times requires less than 1½ of the energy for the equivalent beverage marketed in throwaways. While using refillables requires even less energy, aluminum cans and metal, will still be competitive because cans have some other attractions besides being disposable. They also do not break. The deposit provides the needed incentive to return the can for recycling. Since aluminum is a very compact stor­ age space, some people find the extra cost for the container worthwhile, because they are easy to save and return in bulk for the deposits.

Bottle bills are currently in effect in many places. Nationally, there are 12 provinces, for example, have bottle bills. Some have been enacted on a local level (Bowie, Maryland; Mill Valley, California for example), but the most effective bottle bills in this country have been enacted at the state level.

In 1972, Oregon led the way when its legis­ lature enacted its landmark "bottle bill." Two other states (Vermont and South Dakota) took the state legislative route to their respective bottle bills. When the legislature failed to act in four states where popular referenda were allowed, conservationists took their case to the people in November of 1978. Despite massive publicity campaigns mounted by the beverage industry, Oregonians voted by 30% margin to ban bottle bills by large margins in two states (Maine, 56%; Michigan 63%). In the two other states, the deposit was increased (Massachusetts 49%; Colorado 32%).

I. VARIATIONS ON THE BOTTLE BILL

While all of these bottle bills have the same deposit concept in common, they are not identical.

Oregon's bill included a prohibition against containers with detachable pull tabs. Bottle bills have followed this pattern, and, in fact, three states that do not have deposit legisla­ tion have prohibited the tabs. To accommodate this, the industry introduced the push-­button lid which accomplishes the same ob­ jective as the pull-tab without detach­ ing.

Other bottle bills have prohibited the plastic rings used for marketing cans. Both pull tabs and plastic rings are annoying sources of litter and a particular menace to both humans and wildlife. The tabs, for example, are easily swallowed and since they cannot always be detected by x-ray, are especially dangerous to young children and also swallow tabs. Birds can get their heads caught in plastic rings and die of starvation.

If these bills have merit, the allowing for their deposit bills will not provide the incentive and effective incentive to the consumer to return the container.

J. OPPOSITION TO BOTTLE BILLS

As is the case with any measure requiring change, not everybody likes bottle bills. In two states, bottle bills have been organized, well financed and vocal. Their arguments must be considered. Some are not well considered.

Opponents note that a major reason for the switch to throwaways was to improve sanitary conditions. Opponents of a deposit system will argue that a deposit system will cause a return to piles of filthy bottles around stores. This, of course, is not so much a weakness of returnable as is the weakness of throwaways. A change such as the deposit requirement will cause initial dislocations and some im­ mediate expenses (storage space and per­
haps equipment) and some additional costs (perhaps extra employees to handle refillables), especially for distributors and retailers.

As noted, some of the bottle bills make special provision to cover these costs. All allow for a refund for returnable containers and a small deposit for non-returnable containers. These costs by no means outweigh the financial benefits to consumers or compare to the overall benefits to society.

Proponents note that there were massive dislocations when the beverage industry shifted away from bottles. This new trend continues. There were over 700 brewing plants in the U.S. before World War II. Today there are less than 100.

The most often heard opposition to bottle bills is the claim that they do not work, are economically disastrous and cause massive unemployment. Perhaps the best way to approach this is by looking at the record.

Two states (Oregon and Vermont) have bottle bills in effect since 1972 and 1973, respectively, and have been the subjects of numerous investigations. But, especially for distributors and soft drink bottlers went out of business. While a lot of small, predominantly local, beer and soft drink bottlers went out of business, many jobs were lost.

Oregon Governor Tom McCall notes in his bottle bill experiments in both Oregon and Vermont. In both states, recent opinion surveys have found that 9 out of 10 people like the bottle bill. Also, the public is concerned about the waste. Perhaps the greatest testimony to the success of the bottle bill experiments in both Oregon and Vermont in a year.

In Oregon, in the year following the enactment of the bottle bill, beverage container return rates were over 70%, reducing total volume of litter by 35%. In the second year, these rates dropped to 85% and 90% respectively. In Vermont, beverage litter dropped 77% in the first year, despite the facts that the industry has resisted the mandatory deposit law and the trend continues. There are over 700 brewing plants today.

In both states, the increases in beverage prices that have occurred since enforcement of the bottle bill have paralleled those nationwide due to higher sugar and grain prices and other factors unrelated to the bottle bill. In Oregon, prices of beer and soft drinks have kept pace with sales trends nationally. In Vermont, opponents attributed a drop in sales of beer and soft drinks to the bottle bill, but an economist noted that the primary cause was poor ski conditions which resulted in reduced tourist spending in the state.

Vermont is small and its beverage supplies come almost exclusively from distributors in surrounding states. The bottle bill effect upon out-of-state suppliers is hard to calculate. Oregon, on the other hand, is larger both in size and population, so the effect of its bottle bill has been possible to gauge. Studies in Oregon show that while there was a shift in employment from some segments to others, there was a net gain in both jobs and labor income as a result of its bottle bill. Annual savings equivalent to 1.4 trillion BTUs of energy (enough to satisfy the annual heating needs of 50,000 Oregonians) and a reduction of 88% in the amount of solid waste going to landfills in Oregon's solid waste disposal system were achieved.

Studies have also found that while there are definitely costs for sanitary handling of containers, these costs have been much lower than anticipated. In fact, Oregon grocery chain has become so enthusiastic that it sends representatives around the country to speak in favor of bottle bills.

Perhaps the greatest testimony to the success of the bottle bill experiments in both Oregon and Vermont in a year. In both states, recent opinion surveys have found that 9 out of 10 people like the bottle bill in their state. Also, the public is concerned about the waste. Perhaps the greatest testimony to the success of the bottle bill experiments in both Oregon and Vermont in a year. In both states, recent opinion surveys have found that 9 out of 10 people like the bottle bill in their state. Also, the public is concerned about the waste.
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"Perpetuation of what has become almost an American tradition—the attitude of the public toward the bottle. Cleveland, Ohio, received a boost from the Massachusetts House of Representatives."

"The American people are being encouraged to endorse an initiative petition measure banning use of nonreturnable bottles. In doing so it soothed national concern over an industry that, in the Bay State joins Oregon and Vermont in requiring that beverages be sold in returnable bottles."

In 1973 the average American used 71 "six-packs" of beverages, one out of every four of those containers ended up as trash. Bottles and cans account for approximately 50 percent of the national litter problem. At the same time surveys on the impact of bottle laws in Vermont and Oregon show that 90 to 95 percent of the returnable beverage containers are being reused. In Oregon overall litter has dropped 39 percent, while beverage container refuse has plunged 83 percent.

In Massachusetts, the AFL-CIO opposed the bottle bill, saying it would result in loss of up to 1,000 jobs in the bottle-making trade. Yet a Federal Reserve Bank of Boston report concluded that there was an over-all benefit to the state's economy.

On a national scale, a draft Federal Energy Administration report concludes that requiring deposits on beverage containers would result in economic gain.

Fortunately, the issue is not dead in Massachusetts. Sickers of the proposal can place it on the November ballot. The collection of a little over 9,000 signatures, which should not be difficult. Meanwhile several other states including Massachusetts, New York, New Jersey and Virginia, are now considering similar bottle legislation.

The most effective way to curb litter, adds, from convincing people not to toss it down in the firstplace, is to make it too costly for the litterer. Bay State citizens and indeed all Americans ought to realize that legislative bans on disposable bottles mean both the creation of jobs and a litter-free landscape.

"Bottle Bills: Winners and Losers" (By Ellen Stern Harris)

While most of us were paying close attention to the fate of the candidates earlier this month, we may not have noticed the outcome of the bottle bill. This month, we may not have noticed the outcome of the bottle bill.
said, "The industry is obviously concerned. We are afraid price increases will be passed on, and prices are already high."

Senator William Cohen (D-Maine) said, "We have a problem when price increases come from outside the industry."

The Environmental Protection Agency (EPA) is concerned about the increase in the number of cans and bottles that are being thrown away. The agency has estimated that there are about 20 billion cans and bottles that are thrown away each year. This is a significant increase from the past, when the number was much lower. The agency is working to develop regulations that will reduce the number of cans and bottles that are thrown away. They are looking at ways to reduce the amount of waste that is generated by the industry, and they are working to develop new technologies that can be used to reduce the amount of waste that is generated.

The problem of cans and bottles is not limited to the United States. The problem is also significant in other countries, such as Canada and Mexico. The EPA is working with these countries to develop regulations that can be used to reduce the amount of waste that is generated by the industry.

The industry is concerned about the regulations that are being developed by the EPA. They are worried that the regulations will be too stringent, and that they will not be able to comply with them. They are also concerned about the cost of the regulations. They believe that the regulations will be expensive, and that they will not be able to afford them.

The industry is also concerned about the impact of the regulations on the environment. They believe that the regulations will be harmful to the environment, and that they will not be able to comply with them.

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er's supposed preferences, a survey in Oregon found that only 12 percent of beer drinkers would be converted to pay deposits and return empties. Only seven percent thought the bottle bill limited their choice of soft drinks or preparation for beer.

2. Does a bottle bill cost jobs?

Industry: A nationwide bottle bill would throw out of work 60,000 to 160,000 people out of work. As chairman William F. May of the American Can Co. says, this nation is too desperately in need of one-way-from-the-way container to go back to the refillable system.

Advocates: Though there would be dislocations, overall a bottle bill creates employment because of the additional workers needed by beer and soft-drink makers and distributors. Anyway, did industry shed tears when throwaways allowed big brewers to swallow smaller plants and eliminate some $20,000 jobs? When Vermont's AFL-CIO leadership tried to get support for fighting that state's bottle bill, the rank and file turned it down.

3. What about the impact on industry?

Industry: It would be catastrophic. Can and bottle makers would lose billions in sales. In Oregon alone, the ADS study reported, can makers lost about $10 million in one year. As long as the state persisted in its throwaways, after a spurt to meet the need for new refillables, would go down another $3.6 million annually.

Advocates: The bottle bill doesn't mean the end of beverage-can sales. Now that progress is cordoned around an empty sound nondetachable opener for cans, metal containers could be expected to retain about 20 percent of the sales volume. In 1976, as the Oregon Court of Appeals told American Can and other industry litigants: "With every change in the marketplace, there are gainers and there are losers. There will be new gainers and new losers as the industry adapts to the bottle bill."

Industry: We estimate that converting to refillable systems—dismantling can lines, getting new equipment—would cost $5 billion. That's intolerable.

Advocates: A few years ago, the industry hired Midwest Research Institute of Kansas City to determine the impact of a ban on throwaways. MRI estimated aggregate impact (including new equipment and additions to workforce) if refillables displaced canners and bottlers in the first year to be a loss of $247 million. By the second year, however, the cost of the refillable system were seen as yielding an aggregate gain of $37 million.

Advocates: There is some inconvenience for grocers in handling returns. However, when a group of Vermont grocers claimed losses because of the bottle bill, a court upheld the law and dismissed the suit. Vermont grocers already get, for handling costs, a 30-cent allowance per container. The Vermont legislature, on the other hand, has not seen the need to authorize such an allowance. And neither state has yet awarded any store credit for returning empty beverage containers.

4. What about consumer prices?

Industry: They would have to go up, because of the tremendous costs of converting plants to refillables.

Advocates: If industry converted to returnables, it would save money, because it would be paying less per use for containers. With these savings, it should be reduced.

5. What is widely accepted estimate is that a bottle could be refilled ten times.

Industry: The trouble with all those "savings" is that people have believed the assumption that people will return bottles. A refillable bottle may make only two or three round trips before it is thrown away in big cities, as few as five or eight elsewhere.

Advocates: When industry was arguing against a proposal to destroy all bottles bearing outlawed cyclamen labels, it said the containers lasted five years. An Arizona bottler says he gets about 80 round trips per bottle.

Besides these questions, there is one more point to consider. What do the people of Oregon and Vermont think of their bottle laws? In Vermont, every attempt to repeal or cripple the law has been defeated. The ADS public-opinion poll for Oregon says: "Overwhelming" is virtually the only word to describe Oregon's approval of the bottle bill. Nine in ten people (91 percent) said they approved, and only one in 20 voted any disapproval.

All right, says industry, but that was a poll. There have been eight legislative votes in other states involving the bottle bill, and the bill has been turned down every time.

[For the Reader's Digest, May 1976]

The Lobby That Battles the Bottle Bills

(By Earl and Miriam Selby)

A "bottle bill" is a piece of federal, state or local legislation aimed at helping America kick the habit of throwing away beer and soda-pop cans and bottles every year.

To stem this nine-million-ton tide of trash, various groups have been forming clusters that all beverage containers—cans included—carry deposits with mandatory refunds, so they can be returned for recycling or reusing.

Advocates of bottle bills argue that they will cut down on litter and trash, conserve energy, save consumers more than a billion dollars a year.

On the surface, those promises seem so attractive that one wonders why we haven't embraced a nationwide bottle bill. A partial answer may be found in what happened in two localities when bottle bills came up against the lobby supported by the beverage and container industries:

In 1976, in Washington State, college professor Robert Keller triggered a statewide vote on a bottle bill. He and his group had $800 to spend on their cause. The lobby had $300,000 to spend, according to state's consumer information committee.

Against Initiative 256; in Maryland, the Maryland State Liquor Control Board received almost nothing from the lobby. It sometimes is confusing to the public by making it unsure as to just what the bottle bill is. You don't vote for what you have doubts about.

The lobby uses time-consuming court challenges. In Bowie, Md., the city council passed a bottle bill. The lobby took it to the courts. The courts threw away the bill. Four years went by before the lobby was defeated in the courts.

The 1974 Florida battle deserves further attention because Dade County was so strategically important. With more than a million and a half residents, and up to 12 million tourists annually, the Miami area accounts for nearly one percent of the U.S. beverage market, consuming the contents of 490 million throwaway cans and bottles every year. If Dade went for the bottle bill—and it almost did—it would set a precedent in the state and elsewhere—the domino effect could ripple everywhere.

So out went the lobby's call for money. In a single week, the Dade County Consumer Information Committee collected $68,200, with individuals giving $1 to $1000. Florida law, however, limits donors in single-issue fights to $1000. The lobby was therefore forced to turn to some very heavy artillery: Joseph Schlitz Brewing Co., which had sent out $2800, got $1800, and Wisconsin and South Dakota legislatures plus a scattering of local jurisdictions, have succeeded. (South Dakota's is not scheduled to go into effect until 1978.)

The success of the lobby can be explained not only by its munificent treasury, but also by its efficient tactics. Consider:

The lobby plays hard, but keeps. In New York City, a group known as the Environmental Action Coalition received $520,000 in support over a period of three years from industry—Pepsi-Cola, the Can Manufacturers Institute, the Aluminum Association and other keepers of the lobby—to educate the public on such industry-sponsored goals as recycling and resource-recovery programs. In the spring of 1975, however, the Coalition endorsed the bottle bill as a companion to resource recovery. Since then, it has received almost nothing from the lobby.

The lobby can be fastidious. It sometimes subtends submarines discussion of a bottle bill by raising unwarranted fears. Mayonnaise jars are a favorite tactic. William Ginn, a leader in Mayonnaise jars' struggle to throw away containers, was startled when a brewers' spokesman he was debating on radio referred to beer bottles as "Mayonnaise jars, impure lead to deposit on them, although nothing in the legislative proposal even remotely implies that they could be forced to deposit on them. According to Ginn, he had been misled by the Mayonnaise question that by the time he recovered himself he had lost the debate.

The bottle bill has been turned down every time. There have been eight legislative votes in other states involving the bottle bill, and the bill has been turned down every time.

Congressional Record—Senate
the energy and solid waste problems
nates more and more packaging ignores
DePosit, container returns. And the other 36 cents? Gov.
battles, It keeps the war going. Shortly after
soft-drink lobby works, and so often wins,
tensive work, much of an environment to worry about.
ways, that the environmentalists never could

Mr. HATFIELD. Mr. President, the no-deposit, no-reimbursement attitude that dominates more and more packaging ignores the energy and solid waste problems in the idolization of convenience. You can now look to place to reject this wasteful ethic in an area where we know we can succeed.
I realize that an extensive amount of materials have been offered for the Record this afternoon. It was my intention in this presentation to compile all the arguments in favor of this legislation at one time so that my colleagues, their staffs and any other person interested would have a comprehensive review of the issue for easy reference.
In conclusion, Mr. President, I ask that the Beverage Container Reuse and Recycling Act of 1979 appear at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 50

SEC. 2. Congress finds and declares that:
(1) The failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of national energy and material resources.
(2) The littering of empty beverage containers constitutes a conscious and willful hazard, and esthetic blight and imposes upon public and private agencies unneeded costs for the collection and removal of such containers.
(3) Empty beverage containers constitute a significant and growing proportion of municipal solid waste disposal which imposes a severe financial burden on local governments.
(4) The reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on individuals, local governments, and the environment.
(5) A uniform national system for requiring a refund value on the sale of all beverage containers would at the high level of reuse and recycling of such containers when empty.

DEFINITIONS

SEC. 3. For the purposes of this Act:
(1) The term “beverage” means beer, or other malt beverages, mineral water, soda water, or a carbonated soft drink of any variety in liquid form and intended for human consumption.
(2) The term “beverage container” means a container designed to contain a beverage under pressure.
(3) The term “refundable beverage container” means a beverage container which has a refund value, prominently, and securely affixed to, or prior to its issuance, in accordance with section 4 a statement of the amount of the refund value of the container.
(4) The term “consumer” means a person who purchases a beverage in a beverage container for any use other than resale.
(5) The term “refundable” means a person who sells or offers for sale in commerce beverages in beverage containers for resale.
(6) The term “retailer” means a person who purchases from a distributor beverages in beverage containers for sale to a consumer.
(7) The term “distributor” means a person who offers for sale in commerce beverages in beverage containers under pressure of carbonation to a consumer.
(8) The term “Administrator” means the Administrator of the Environmental Protection Agency.

SEC. 4. No distributor or retailer may sell or offer for sale a beverage in a container or packaging, unless there is clearly, prominently, and securely affixed to, or printed on, it (in accordance with regulations prescribed by the Administrator) a statement of the amount of the refund value of the container, such amount being not less than 2 cents.

RETURN OF REFUND VALUE OF BEVERAGE CONTAINERS

SEC. 5. (a) If a consumer tenders for refund an empty and unbroken refundable beverage container to a retailer who sells (or has sold at any time during the period of six months ending on the date of such tender) a brand of beverage which was contained in the container, the retailer shall promptly pay the consumer the amount of the refund value stated on the container.
(b) If a consumer tenders for refund an empty and unbroken refundable beverage container to a distributor who sells (or has sold at any time during the period of six months ending on the date of such tender) a brand of beverage which was contained in the container, the retailer shall promptly pay the consumer the amount of the refund value stated on the container.

RESTRICTION ON METAL BEVERAGE CONTAINERS WITH DETACHABLE OPENINGS

SEC. 6. No distributor or retailer may sell or offer for sale a beverage in a metal beverage container, in whole or in part, which is designed to be detached in order to open such container.

RESTRUC TION ON METAL BEVERAGE CONTAINERS WITHOUT DETACHABLE OPENINGS

SEC. 7. (a) Except as otherwise provided in this section, State or political subdivision thereof may establish or continue in effect any law respecting a refund value of beverage containers sold with a beverage under pressure of carbonation to a consumer, even if such law is inconsistent with this Act.
(b) No State or political subdivision thereof may, for purposes of determining the amount of any tax imposed by such State or subdivision on the sale of any regulated beverage container, account any amount charged which is attributable to the refund value of such container, if a statement of such refund value is affixed to or printed on the container in accordance with section 4.
(c) A State may require that a distributor pay a retailer for the tender of a refundable beverage container an amount, in addition to the amount of the refund value required to be paid under section 5 (a) (2), for the retailer’s handling or processing of the container.

Subsection (a) does not prevent a State or political subdivision thereof from establishing or continuing in effect any law respecting the refund value on containers other than for beverages.

SEC. 8. Whoever violates any provision of section 4(a), 5(a), or 6 shall be fined not more than $1,000, or imprisoned for more than 60 days, or both, for each violation.

S. 30. BEVERAGE REUSE AND RECYCLING ACT OF 1977

SEC. 9. (a) The provisions of Sections 4, 5 and 7 shall apply only with respect to beverages in containers or packaging offered for sale in interstate commerce on or after three years from the date of enactment of this Act.

Puerto Rico, or any territory or possession of the United States.
CONGRESSIONAL RECORD—SENATE 299

January 15, 1979

Mr. BENTSEN. Mr. President, one of the charges leveled against King George III of England in the Declaration of Independence was that—

"He has erected a Multitude of new Offices and sent hither Swarms of Officers to harass our People everywhere."

Ironically, millions of Americans make precisely the same charge against the Federal Government today 202 years after the signing of the Declaration of Independence.

In recent years, our pluralistic, regionally diverse society has sometimes had difficulty uniting to develop a consensus on the most pressing problems we face as a nation. It is truly ironic that today a consensus has been reached in all parts of this great Nation and among just about every American that one of our most pressing problems is the incredible tendency of our Government to expand and intrude.

The overwhelming majority of Americans support the efforts of Government to clean up our air, to keep our water pure, and to improve the quality of life for all citizens. I support these goals. I have fought for them. What I oppose are unwarranted, confusing, and unreasonable regulations which strangle individual freedom and individual initiative. I give no consideration to cost/benefit ratios.

Excessive Federal regulation is an engine of inflation. But there is a deeper, more alarming casualty of excessive regulation than inflation. Nurtured at the vital center of the American economy, our well-being as individuals and as a society rests in part on our historic ability to generate rising productivity. The ability and willingness of American entrepreneurs to innovate, to bear risks, to invest in technology which enables worldwide productivity increases, has been a major factor in the sustained rise in real incomes throughout our history. No other nation in history has done so well for so long. The key to this enviable record has been rising productivity—

The regulatory reform legislative package I am introducing today is varied. Mr. President, this is a package designed to fundamentally alter our Federal regulatory system. It introduces accountability—both in Federal agencies and in the Congress— into which it introduces a system for abolishing existing regulations which are excessive or inefficient. It mandates a thorough overhaul of the agencies for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. And, it mandates an aggressive Federal effort to seek out and eliminate existing rules or regulations which duplicate or conflict with one another.

Under this legislation, independent agencies will be required to follow the same procedures in developing rules and regulations as are now required of the Executive agencies. Under the provisions of Executive Order 12044 issued by President Carter on March 28, 1978. For constitutional reasons, independent agencies are exempted from the provisions of the Executive Order. My legislation brings them into line with the regulatory procedures called for in this Executive order without relinquishing any congressional authority to the President.

This Presidential order establishes a mechanism for the review of proposed rules and regulations designed to pare out regulatory costs, not by attacking the regulations themselves, but by attacking the rulemaking activities. This mechanism would be uniform across Cabinet departments. My legislation would significant
ly enhance this commendable effort by President Carter by making the regulatory review mechanism uniform across almost all Federal agencies.

**REGULATORY BUDGET ACT**

This legislation will force the President and Congress each year to put a cap on the amount of regulatory costs each agency can impose on the non-Federal sector, just as we now do in the fiscal budget. This would force agencies to choose the least costly way of achieving regulatory goals.

The legislation 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 and ample opportunity for public input. Legislative efforts are not aimed at the legitimate efforts of Government to clean up our environment, to protect consumers or to improve workers' health and safety. They are aimed instead at excessive, unnecessary, and unreasonable Federal regulation. They are undertaken in the Jeffersonian spirit of allowing our citizens the freedom to regulate their own lives.

I ask unanimous consent that the text of each bill I have introduced today be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 51
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—REGULATORY BUDGET PROCEEDURES"

"STATEMENT OF PURPOSES AND PURPOSE

"Sec. 1101. (a) The Congress finds that—

"(1) Federal rules and regulations often impose excessive costs of compliance upon the non-Federal sector.

"(2) Federal rules and regulations have grown in number and scope so rapidly that the agencies and the Congress have not had an adequate opportunity to examine the costs of compliance with such rules and regulations; and

"(3) it is the responsibility of the Congress to determine the appropriate levels of costs of compliance with Federal rules and regulations.

"(b) It is the purpose of this title 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. It is the intent of Congress for each of the next five years for which a regulatory budget is prepared, to impose a budget which will result in reducing the total costs of compliance with Federal rules and regulations by 5 percent per year.

"DEVELOPMENT OF REGULATORY COSTS ANALYSIS PROCEDURES

"Sec. 1102. (a) The President shall, in consultation with the Business Advisory Council established pursuant to subsection (g) of section 1104, develop criteria for use in the determination of which rules or regulations are necessary, justifiable, and unreasonable Federal regulations, and furnish such criteria to the head of each agency; and

"(b) provide for determining the costs of compliance with rules or regulations and furnish such methods to the head of each agency.

"(c) In developing the methods required under subsection (a), the President shall, after consultation with the Business Advisory Council—

"(1) take such action as may be necessary to insulate those rules or regulations from the cost study that are based upon the most accurate available statistical and accounting knowledge and techniques; and

"(2) provide for the extent feasible, that such methods are uniform for all agencies while taking into account the different functions of each agency.

"(d) At least ninety days before the submission of the criteria and methods required under subsection (a) to the head of each agency, the President shall—

"(1) publish such criteria and methods in the Federal Register in order to solicit public comments thereon for a period not in excess of forty-five days; and

"(2) submit such criteria and methods to the Comptroller General, the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director for their review and comments.

"(2) The Comptroller General, the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director shall review and update the criteria and methods established under this section in accordance with the procedures established in this section.

"(e) The President may delegate his responsibilities under this section to the Director of the Office of Management and Budget.

"(f) The head of each agency shall utilize the criteria and methods developed by the Business Advisory Council to carry out the functions required under section 1103.

"(g) (1) The President shall, in accordance with the provisions of the American Competitiveness Committee Act (5 U.S.C. App.), establish a Business Advisory Council to provide such information and make such recommendations concerning the criteria and methods submitted pursuant to paragraph (1) (B) of the receipt of such criteria and methods.

"(d) Each year, at a time and in a manner consistent with sections 1103 and 1104, the President shall review and update the criteria and methods established under sections (a) and (b) of this section.

"(2) The Council shall be composed of not less than 25 nor more than 50 members selected by the President. Such members shall include representatives of each major industry, commercial and financial sector, and shall include individuals from each geographic region. Such individuals shall include members from organizations of various sizes, and shall include, to the extent possible, individuals from businesses affected by rules and regulations of each of the major areas of Federal regulation.

"(3) The President shall provide the Council with such facilities and other supportive services and shall cause the minutes of meetings of the Council to be published in the Federal Register other than full-time employees of the Federal Government, while attending meetings of the Council, shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by section 7503 of title 5, United States Code, for business travel in the Government serving without pay.

"REGULATORY COST COMPLIANCE REPORTS

"Sec. 1103. (a) (1) Each year, the head or each agency shall submit to the President, the Congress, and the Comptroller General a report on the costs of compliance with rules and regulations promulgated by that agency. The head of each agency shall establish the budget established pursuant to section 1102 in conducting the study required under this subsection.

"(2) The head of each agency shall submit a report to the President, the Congress, and the Comptroller General by the November 30th of each fiscal year. The report shall contain the results of the study required under paragraph (1), and shall contain a report on the number of Federal rules and regulations which result in regulatory costs for which the budget established by the President under section 1102 in conducting the study required under this subsection.

"(ii) a comparison of the costs of compliance for such fiscal year with the budget, if any, established for such fiscal year under section 1102; and

"(iii) a full explanation for any costs of compliance which exceeded the regulatory budget for such fiscal year, and

"(b) The estimated costs of compliance for the fiscal year in progress when the report is submitted and for the succeeding fiscal year.

"(i) with rules and regulations of such agency in effect on the date on which the report is submitted;

"(ii) with rules and regulations of such agency which are to be, or are expected to be, issued, after the date on which the report is submitted; and

"(iii) with all rules and regulations of such agency as specified in clauses (1) and (2)."
Representatives shall submit to the Committee on the Budget of the House of Representatives or the Senate, as the case may be, a report which contains:

"(c) (1) The committee of the Senate which reports any bill or resolution may, at any time before or after the Senate reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) of section 1105 with respect to that bill, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. The Committee on the Budget shall report the resolution to the Senate, within ten days after consideration is referred to the Committee on the Budget of the Senate. The Committee on the Budget shall report the resolution to the Senate, within ten days after consideration is referred to the Committee on the Budget of the Senate. The Committee on the Budget of each House shall hold hearings and receive testimony from among Members of Congress and such appropriate representatives of the agencies, the general public, and national organizations as the committee deems desirable. On or before August 15 of each year, the Committee on the Budget of each House shall report to its House the concurrent resolution required under subsection (a) for the fiscal year beginning on October 1 of such year.

"REPORTS AND SUMMARIES OF CONGRESSIONAL ACTION

"Sec. 1106. (a) Whenever a committee of either House reports a bill or resolution to its House, the committee report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director, which contains:

"(1) the enactment of such bill or resolution shall take effect on the date of its enactment, except that the provisions of sections 1103 through 1107 shall apply only with respect to the first fiscal year beginning at least nineteen months after the date of enactment of this title, and succeeding fiscal years.

"(b) Section 1106(a) of such Act is amended—

"(1) by striking out the word "and" before "title XI" and inserting in lieu thereof "and 1107", and

"(2) by inserting before the period a comma and the following: "and title XI may be referred to as the "Regulatory Budget Act of 1979".

"(c) Section 1(b) of such Act is amended by adding at the end of the table of contents the following new items:

"TITLE XI—REGULATORY BUDGET

"Sec. 1101. Statement of findings and purpose.

"Sec. 1102. Development of regulatory costs compliance analysis procedures.

"Sec. 1103. Regulatory costs compliance reports.

"Sec. 1104. Regulatory budget recommendations.

"Sec. 1105. Regulatory budget resolutions.

"Sec. 1106. Reports and summaries of congressional action.

"Sec. 1107. New legislation must be within regulatory budget.

"Sec. 1108. Definitions.

"Sec. 1109. Effective date.

"(d) Section 904(a) of such Act is amended by striking out "and 1017" and inserting in lieu thereof "1017, 1105, 1106, and 1107".

S. 52

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 "Regulatory Conflicts Elimination Act of 1979.

STATEMENT OF FINDINGS AND POLICY

Sec. 2. (a) The Congress finds and declares that—

"(1) duplication among Federal rules, regulations, and data collection requirements often impose excessive and unnecessary costs and burdens on the private sector;

"(2) conflicts between rules or regulations promulgated by the different executive departments and independent agencies impose excess costs on the private sector, create uncertainty, result in unintentional violations by persons required to comply with such rules and regulations, and create a difficulty and inefficiency of such rules and regulations; and

"(3) such duplicative and conflicting rules or regulations are an abuse of the power of Congress to legislate, and thereby reduce the productivity of government employees and increasing Federal taxes.

"(b) It is the purpose of this Act to reduce or eliminate duplicative and conflicting rules or regulations among Federal agencies.

DEVELOPMENT OF REGULATORY COST ANALYSES PROCEDURES

Sec. 3. (a) The President, in a time and manner consistent with his responsibilities under section 8, shall—

"(1) establish criteria for use in the determination of which rules or regulations are within the definition of rule or regulation established in section 7; and

"(2) determine criteria for use by the heads of independent agencies in examining the costs of compliance with Federal rules or regulations.

"(b) The President shall transmit the criteria developed under subsection (a) to the head of each executive department and independent agency.

ANALYSIS OF REGULATORY DUPSICATICN AND CONFLICT

Sec. 4. Each year, at a time to be specified by the President in accordance with his re-
sponsibilities under section 5, the Director of the Office of Management and Budget, in cooperation with the department and independent agency, shall submit to the President, the Congress, and the heads of the departments and agencies a regulatory duplication and conflicts report. Each regulatory duplication and conflicts report shall include—

(1) an evaluation of the report of the Director of the Office of Management and Budget submitted under section 4;

(2) a recommendation that a rule or regulation established by any department or independent agency is duplicative or conflicting rules or regulations.

DEFINITIONS

Sec. 7. For purposes of this Act—

(1) the terms "rule and regulation" mean any "rule" and "regulation" as defined in section 503(4) of title 5, United States Code;

(2) the term "duplicative rule or regulation" means a rule or regulation promulgated by a Federal agency which are identical or similar in substance; or the Oongress dis­

(3) the term "conflicting rules or regulations" means rules or regulations promul­gated by Federal agencies which require different courses of action in the same or similar situations, or require the private sector to violate one rule or regulation in order to comply with another rule or regulation;

(4) the term "Comptroller General" means the Comptroller General of the United States;

(5) the term "costs of compliance" means the costs of compliance with rules or regulations promulgated by any Federal agency;

(6) the term "private sector" means an individual, partnership, association, corpora­tion, business trust or legal representative thereof, an organized group of individuals, or labor organization, or any other instrumentality, as determined by the Director of the Office of Management and Budget; and

(7) the term "executive department" means the executive departments identified in sec­tion 101 of title 5, United States Code.

ARRANGEMENT

Sec. 8. There are authorized to be appro­priated such sums as may be necessary to carry out the provisions of this Act.

STATEMENT OF POLICY AND PURPOSES

S. 33

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 "Independent Agen­cies Regulatory Improvements Act of 1979".

Sec. 2. (a) It is the policy of the Congress that rules or regulations issued by the Indepen­dent regulatory agencies—

(1) be as simple and clear as possible;

(2) achieve legislative goals efficiently and effectively; and

(3) not impose unnecessary burdens on the economy, on individuals, public or priv­ate organizations, or State or local govern­ments.

(b) It is the purpose of this Act to estab­lish a procedure for the development of rules or regulations to minimize the number of dup­licative or conflicting rules or regulations promulgated by any department or independent agency which insures that—

(1) the need for and purpose of a rule or regulation are clearly established;

(2) the head of each agency and other officials responsible for policymaking within each agency will be aware of the rule or regulation which will be promulgated over the promulgation of rules or regulations; and

(3) opportunities exist for early participa­tion by the private sector, the Congress, the Comptroller General of the United States, or other governmental or nongovernmental organizations.

(c) Each agency head or agency official re­sponsible for the promulgation of rules and regulations prior to their publication for public comment in the Federal Register shall be based upon a deter­mination that—

(1) the proposed rule or regulation is necessary;

(2) the direct and indirect effects of the
rule or regulation have been adequately con­ sidered;
(2) alternative approaches have been con­ sidered and the least burdensome of the ac­ ceptable alternatives has been chosen;
(3) the interests of all affected parties have been considered and adequate responses have been prepared;
(4) the rule or regulation is written in plain language and understandable to the parties required to comply;
(5) an estimate has been made of the re­ ports or regulations will require a regulatory­ type report, including the effect on the rules or regulations of other pro­ cedures for public participation developed.

(1) A succinct statement of the problem to be solved or addressed by the rule or regulation of which the rule or regulation conform with the purposes and policies of this Act as stated in section 3 through 5 to carry out the review of such rules and regu­ lations.
(2) Each agency head shall develop crit­ eria for the selection of rules and regula­ tions to be reviewed in accordance with the provisions of subsection (a). Such criteria shall include—
(a) the type and number of individuals, businesses, organizations, State or local gov­ ernments, and other Institutions to be af­ fected by the rule or regulation;
(b) the compliance and reporting require­ ments likely to be required as a result of the rule or regulation;
(c) the direct and indirect effects of the rule or regulation, including the effect on competition; and
(d) the relationship of the rule or regu­ lation to the rules or regulations of other pro­ grams and agencies.
(2) If an agency head determines that a rule or regulation does not meet the criteria established pursuant to paragraph (1) for a significant rule or regulation, he shall in­ clude a statement to that effect in the Fed­ eral Register at the time the rule or regula­ tion is proposed.

REGULATORY ANALYSIS

SEC. 5. (a) Each agency head shall prepare a regulatory analysis for significant rules or regulations which may have major economic conse­ quences for the general economy, in­ dustry, or a large number of individuals, regions, or levels of government (as described in clauses (1) and (2)). Each agency head shall estab­ lish criteria for the determination of which rules or regulations will require a regulatory analysis. Such criteria shall require that a regulatory analysis be performed for each rule or regulation if such rule or regulation will result in—
(1) an annual effect on the economy of $100 million or more; or
(2) a major increase in the expenses of in­ dividual industries, levels of government, or geographic regions.
(1) the criteria of the agency for defining significant rules or regulations;
(b) the proposed criteria of the agency for the identification of significant rules or regu­ lations require regulatory analysis; and
(c) the proposed criteria of the agency for the selection of rules and regulations to be reviewed, and a list of rules or regulations that the agency will consider in its initial reviews.
(2) Each agency head shall publish the draft report required under this subsection in the Federal Register in order to solicit public comment thereon. Each agency head shall transmit a copy of such draft report to the Comptroller General.

SEC. 8. As used in this Act—
(1) rules or regulations issued in accord­ ance with section 556 and 557 of title 5, United States Code;
(2) the term "agency head" means the in­ dependent regulatory agencies of the United States, including the Federal Reserve System, the Federal Deposit Insurance Corporation, the Commodity Futures Trading Com­ mission, the Consumer Product Safety Com­ mission, the Federal Communications Com­ mission, the Federal Deposit Insurance Cor­ poration, the Federal Election Commission, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Communications Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, and the Securities and Exchange Commission.
(3) the term "Comptroller General" means the Comptroller General of the United States.

S. 64
Be it enacted by the Senate and House of Representatives of the United States of
304 CONGRESSIONAL RECORD - SENATE

January 15, 1979

America in Congress assembled, That this Act may be known as the "Regulatory Cost-Reduction Act of 1979".

STATEMENT OF FINDINGS AND POLICY

Sec. 2. (a) The Congress finds and declares

(1) Federal rules and regulations have grown in number and scope without sufficient emphasis on determining the costs of compliance with such rules and regulations;

(2) many government programs and policies are adopted with inadequate understanding of their direct and indirect costs to the public and with little consideration of these costs in relation to the benefits to be achieved;

(3) inflation in the United States is at least in part attributable to government programs and policies which impose excessive regulatory costs on business and the public;

(4) agencies can often achieve desired regulatory objectives through various alternative regulatory and other methods and can minimize excessive regulatory costs by choosing the least costly of such alternatives; and

(5) resources, both public and private, devoted to achievement of regulatory objectives are not available for the fulfillment of other human needs, including alleviation of poverty, provision of health care, and eradication or renovation of urban areas, prevention of crime, creation of productive jobs, provision of adequate housing, and strengthening of the national defense, and thus should be devoted to regulatory objectives in the most cost-effective and least wasteful manner.

DEVELOPMENT OF REGULATORY COST-EFFECTIVE ANALYSIS PROCEDURES

Sec. 3. (a) Within one year after the date of enactment of this Act, the President shall-

(1) establish criteria for use in the determination of which rules and regulations are within the definition of rule or regulation established in section 2 of this Act and also establish criteria for use in the determination of which rules and regulations methods of comparing the cost-effectiveness of alternative regulatory and other methods and can minimize excessive regulatory costs by choosing the least costly of such alternatives; and

(2) provide, to the maximum extent feasible, that such methods are uniform for all agencies taking into account the different functions of each agency.

(c) At least ninety days before the submission of the methods and criteria required under subsection (a) to the head of each agency, the President shall-

(A) identify and methods in the Federal Register in order to solicit public comments thereon, for a period not in excess of sixty days; and

(B) submit such criteria and methods to the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office for solicitation of comments.

(2) The Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office shall submit comments on such criteria and methods.

DEVELOPMENT OF REGULATORY COST-EFFECTIVE ANALYSIS PROCEDURES

Sec. 4. The Congress authorizes and directs that, to the extent feasible and to the extent permitted by law, the head of each agency shall, whenever alternative methods exist for achieving a regulatory goal or objective, utilize the most cost-effective method of achieving such regulatory goal or objective, unless the head of the agency determines that the national interest requires the use of a less cost-effective alternative.

REGULATORY IMPACT ANALYSIS MANDATED

Sec. 5. (a) The Congress authorizes and directs that, in preparing a regulatory impact analysis, the head of the issuing agency shall-

(1) establish criteria for use in the determination of the degree to which technological change, economic conditions or other factors have changed since the date on which the rule or regulation was promulgated, the degree to which such changes have made possible the adoption of alternatives which did not exist or were not considered at the time of the original date of promulgation; and

(2) if, after review of an existing rule or regulation, the agency head determines that an alternative way of achieving the regulatory goal or objective should be implemented, include a description of how such a regulation can be implemented with the least cost and disruption to those affected by the change.

(b) Each agency head shall, insofar as is possible and to the extent permitted by law, endeavor during the review of existing rules and regulations to—

(1) eliminate unnecessary, outdated or excessively costly rules and regulations;

(2) simplify or clarify the language of such rules and regulations;

(3) eliminate overlapping and duplicative rules and regulations;

(4) eliminate or rewrite rules and regulations which conflict with or fail to implement the purposes of the enabling legislation.

IMPLEMENTATION

Sec. 7. (a) In carrying out the provisions of this Act, each agency head shall prepare a draft report concerning the efforts of the agency to implement the provisions of this Act, such draft report to include-

(A) a brief description of the procedures
January 15, 1979

CONGRESSIONAL RECORD—SENATE

S. 55. 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 Finance.

MEAT IMPORT ACT OF 1976

Mr. BENTSEN. Mr. President, today I am again introducing a long overdue piece of legislation. The Meat Import Act of 1976 was passed overwhelmingly by the 95th Congress. It passed the Senate by voice vote and passed the House by 289 to 66, but was vetoed by the President after adjournment.

Thus, now in 1979 we must again seek a solution to the problems created by our current meat import law. This law and its administration have worsened the problems of our livestock industry and our consumers by magnifying the boom and bust cycle of the cattle market. The interest rates have gone up and down, as has the price of beef. The roller-coaster ride only begins when a little extra help is needed.

Housewives will point out the similarities to the cattle market. The beef supply and demand problem has been around for many years. The President has a say in setting the amount of beef that can be imported. The formula that is supposed to determine the amount of beef that can be imported is not always fair or practical. The President has the power to raise or lower the import quotas, which he may do for political, economic, or other reasons.

The Beef Import Act of 1976 was passed overwhelmingly by the 95th Congress. It was introduced by Mr. Bentsen, Mr. Long, Mr. Chiles, Mr. Stennis, Mr. Zorinsky, and Mr. Long. It would make the import law more effective and fair.

DEFINITIONS

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Thus, now in 1979 we must again seek a solution to the problems created by our current meat import law. This law and its administration have worsened the problems of our livestock industry and our consumers by magnifying the boom and bust cycle of the cattle market. The interest rates must be stabilized through a countercyclical meat import formula such as the one which I introduced last year. The Congress also recognized that the formula meant little if the quotas were subject entirely to expected or unexpected actions by the President, so it provided some restraints on the President's discretion and authority.

We found out that the President would not go along with that, that he was not willing to give up the broad authority that the Presidnents have been given. And so the bill was vetoed and the consumer and the cattleman were both left on this roller coaster of prices.

Mr. President, this problem of cattle cycles has been around for many years. The roller-coaster ride only begins when a little extra help is needed. And we do a disservice to both ranchers and consumers if we sweep it under the rug because a bill was vetoed. I have come back today with another bill which I believe will provide needed protection to both producers and consumers and which endeavors to reach a more workable arrangement in this question of Presidential discretion.

The major problem with the current authority of the President is that it has sometimes been used at the wrong time. When low prices have moved the cattle cycle into its liquidation phase, the resulting increased cow slaughter depresses prices even further. Presidential action to increase imports at this point can have a severe impact on prices, which in turn prolongs and deepens the liquidation phase. This causes the inevitable upturn to be unusually weak, with more impaired consumer prices.

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The President has said that he must have authority to increase imports to protect consumers when domestic supplies are short. The countercyclical formula is intended to do this, but he still wishes to retain his authority just in case. My bill will allow this. It will leave the President with authority during the expansion phase of the cattle cycle, which is the period when domestic supplies are short and the countercyclical formula does not do the job during this time of shortage, then the President can take action.

During the liquidation phase of the cycle, however, the President could raise the quotas only in case of a national emergency or natural disaster. This is a time of large domestic supplies and low prices, and so there should be no need to suspend the quotas. Also, this is the time when the market is most vulnerable to disruption. A loss of confidence by producers here makes the coming cycle much lower, and makes the next high much higher. The whole point of this bill is to avoid that boom-and-bust cycle. Suspension of the quotas during the liquidation phase would be unnecessary to the purpose of the countercyclical concept, and so should be done only under extreme circumstances.

These different periods can be distinguished easily because the countercyclical fraction in the formula is a good indication of which phase the cycle is in. Thus, when the factor is 1.0 or above, the formula is increasing imports and the President would have the authority to increase them further. When the fraction is below 1.0, imports are being decreased in response to domestic oversupply and low prices, and the President would be able to open the import floodgates only in a true emergency or natural disaster. The only other change from last year's bill is a requirement for a 30-day comment period before any Presidential action to increase imports becomes effective. This will lessen the shock of such action, give the public more confidence in the countercyclical formula, and provide for needed public input into what have previously been closed door decisions.

The need for this legislation was recognized by the 85th Congress, which passed the Countercyclical Import Act of 1957. The purpose of that bill was to provide for needed public protection, and it also gives the President the authority to act to prevent shortages. It is a good bill, a reasonable bill, and should be speedily passed and implemented to prevent every single price gyration below the price protection for which we have been hearing this last cattle cycle.

Mr. President, I ask unanimous consent that the text of the bill along with a brief summary be printed in the Record.

There being no objection, the bill and the summary were ordered to be printed in the Record, as follows:

S. 55

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products," (19 U.S.C. 1202 note) is amended to read as follows:

Sec. 2. (a) This section may be cited as the Meat Import Act of 1979.

"(b) For purposes of this section—

(1) The term 'entering' means entered, or otherwise preserved, into the continental customs territory of the United States.

(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

(A) items 101.10 (relating to fresh, chilled, or frozen meat of ruminants, sheep (except lambs), and

(B) item 108.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs), and

(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(b) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered during any calendar year after 1976 may not exceed 1,204,000,000 pounds; except that this aggregate quantity shall be—

(1) increased or decreased for any calendar year by the average annual per capita production of meat articles in that calendar year and the 2 preceding calendar years or by the average annual domestic commercial production of meat articles during calendar years 1968 and 1977; and

(2) adjusted further under subsection (d).

For purposes of paragraph (1), the estimated average annual per capita production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.52, and 100.55 of such Schedules entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be further adjusted for any calendar year after 1976 by multiplying such quantity by a fraction—

(1) the numerator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the 4 calendar years preceding such calendar year; and

(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the 4 calendar years preceding such calendar year.

For purposes of this subsection, the phrase domestic cow beef means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1978, the Secretary shall—

(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this subsection) would be entered during such calendar year.

In applying paragraph (2) for the second calendar quarter of any calendar year, actual entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f) (1) If the aggregate quantity estimated by the Secretary under subsection (e) is 110 percent or more of the aggregate quantity estimated by him under subsection (e) (1), and if there is no limitation in effect under this subsection with respect to meat articles, the President is required to limit by proclamation, upon giving thirty days notice by publication in the Federal Register, the total quantity of meat articles which may be entered during such calendar year by the Secretary under subsection (e) (1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

(2) If the aggregate quantity estimated for any calendar quarter in such calendar year under subsection (c) is less than 110 percent of the aggregate quantity estimated by him under subsection (c) (1), and if a limitation is in effect under this subsection for such calendar year with respect to meat articles, such limitation shall cease to be in effect for the first calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the President determines that the total quantity is increased pursuant to subsection (e).

"(g) The President may, after providing opportunity for public comment by giving thirty days notice by publication in the Federal Register of his finding, suspend any proclamation made under subsection (f) (1), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—

(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the nation of the economic well-being of the domestic cattle industry; or

(2) the supply of articles of the kind described in subsection (b) (2) will be inadequate to meet domestic demand at reasonable prices; or

(3) trade agreements entered into after the date of enactment of this Act require that the policy set forth in subsections (e) and (d) will be carried out.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection.

"(h) Notwithstanding the previous subsections, the total quantity of meat articles which may be entered during any calendar year may not be increased by the President if the fraction described in subsection (c) (2) for any calendar year yields a quotient of less than 1.0, unless—

(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required to carry out overriding national security interests of the United States, or

(2) he determines and proclaims that the supply of articles of the kind described in subsection (c) (2) for any calendar year would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices. Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection.

The effective period of any such suspension or increase made pursuant to subsection (h) shall be the period during which the limitation would otherwise apply and beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of the period of national emergency, notwithstanding the provisions of section 202(a) of that Act.
January 15, 1979

CONGRESSIONAL RECORD—SENATE 307

by Mr. BAYH (for himself, Mr. BAKER, Mr. BELLIS, Mr. BURDICK, Mr. CHAFFEE, Mr. CRANSTON, Mr. DANFORTH, Mr. DECONCINI, Mr. DORE, Mr. DUNHAM, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRAVE, Mr. HATFIELD, Mr. HUDDLESTON, Mr. INOUIE, Mr. IOMA, Mr. JURAS, Mr. KEN- NEDY, Mr. LEAHY, Mr. MANNISON, Mr. MATHIS, Mr. MATSUZ, Mr. METZENBAUM, Mr. PACK- GROD, Mr. PELL, Mr. PROKOMRE, Mr. PRATT, Mr. RICHARDS, Mr. RICH- COFF, Mr. RIEGLE, Mr. STA- FORD, Mr. STEVENSON, Mr. TSON- GAS, Mr. WILLIAMS, and Mr. WILLS)

S.J. Res. 1. A 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.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

Mr. BAYH. Mr. President, as we begin this debate again, I have come to the approach the time for a Presidential election, and once again we must drag out the strange mechanism for choosing our President and Vice President which is known as the electoral college. It was a compromise measure in the beginning which never worked as intended, and it has been the object of criticism and concern ever since. For 200 years our country has steadily moved to allow greater participation by its citizens in the selection of its leadership. Only with the choice of President and Vice President have we failed to give Americans a stronger and more equitable voice. Direct popular election is a logical step in that process. Today with the support of many of my colleagues I am proposing for this much needed electoral reform. We come from both sides of the aisle and represent many political philosophies.

Direct election is a measure which has been debated in the Senate for over a decade, but has only once reached the Senate floor. It was not allowed to come to a vote in 1970 although it was approved in the House by a vote of 339 to 70. I am confident that the 96th Congress will debate and pass this joint resolution by the necessary two-thirds vote, to be ratified by the States, and thereby finally provide our political system with a safe and fair means of electing the President and Vice President.

Mr. President, the electoral college is not harmless. It, as its defenders like to say, has worked, it has worked often times in strange ways. It carries with it always the risk that it may not work at all. Three times in the past a President was elected who did not win the popular vote. The country survived, although in the troubled times of 1876 there were serious threats of insurrection. Of course, no system of voting by the States, and the principles behind our form of Government. Only with the choice of President and Vice President can we be severely, perhaps irrevocably weakened.

E lecting a President who is not the popular vote winner is only one danger of the electoral college system. A second is the fact that the electoral college is not the majority party of the House delegation. For States with even-numbered House delegations there is the additional danger of a tie vote which would mean that State's vote completely under the present contingency procedure.

The prospects are excellent that a contingency election under the electoral college system would take place in a political quagmire. It was widely feared in 1968, for example, that the entry of George Wallace into the Presidential race would force the election in the House of Representatives, with all the political dealing and delay that might entail. It is worth noting, however, that Wallace had an additional election scenario in mind. In interviews in 1968, Wallace indicated that he felt that he might be able to swing the election to the candidate of his choice by “delivering” his electors. The prospect of the presidency being brokered in this manner might frighten all of us. As for the deals which a contingency election in the House might inspire, a reading of the diary of John Quincy Adams in the period between early December 1824, the month it was clear that there was no electoral vote winner, and the 36th ballot in the House which resulted in his presidency, is enough to frighten the most hardened political observer.

Under the electoral college, one American's vote is not equal to another's, simply on the basis of where he happens to live. Only with the direct election system would all votes be equal. The electoral college's strange alchemy of apportioning electoral votes plus its "winner-take-all" rule produces the anomalous result that a President who loses the popular vote is actually worth less than his neighbor's in Illinois, but more than his neighbor's in Nebraska. This effect is contrary to our experience in all other elections and the principles behind our form of Government.

The inequities inherent in the electoral college are also contrary to voter participation. The electoral college system is a disincentive for voter turnout, and this is reflected in the way presidential campaigns are conducted. It makes no difference to a Presidential candidate how many people show up on election day in any State so long as he receives a plurality of one, for that one extra vote determines the outcome of the State's bloc of electoral votes. The votes constituting the plurality over the winner-take-all of one are worthless. Conversely, all the votes for the loser are not simply lost; they are in effect re- cast for the winner along with the State's bloc of electoral votes.

The inequities and the lack of great practical consequence to the way campaigns are run and thus on the degree of encourage-
There being no objection, the joint resolution and summary were ordered to be printed in the Record, as follows:

S. J. Res. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the 24th article of amendment to the Constitution shall be valid as part of the Constitution if it shall have been ratified by the legislatures of three-fourths of the States within seven years after it has been submitted to them by the Congress.

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of government shall have the right to elect the President and Vice President. Each elector shall cast a single vote for two persons who receive the greatest number of votes for President and Vice President, each of whom is nominated as a candidate for the office of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person."

"SECTION 2. The electors of President and Vice President shall be appointed in each State as provided by the legislature thereof. The legislature shall have the power to establish uniform residence qualifications for electors of President and Vice President. The legislature of any State may prescribe less restrictive residence qualifications for electors of President and Vice President. The legislature of any State may establish uniform residence qualifications."

"SECTION 3. No candidate for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be less than 40 per centum of the whole number of votes cast."

"If, after any such election, more of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greatest number of votes shall be elected President and Vice President."

"The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed by federal and state laws."

"SECTION 4. The people of the several States and the District constituting the seat of government shall have the right to vote in such elections. The Congress shall provide less restrictive residence qualifications for members of Congress. This clause also permits Congress to establish uniform residence qualifications."

"SECTION 5. The Congress may by law provide for the case of the death, disability, or withdrawal of any candidate for President or Vice President, before the President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect."

"SECTION 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article."

"SECTION 7. The Congress shall have power to enforce this article by appropriate legislation."
would most likely have the ability and intelligence to select the best persons for the job. If I have no doubt but that in the 18th century, the electoral college was well suited for our country. However, already by the early 19th century, misgivings were being voiced about the college.

The skepticism seems to be related to the formation of political party candidates, and the difference they made in the selection of the President and Vice President. In the years since then, the electoral college has remained in use. It has served us fairly well—except for three times when it allowed a candidate to gain the Presidency who did not have the most popular votes.

There have been numerous other elections in which a shift of a few thousand votes would have changed the outcome of the electoral college vote, despite the fact that the would-be winner came in second place in popular votes. Mr. President, I think we have a duty to our country to try to make it a better system, to do the best we can do, and to hope, that we will not witness yet another unrepresentative election.

SMALL STATES

Many persons have the impression that the electoral college benefits those persons living in small States. I feel that this is somewhat of a misconception. Through my experiences with the Republican National Committee and as a Vice Presidential candidate, I became very clear that the populous States with large electoral college votes were the crucial States. It was in those States that we focused our efforts. Were we to switch to a system of direct election, I think we would see a resulting change in the nature of campaigning. While urban areas will still be important campaigning centers, there will be new emphasis given to smaller States. Candidates will soon realize that votes from small States carry the same import as votes from large States. That to me is one of the changes we have under this article. Each vote carries equal importance.

Direct election would give candidates incentive to campaign in States that are perceived to be single party States. For longer will minority votes be lost. Their accumulated total will be important, and in some instances perhaps even decisive.

SUMMARY

The objections raised to direct election are varied. When they are analyzed, I think many objections reflect not so much dissatisfaction with the electoral college, but rather a reluctance to change an established political system. While I could never advocate change simply for the sake of changing, neither should we defer action because we fear change.

In this situation, I think the weaknesses in the current system have been demonstrated. A demonstrable move is to provide for direct election of the President and Vice President.

I hope that the Senate will be able to move ahead on this resolution. As long as we continue with the electoral college system we will be placing our trust in an institution which usually works according to design, but which sometimes does not. There are remedies available, and I think we will act to correct this weakness in our political system.

By Mr. DeCONCINI (for himself and Mr. GOLDWATER: S. J. Res. 2. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Budget, Mr. GOLDWATER joins me in cosponsor of this measure.

The content of the amendment we are suggesting, Mr. President, is well known. It would simply require the imposition of an income surtax to raise whatever additional funds would be needed to keep the budget in balance. This surtax would take effect for the calendar year following any fiscal year in which outlays exceeded revenues. At the same time, under the Congress, by a two-thirds vote, if those present and voting, declares a state of national emergency and suspends it in whole or in part. It would, thus, provide an uncomplicated and eminently practicable procedure for restoring responsible fiscal management to the Federal system.

It is becoming abundantly clear, Mr. President, that we cannot continue to live beyond our means as a nation. The old maxim, "There's no such thing as a free lunch," is as fundamentally valid today as it was when one was first uttered in human institution or group. At some point, the laws of economics demand a settling of accounts. The costs of providing goods and services, whether in the private or public sector, may be temporarily postponed, but they cannot be avoided forever.

For too long the Federal Government has been operating as if it were exempt from the basic economic relationship. Deficit has been piled upon deficit, and in the process, the national debt has reached astronomical levels, almost incomprehensible magnitudes.

At the end of fiscal year 1977 the gross Federal debt stood at $785,583,000,000, which equals $3,571 for every man, woman, and child in this country. Yet, as astounding as these figures are, they understate the volume of public indebtedness in the United States. Thus, in 1976, the last year for which complete data have been compiled, the net Federal debt amounted to $515.8 billion. Off budget, but federally sponsored credit agencies had outstanding obligations of another $41.4 billion. At the same time, State and local governments were liable for $236.3 billion. Thus, 2 years ago, aggregate public and national debt in the United States came to a monumental $893.5 billion. The entire gross national product for that year, Mr. President, was only slightly more than double this amount, that is $1,750,000,000, and the interest on the Federal debt for that year was $2 billion, which was 7 percent of total outlays and a little over half of the deficit for that year.
The intervening biennium has brought over $100 billion in additional Federal deficits.

We cannot afford, Mr. President, to continue mortgaging the future in this manner. It is time to call a halt and bring this Federal bickering and brawling to an end. We need some semblance of control. That is what the amendment I am introducing today intended to accomplish. It is imperative that we now focus our attention on this matter. Further delay can only worsen the economic and financial disarray with which we are confronted.

No one, to be sure, favors deficit financing as a matter of principle. Just the opposite is usually the case. I am sure that none of my colleagues think that deficits are desirable per se. At most, some may consider budgetary imbalances a necessary evil under certain economic conditions. Indeed, there is general agreement among my colleagues, and for that matter, most public officials from the President on down, as to the need for a balanced Federal budget. Yet, despite this seemingly overwhelming consensus, a consensus that I believe has been forming for many years have been unable to achieve it. In fact, deficit financing has become a virtual addiction in the Federal sector.

In only 9 of the last 31 years has the Federal budget been in the black. Worse still, outlays have exceeded receipts in every budget in this decade and the gap has widened dramatically since fiscal year 1974. In that year, the Federal deficit was $4.7 billion. In fiscal year 1975, it jumped to $46 billion and then shot to $65 billion in 1976. It has since hovered in the range between $40 and $55 billion.

The economic consequences have been as disruptive as they should have been predictable. Inflationary pressures have sharply intensified, compounding economic uncertainties, exacerbating social conflict and unrest, and raising the specter of coercive governmental interference in the private economy. This instability in turn has discouraged capital formation and stunted the growth of productivity in American industry.

The consequences have been sluggish domestic growth coupled with chronically unfavorable trade balances and a dangerously weakened dollar.

The reason it has proved so difficult to accommodate the Federal budget to these economic realities, in my judgment, have less to do with ideology or political chicanery than is commonly supposed. They find their roots, I believe, in certain characteristics of the institutional system through which the budget is formulated.

Let me elaborate briefly. The focus in the existing budgetary process is almost exclusively on expenditures. We estimate revenue and try to adjust outlays accordingly. But there is no direct and explicit mechanism for coordinating revenue decisions with particular authorization and funding decisions. To be sure, the congressional budget process directs attention in a general sort of way to these relationships. But, to all intents and purposes, the process of forming tax policy still involves a different set of actors, roles, and interests than do the budgetary and appropriations processes. Moreover, even when tax policy remains relatively consistent, revenues may fluctuate owing to economic circumstances. The upshot is that the revenue side of the budget is, as a practical matter, uncontrollable. And, if budget receipts cannot be relied upon, they cannot, in a sense, be ignored, for recourse can always be had to additional borrowing to cover the costs of expanding existent programs or instituting new ones.

This temptation to resort to the easy expedient of deficit financing is rendered all the more appealing by the fact that, at any given time, approximately 80 percent of the Government’s expenditures are uncontrollable.

It is, of course, always difficult to reach agreement as to where the requisite changes and reductions should be made. Revenue decisions are made to the degree as to the merit of this or that program or agency. Moreover, every program has its clients, supporters, and advocates.

Taken in combination, these factors mean that a relapse solely on reducing government spending to achieve a balanced budget suffers from severe handicaps.

The amendment I am introducing today would establish a procedure for coordinating tax and spending decisions and thus serve to make the real costs of governmental programs unmistakably clear. It would create a direct and compelling incentive for keeping a much tighter rein on Federal expenditures. It would, I believe, help to insure the kind of tough discipline that will be necessary to get Federal overspending under control and reverse the tendency toward unlimited growth in the public sector.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Senate Judiciary Committee to hold indepth public hearings on this most pressing of economic issues affecting the well-being of all Americans.

I ask unanimous consent that the text of the resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S. J. RES. 2
Resisted by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes when ratified by three-fourths of the several States within seven years after its submission to the States for ratification. ARTICLE —

"Section 1. In exercising its powers under article I of this Constitution in particular its powers to lay and collect taxes, duties, imports, and excises and to enact and impose regulations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"Sec. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Governments during such fiscal year, including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, the total receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2) determined as to the percentage of income tax surtax, to be imposed as provided in section 3, which is necessary, be imposed, on the portion of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period for which a surtax is in effect, with respect to the entire taxable year of such taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period for which a surtax is in effect, with respect to the entire taxable year of such taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

"Sec. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2, shall be effective for the calendar year following the close of the fiscal year with respect to which the surtax is determined.

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the surtax is determined, or for so much of such calendar year for which such surtax is not suspended under section 4, shall apply, as an additional income tax for the period for which it is in effect, with respect to the entire taxable year of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the entire taxable year of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

"Sec. 4. In the case of a grave national emergency declared by Congress (including a war, a national war emergency declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be imposed for such fiscal year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of both Houses of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"Sec. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and such succeeding fiscal year.

"Sec. 6. The Congress shall have power to enforce this article by appropriate legislation."

By Mr. LUGAR:
S.J. Res. 4. A joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays of the Federal Governments during such fiscal year be based on the ratio needed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Congress to provide for the increase of each fiscal year of the United States.

Mr. LUGAR. Mr. President, the cost of living crisis is not a new one, but a majority of Americans now realize that it has reached such dangerous proportions that our basic political and economic in-
stitions are threatened. The time for courageous and effective action is at hand.

Since 1967, the purchasing power of the dollar has been cut in half. Eighty-one American presidents have expressed support for a constitutional amendment to require a balanced Federal budget. For the first time, a major presidential administration proudly blamed inflation for such a "supermajority" requirement. The device is the supermajority—suited to the most crucial single decision in American government and our Constitution. The two-thirds vote of both Houses is required for a Presidential veto of a congressional resolution, or to propose a Constitutional amendment to the state legislatures. Two-thirds vote of both Houses was required by the 14th amendment to admit new states to the Union. Some senators who had previously participated in the Civil War on the Confederate side. The votes of a four-fifths majority are required to block a listing of the yeas and nays on a congressional vote.

Two-thirds of the Senate is constitutionally required to convict a Federal official upon impeachment. Two-thirds of either House must concur before a Member can be expelled. And, at the subconstitutional level, the Senate rules are filled with supermajority requirements for such issues as cloture or the designation of a special order.

The supermajority amendment would have virtues which elude other proposals aimed at the spending inflation dilemma. It is simple to express and simple to understand. It is simple to implement; the resolution to balance the second budget. Resolution reduces to a single vote the final determination of the overall Federal spending level, and could serve as the basis for tax cuts or budget increases. The amendment would involve no disruption of established congressional procedures. The only difference would be the reaffirmation of the principle that a balanced Federal budget is such an important norm and a national goal, that those who would deviate from it must carry a greater-than-usual burden of proof.

In practice, the two-thirds amendment will enjoy one more advantage which leads me to prefer it over available alternatives. It will be flexible, and adaptable to changing conditions, in that it does not require a balanced budget every year, but instead significantly increases the burden of proof necessary to imbalance it. There is no requirement that a Presidential emergency be declared first, or that taxes automatically increase to cover the additional spending—only that the budget evidence shows an unbalanced budget, rather than one-half, of those voting if a deficit is to be established. Thus, in times of severe economic recession, when economists might agree that additional spending or a tax cut is appropriate, nothing would prevent this result as long as the economic case is strong enough to persuade two-thirds of both Houses of Congress.

The ravages of perpetual overspending are now too clear for dispute. Now is the time, before the petitions of 34 State legislatures for an unselfish constitutional convention over this issue, to rectify the structural infirmity which has permitted inflation to continue to erode the proceeds of your labor to the satisfaction of the tax dollar, and of the relinquished personal freedom which that dollar represents, is as important as a treaty or a veto override, and that those who would inflate our currency must at least make an abnormally convincing case before the Government printing presses roll.

By Mr. STENNIS:

S.J. Res. 6. A joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

PAY-A-YOU-GO CONSTITUTIONAL AMENDMENT

Mr. STENNIS. Mr. President, I am introducing a joint resolution proposing a constitutional amendment which would require the Federal Government to terminate deficit financing and operate on a pay-as-you-go basis. This resolution is identical with Senate Resolution 180 of the 94th Congress and Senate Joint Resolution 26 of the 95th Congress. These resolutions were offered and championed primarily by the distinguished former Senator from Nebraska, Mr. Curtis. They were cosponsored by me and many other Senators.

Mr. President, I want to commend the former Senator from Nebraska for the work he has done in this important field. He started the ball rolling and brought public recognition to the problem. I intend to do what I can to follow through to bring the matter to a successful conclusion.

Before discussing the provisions of this resolution, Mr. President, let me mention one fact that makes the dimensions of the problem clear. The fact is this: From $382 billion at the end of the fiscal year 1970 our staggering national debt will have increased to a currently estimated $849 billion at the end of fiscal year 1979. This is an increase of $458 billion in 9 short years, an average of about $50 billion a year. I doubt that this is the heritage that any of us had planned to leave our children and grandchildren.

Let me briefly explain this proposed constitutional amendment. It is clear and it is simple. More than that, it is workable. It mandates the Congress to balance the budget every year. But it goes further; it has a built-in self-enforcing provision.

Under the amendment the President would be required, within 20 days after the close of the fiscal year, to determine whether there is a deficit, and, if so, the amount of it. It would then be required that a surtax be levied for the calendar year following the year in which the deficit was incurred in an amount sufficient to offset the deficit. This surtax would be expressed as an added percentage of the income tax of all individuals and corporations. Under the amendment neither the President nor the Congress would be authorized or empowered to levy the surtax; it would automatically be imposed under the authority of the Constitution.

In short the amendment would be self-executing. No discretion on the part of anyone would be involved. If expenditures exceeded revenues a surtax would be levied for the following calendar year to balance the budget. The rate of surtax would be determined by the President as a mathematical calculation and no judgmental decision by the President or the Congress would be required.
The sole exception from the requirement for a balanced budget would be that of the United States which is the fourth vote of all Members of each House in case of a grave national emergency. This would be a proper and necessary safety valve available in such cases to meet war or a serious national depression.

This amendment has a special merit, Mr. President. It makes it clear and plain to every voter that during the election for which they are voting, who has the responsibility of balancing the Federal budget. If one knew that the United States had its finances under control it would create confidence at home and abroad. I believe that the U.S. dollar, which has been so weak in recent times, would be bolstered and strengthened. We all know that the potential of this country is tremendous. Our possibilities are unlimited. Private enterprise and our system of government are not failing institutions. The future will be bright if we reverse the practice of continuous deficit financing.

We are all aware of the extent, depth, and vigor of the taxpayers revolt. The taxpayers, faced with the crushing burden of taxes and the quality of government which they receive. The action of the Californians votes on proposition 13 dramatizes the plight and intensity of the feeling of the taxpayers.

I propose here today. This would effectively prevent the Congress from continuing to raise taxes and continue the inflation which we have experienced. Between 1972 and 1976, food prices increased by 44 percent; housing rose by 36 percent; transportation jumped 44 percent; personal care increased 36 percent; and medical care rose 42 percent.

In comparison with these figures taxes soared by a whopping 75 percent. These facts and statistics, along with the growing dissatisfaction with the quality of government, explain the tax revolt that has been going on for years in this country. The unrest and discontent will surely grow and grow unless something is done to lighten the tax burden. It is not only within our power but it is our duty to take action that will give effective relief to the taxpayers and which, at the same time, eliminate the tremendous deficits we have seen in the Federal budget in recent years and curb the growth of the astronomical national debt.

There could be little dispute that high taxes and continued deficit financing lead to inflation. Inflation, unless controlled, can drag us into a depression. Inflation, unless careful attention is paid to it, takes from us the purchasing power from the income of many of our citizens to provide the bare necessities of life for themselves and their families.

I believe that the rewards which will come into our country as a result will be great. I hope that the Senate will take early and affirmative action on the resolution I have proposed.

By Mr. McCLURE:
S.J. Res. 9. A joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33 and one-third percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, today I am introducing a constitutional spend limit amendment to limit the amount of our tax money which the Federal Government may spend. This year, except as specified during war or national emergency; to the Committee on the Judiciary.

Mr. President, the extent to which Federal expenditures have swollen is strikingly indicated in the case of the Department of Health, Education, and Welfare. HEW's $182 billion budget for fiscal year 1979 is the third largest in the world. It is surpassed only by those of the United States and of the Soviet Union.

The message we have received from the grassroots is loud and clear. Its meaning is unmistakable. Legislators on both the State and national level should hear this message and heed it. The smoldering anger and frustration of those who pay the taxes will only increase unless relief is forthcoming and forthcoming soon. The average middle-income taxpayer will not tolerate much longer increasingly large tax bites being taken out of his pocketbook to pay for spending programs that grow ever larger and which he feels are wasteful and unnecessary.

Mr. President, we are faced with a grave situation requiring drastic action. It is time to cry "halt." Returning to a course of fiscal integrity and responsibility will require courage and steadfastness. Certainly there is no easy answer. However, at this time I believe that the truth lies in the passage of a constitutional amendment such as I propose here today. This would effectively prevent the Congress from continuing to policy and peasants of the National income of the future so extraverse much longer increasingly large tax bites being taken out of his pocketbook to pay for spending programs that grow ever larger and which he feels are wasteful and unnecessary.

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and a constitutional limit on the spending power of Government is the best way to do that.

Unless we change the direction of this country, government at all levels will take 54 percent of every dollar we make by 1984. High taxes are choking the economy by penalizing productivity, thrift, and investment. Limiting the size of Government is essential if we are to get the economy moving at full capacity again. But imbalance and the economic effects of this amendment are, the most important benefit will be the preservation of this country as the land of the free where, as George Washington said, Government is the servant, not the master of the people. No one is free if he does not own the fruits of his labor. Limiting the power of Government to spend our money is the most important issue we face. It will be the dominant political issue of the next few years. Those of us who have long fought for tax and spending control have been rewarded by the many Proposition 13 type referendums that were passed in the last election. The voters of these States have shown that big Government is not inevitable. It can be halted. We have a choice.

After 12 years of working in Congress and sponsoring 25 bills to reverse the tax and spending philosophy which dominates Washington, I now believe we have found a way to achieve our goal.

I saw the irresponsible direction Government spending was taking as a freshman Senator and therefore supported a measure in the 90th Congress to require a single appropriations bill so that we might more closely examine total Government spending and facilitate its control. Throughout my service in Congress, I have supported legislation to limit expenditures and prevent expenditures from exceeding revenues.

This year I will also introduce a constitutional amendment that, following the lead of Senator Curtis, will require a balanced budget. In past years I have supported zero-based budgeting and set a goal that I felt would help control the rapid increase in Government spending. In 1975 I introduced the Kemp-McClure Jobs Creation Act, a constitutional proposal which created the broad consensus that now exists for permanent, across-the-board tax reduction. At that time I said:

As a nation, we stand at a crossroads. One road, that traveled by Great Britain, has the immediate appeal associated with redistributing existing wealth; but it also holds in store the ultimate pain of sharing not the wealth but the resultant poverty. The other, less frequently traveled road, promises continued progress and gradual enrichment for all members of society. The price of a brighter future is a less profligate present.

Five years ago I joined in sponsoring the Budget Control Act of 1974, and I sought to assure that the newly created Budget Committee. But by the time we reported our first congressional budget resolution it was clear that although we had created a new budget process, we were still unwilling to control spending. In minority views prepared for the first budget resolution I wrote:

For literally the first time the Senate has the occasion to test itself to the aggregate budget and national economic policy, especially as it involves the budget. The most important step toward rationally addressing economic and budget questions, which has for too long been postponed, is the question of how much the Government can reasonably spend.

These measures have failed to moderate the growth of big Government because the beneficiaries of our tax dollars are well organized and skillful at manipulating Washington. The Federal Government, in turn, has an insatiable appetite for profits to solve and pressure groups to please. Until now, these forces have overwhelmed the ability of the average American who pays for all this to influence the cause of events. To correct this imbalance, I urge my colleagues in Congress and the State legislatures to limit the power of Government to spend our money.

This amendment limits Federal expenditures to one-third of the national income averaged over the past 3 years. National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods and indirect business taxes. The Federal Government averaged just under 35 percent of that figure. This amendment would result in an immediate reduction of between $10 and $12 billion and more importantly it prevents Federal tax hikes from becoming any larger.

I believe that this amendment offers the best instrument for returning this country to the ideals on which it was founded.

By Mr. McClure:

S.J. Res. 10. A joint resolution to require a balanced budget; to the Committee on the Judiciary.

Mr. McClure. Mr. President, there is a good deal of justified alarm about the size of the Federal deficit, which exceeded $50 billion for fiscal 1978. The deficit and our inability to control it are vital issues which have a significant impact on our society and must be faced.

When families or businesses incur repeated and rising operating deficits, bankruptcy inevitably follows. When the Federal Government incurs such deficits, inflation is the inevitable consequence. In an attempt to finance this deficit the Treasury has met the obligations that are purchased by the Federal Reserve and in so doing, monetizes the newly created debt. This is done in such a way that Federal spending increases without a compensating reduction in private spending. The outcome of such a series of events is clear—interest rates rise, the ability to spend is cut back, economic growth slows. Further, any borrowing from the private sector to finance the deficit, drains the private economy of the resources and the incentives needed to sustain expansion.

Realizing that the Federal Government bears the principal burden of the current economic difficulty is the first step that must be taken. The sure, but painful, cure for inflation and the inflation-caused recession is simply to slow the rate of growth of the money supply. Unfortunately, this cannot be done without the elimination of recurrent high employment Federal deficits. In turn, deficits cannot be controlled until we recognize two facts: First, money expenditures do not solve social problems, and second, more money spent on a bad idea is no better than the money alone does not solve problems either for individuals or for nations. New ideas and the reaffirmation of older, but valid financial standards, however, are proven methods of economic problem solving. Today we should turn our attention to principles of fiscal integrity not only because we hope to avoid inflation, but also because we strive to preserve this democracy.

It will take a constitutional amendment to get this Government back to a balanced budget. Deficits of many of us, the Congress is apparently unwilling to balance the budget on its own. I, therefore, am introducing a constitutional amendment which provides for a balanced budget. This amendment is the result of many years of effort by Senator Curtis and others.

The citizens of this country have clearly demonstrated its mood on taxation and Government spending. Already, 22 State legislatures have called for a Constitutional Convention for basically the purpose of considering a balanced budget amendment, and other States have indicated that they intended to take the same action. Over 45 such proposals were submitted in the last Congress.

Spending is out of control, primarily because politicians in Congress no longer give equal weight to defending the public purse as to accommodating the pressure groups. Any effort to slow down the increase in Federal spending takes considerable political courage. Those who benefit from some spending program are not likely to provide the political pressure group dedicated to continuing and expanding their programs. Now is the time when every program should be examined as to whether or not there are more effective ways of accommodating its intended results, and whether or not those results might not be better accomplished by returning the responsibilities to local levels of government, or to the voluntary private sector.

Many are unwilling to balance the budget. It would necessitate a reduction to Government spending and in turn reduce the size of Government relative to the private sector. It would be an inroad on the power that has been concentrated in Washington, and a decline in centralized political clout. Yet this is a small price to pay to make fiscal soundness a reality. This proposed amendment will do the job, just as many State constitutions require a balanced budget.

Mr. President, I feel it significant that on the opening day of this Congress, Republicans have introduced proposals...
that would balance the budget, put a limit on Government spending, index the tax brackets to prevent inflation from increasing, and is the basis of the proposal calling for a savings tax credit to allow for sound capital formation and expansion, as well as a one-third tax cut. It is claimed that the Republican Party is serious about the economy and making fiscal soundness a reality. I ask my colleagues to join me in supporting these proposals that will return this nation to the principles of fiscal integrity and preserve this Nation.

By Mr. TALMADGE (for himself and Mr. NIXE):

S.J. Res. 11. Joint resolution to amend the Constitution relating to a balanced budget; to the Committee on the Judiciary.

Mr. TALMADGE. Mr. President, every national survey that I see, ranks inflation and government spending as the No. 1 issue and problem of the United States. Over the past dozen or so years that our Nation has been plagued by inflation, there has been a lot of talk but little action toward reducing massive multibillion dollar deficits year after year after year. During all this time, we have seen the U.S. economy become weaker and weaker. We have seen the American dollar hit bottom. We have seen our friends and allies the world over lose faith in the stability of our Nation and government.

The only way I know to bring about a balanced budget is to prevent Congress from spending money we do not have on programs we do not need. The only way I know to accomplish this goal is by a constitutional amendment. This approach is favored by an overwhelming majority of the American people.

I have been pushing for such a constitutional amendment for many years and I am today reintroducing my amendment to prohibit deficit spending except in times of emergency specifically declared by Congress.

By Mr. HELMS:

S.J. Res. 13. A joint resolution to amend the Constitution of the United States; to the Committee on the Judiciary.

THE HELMS BALANCED BUDGET AMENDMENT

Mr. HELMS. Mr. President, I submit a resolution to provide that the Constitution be amended to require that Federal outlays do not exceed Federal revenues. In other words, this is a proposal to require a balanced Federal budget.

The amendment would impose on the Congress and the President an imperative. The cost of not balancing the Federal budget is too high. This proposed amendment would allow deficit financing, in that the President would declare during an emergency by a three-fourths vote of both Houses of Congress.

MORALITY OF BALANCED BUDGETS

The Federal Government has no funds to spend the tax money taken from the taxpayers, or the demonstrably ruinous deficit spending. It takes either through taxation and other revenue producing activities, or it takes through the financing of budget deficits. Inflation is caused by the monetization of these debts—interventions through the Federal Reserve System purchase and handling of those Federal debt instruments.

When the Federal Government imposes taxes equal to the amount of the expenditures, then citizens can know to what degree they are being burdened to pay for those Federal outlays. Congress has the responsibility to match the level of outlays. Congress has to justify expenditures which are popular or necessary with equal taxes, which are never popular.

When the President and the Congress so operate the Federal Government that the politically popular expenditures exceed the politically unpopular taxes, then Congress is hiding the cost of its largess. Politically, it is a "something-for-nothing" pretense. It is about as straightforward as a con-game. It is about no more than a charade letter that promises windfall wealth. It is the ultimate "free lunch," except there's nothing free about it.

Mr. President, let us not be deluded into thinking that Federal deficit spending, and inflation is the greatest economic disruptor ever conceived by man. And the American people now realize that the evil of inflation is caused by deficit spending.

One major way inflation disrupts the economy is in its destruction of the ability of people to measure relative economic worth. During inflationary periods, the value of currency is not stable, and its utility as the most important standard of measuring value is lost. And when the most important economic standard is corrupted, the other standards in the society come under attack. The relativism inflation imposes on the economy has been paralleled in our time by the relativism as well.

Inflation also cripples our society by concentrating economic power in the big corporations and the big unions. Only the big corporations have the power to ride out inflation and the money to pay for economists to aid in overcoming inflation. Only the big unions have the muscle to win gains for union members in times of inflation. In other words, the great competitive vitality that our economy has exhibited in the past is discouraged, because the small businesses are hit hardest by inflation, and the small unions are less able to operate. The innovators are discouraged, and penalized, by government-imposed inflation.

During inflation other centers of power in the society for charitable educational and charitable work are crippled. The resources of churches, schools, and other non-government groups and organizations are strained by inflation, and as a result, the good works that once were performed by non-government organizations are now left only to government.

And during an inflationary period, the independence of the individual is undermined. The worker that saves for retirement finds that the value of savings has been cut drastically, and the worker finds government aid the only way to survive.

INFLATION AND THE FOUNDERS

One of the earliest reasons for forming the Union was the need for a Constitution to prohibit deficit financing. In the various colonies, it was rightly held that for commerce to grow and the Nation to prosper, contracts between citizens should be held enforceable.

But what do we do today?

If I rent a house from someone for a given sum, I am in effect paying a different real amount every month. The lease I signed to rent for a sum certain is being violated regularly—not by either party to that lease, but by the Federal Government which is corrupting the medium of exchange in which that contract is denominated.

By its depreciation of the dollar, the Government has not only eliminated the sanctity of contracts, it has almost made it impossible for a contract to be written in terms of constant value.

An honest dollar is necessary for honest government.

THE ECONOMICS OF BUDGET DEFICITS

Twentieth century budget deficits have been rationalized by politicians because of the allegedly salutary effects that deficits have on economic growth. John Maynard Keynes said that the Government could stimulate economic activity by increasing aggregate demand: that is, by putting money into people's hands through Government deficits. Since Government spending is always politically popular the politicians naturally embraced the economics of Lord Keynes. The less attractive aspects of Keynes' economics were ignored: the inflation, the economic disruptions, and the agrandizement of Government power.

Keynes' economic theory is today the dominant school of thought in our great Government-supported universities and certainly in the high policy centers of government. Yet, the contemporary Keynesian view of the economy has ceased to fit the facts. The Keynesian policies of stimulus have resulted in runaway inflation and high unemployment-stagnation. When he was asked about these two problems, the Secretary of the Treasury said, "We don't know enough about inflation." It was as if the side effects of Keynesian policies indicated something basically wrong with reality rather than something basically wrong with Keynesian economics.

In a predictably self-righteous editorial last week in the Washington Post the contention was advanced that a balanced budget would put economics back to the era of Coolidge's administration that Keynes was writing his most important works, and that it would make the economies of that generation that we must discard.

The "common wisdom" which is held by all practicing Keynesians states that in times of economic slowdowns, the Federal Government should spend more than it takes in to stimulate the economy. Not only are these attempts at stimulation almost always timed wrong,
but the stimulation is almost never accompanied by reciprocal spending cutbacks when the economy is overheated. Ironically, the Post editorialist overlooked one of the most important tools of demand stimulation—the monetary authority of the Federal Reserve System. And the Fed does not necessarily need to use all of the politically unappealing tools about this is, of course, that the Keynesian politicians would have no excuse for free lunch giveaway programs.

In fact, of course, we are now coming to the realization that the economy is not the simplistic thing that the orthodox Keynesians would have us believe. The economy depends in large part on the kinds of incentives there are for economic activity.

A balanced Federal budget will require Congress to look toward economists that have answers and not excuses. A balanced budget will require that Federal expenditures can justify themselves within the confines of spending limits. And, a balanced budget will eliminate the excise for the scourge of inflation.

The language of my amendment is brief because that the Constitution should not carry involved statute-like verbiage. As a result, however, my proposal does not specifically define the term "outlays." I think that should be clear enough, and I distinctly did not want a Constitutional amendment to get into the nuances of the Budget Act.

The other possible criticism of my amendment is that it does not provide for a phase-in of the balanced budget. Obviously, if our glutinous Government went on a strict diet tomorrow and ceased running up a deficit of a billion dollars every 10 days, there would be drastic, untoward side effects. But constitutional amendments are not passed in a single day; it actually takes several years—time enough for Congress to get the message and begin trimming down.

Finally, I think that if Congress does not act and act soon, the situation may go ahead and amend the Constitution by the convention process. Over 20 State legislatures have already approved resolutions calling for a constitutional convention to approve an amendment requiring a balanced Federal budget. I have also introduced legislation initially sponsored by Senator Sam Ervin of North Carolina which would provide for an constitutional convention process, so that if the States act in this manner, there will be minimal risk from this unprecedented procedure.

Mr. President, I ask unanimous consent that my joint resolution be printed in the Record, as follows:

J. RES. 13
Resolved, by the Senate and the House of Representatives of the United States of America, in Congress assembled, (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States: It shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the States within seven years after its submission to the States for ratification.

ARTICLE I
"Section 1. Except when Congress shall determine, by three-fourths of the votes of both Houses thereof, that a grave national emergency exists, the Congress shall assure that the total outlay of the Government during any fiscal year (not including any outlays for the redemption of bonds, notes, or other obligations of the United States) do not exceed the total receipts of the Government during such fiscal year (not including any issuance of bonds, notes, or other obligations of the United States)."

SENATE CONCURRENT RESOLUTION 1—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SENIOR CITIZEN INTERNS

Mr. ROTH submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 1
Resolved by the Senate (the House of Representatives concurring), that, notwithstanding any provision of law or other authority, effective January 3, 1979, and until otherwise provided by law, each Member of Congress is authorized to hire one additional Intern for one of the two-week periods specified under section 6(2). Such employees shall be designated as a "Senior Citizen Intern," or an "Intern," as the case may be.

Sec. 2. A Senior Citizen Intern shall—
(1) be at least 60 years of age on the effective date of the appointment involved;
(2) (A) be a bona fide resident of the State represented by the employing Member, if such Member is a Senator; or (B) be a bona fide resident of the congressional district represented by the employing Member if such Member is a Representative;
(3) serve in the offices of the employing Member in the District of Columbia;
(4) be compensated as provided in section 3(1); and
(5) be subject to the same regulations as an employee hired under the clerk hire allowance for an employee involved, except that such Intern shall not be eligible to participate in any health or life insurance program, or any retirement system, applicable to congressional employees, and shall not accrue leave under any employment provisions applicable to congressional employees.

Sec. 3. Each Member shall have available from the contingent fund of the Senate or the House of Representatives, as appropriate, such sums as may be necessary for payment of—
(1) Senior Citizen Intern compensation at a rate of not more than $300 per week; and
(2) travel expenses for one round trip of each Senior Citizen Intern between the place of the appointment and the District of Columbia, including the actual cost of transportation and other reasonable expenses.

Sec. 4. The positions made available in the first section and the amounts made available under section 3 shall be in addition to any other obligations .

SENATE RESOLUTION 10—SUBMISSION OF A RESOLUTION RELATING TO MUTUAL DEFENSE TREATIES

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 10
Resolved, That the Senate regrets that the Senate has been unable to complete the ratification of the Mutual Defense Treaty of 1954 with the Republic of China; and

Whereas, the amendment was subsequently broadened to express the "sense of Congress" and was part of the measure signed into law by the President on September 26, 1978; and

Whereas, the President on December 15, 1978 declared that notice of termination of the Mutual Defense Treaty with the Republic of China, without prior consultation with the Senate or with the government of the Republic of China; Now, therefore, be it

Resolved, That the Senate disapproves of the action of the President of the United States in sending notice of termination of the Mutual Defense Treaty with the Republic of China.

SENATE RESOLUTION 11—SUBMISSION OF A RESOLUTION RELATING TO THE REPUBLIC OF CHINA

Mr. DeCONCINI submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 11
Resolved, That, whereas the United States of America and the Republic of China and their respective peoples have enjoyed a relationship of friendship for three decades; and whereas the United States of America and the Republic of China have been bound together by the Mutual Defense Treaty since March 3, 1955; and whereas the President unilaterally invoked the termination clause of the Mutual Defense Treaty without prior consultation with the Senate; and whereas the President in his negotiations with representatives of the People's Republic of China...
Mr. DECONCINI. Mr. President, I believe that all Members of this body were disconcerted to learn that President Carter invoked the termination clause of the Mutual Defense Treaty of 1955 with the Republic of China without any prior consultation with the Senate. Such an action is virtually without precedent in American history.

Whether the powers conferred upon the President by the Constitution technically are sufficient for the President's action is not the only issue. There is a broader issue that goes to the core of the fair constitutional American foreign policy. Bipartisanship requires that the President consult with the opposition party prior to undertaking major foreign policy initiatives. But in the extant case, the President failed even to consult members of his own party. Thus, the decision to recognize the People's Republic has taken on not only a partisan flavor, but has created an atmosphere of confrontation between the Senate and the President.

Thus, I believe, that on the score of consultation alone the President should be made aware of our disappointment. The resolution that I submit today does just that, although its primary purpose is otherwise.

It appears to me that the question of whether the United States should or should not at this juncture in world history recognize the People's Republic of China is at least a debatable one. The American people are most likely divided on the issue, although the march of events suggests that this course moves us in the right direction.

However, whether we agree or disagree over the decision to recognize the People's Republic, I believe the American people are virtually unanimous in their concern for the fate of the people and the government of Taiwan. After three decades of friendship and alliance, the action of the President essentially cuts Taiwan off and allows her to drift in a sea of uncertainty.

Incredibly, the administration, in its negotiations with the People's Republic of China, did not extract any concession regarding the future of Taiwan. I believe that this is merely another example of American negotiating weakness which seems to be geared towards a result regardless of cost. It is that penchant in our foreign policy that should make each of us cautious over the agreements we seek.

Every assurance the United States has that the People's Republic will not invade or otherwise coerce the people of Taiwan is based upon extrapolation and deduction. For example, the administration has argued that they do not have the technical capability to launch such an invasion—therefore, an assurance is not necessary. I believe we have not engaged in an international scene enough instances of the improbable occurring that our foreign policy should not be based upon such so-called technical assessments or the imputation of motives.

In the absence of formal assurances from the People's Republic about the future well-being and safety of the government and people of Taiwan, I believe it is imperative that the U.S. Congress clarify its resolve not to tolerate the use of force, and to continue to honor, in essence, our commitment to insure the continued independent existence of Taiwan, if that is the will of its people. To allow them to stand alone at this critical juncture in their history is unconscionable.

But there is a broader purpose yet in this resolution. By reneging on its historic commitment to defend Taiwan from possible Communist invasion and coercion, the United States is denuded of its credibility as the prime defender of oppressed against Communist incursion. It seems to me to be a very elementary principle that effectiveness in deterring others involves credibility of the part providing potential deterrence.

Without such credibility, the will of the deter will be constantly tested. Thus, the President's action in terminating the mutual defense treaty with Taiwan shares American credibility and invites our opponents to test our resolve.

The resolution I am recommending to my colleagues is a simple one. It merely reaffirms the American commitment to protect and defend the government and people of Taiwan should they be faced with aggression from the People's Republic. It indicates to the people of Taiwan from choosing to incorporate themselves with the mainland, if that is their wish. But it also will allow them to retain a separate existence and identity, if that is their wish. The United States cannot dictate a two-China policy for China. But we can provide the Taiwanese with the support they will need, if that is the course of action they ultimately decide to pursue.

The realities of world politics will, I believe, lead to the development of two Chinas, just as we have two Germans and two Koreas. I personally believe that for the foreseeable future this is the best solution to a conflict which has been enduring as it has been deep. Furthermore, the United States should not by its actions assist the Communist regime in Peking from absorbing the pro-Western government of Taiwan.

SENATE RESOLUTION 12—SUBMISSION OF A RESOLUTION RELATING TO THE UNITED STATES COMMITMENT TO TAIWAN

Mr. DANFORTH (for himself, Mr. YOUNG, Mr. THURMOND, Mr. DOMENICI, Mr. WALLOP, Mr. COCHRAN, Mr. BATEY, Mr. HEINTZ, Mr. HAYAKAWA, Mr. SIMPSON, Mr. HELMS, and Mr. STONE) submitted the following resolution, which was referred to the Committee on Foreign Relations:

Whereas, the United States of America and the People's Republic of China have recognized each other and established diplomatic relations on January 1, 1979;

Whereas, the President notified the Republic of China on January 1979 that the United States will terminate our Mutual Defense Treaty with it on January 1, 1980;

Whereas, in announcement of that decision on December 15, 1978, the President correctly stated that "we will continue to have an interest in the peaceful resolution of the 'Taiwan issue';"

Whereas, the United States has received no explicit assurances from the People's Republic of China that it will not employ force to reunite Taiwan with the mainland: Now, therefore, be it

Resolved, that it is the sense of the Senate that in the event of military aggression by the People's Republic of China against the people and territory of Taiwan, the United States must—

(a) terminate diplomatic and commercial relations with the People's Republic of China;

(b) provide military assistance to the people of Taiwan on an urgent basis in accordance with constitutional processes;

(c) bring the matter to the prompt attention of the United Nations Security Council with the objective of bringing the hostilities to an immediate end; and

(d) take what other actions are necessary to bring the aggression to an end and thereby assure a peaceful future for the people of Taiwan.

Mr. DANFORTH. Mr. President, on January 1 of this year, the United States and the People's Republic of China (PRC) ended almost 30 years of mutual isolation and established diplomatic relations. The move toward normalized relations began in 1972, with President Nixon's trip to China.

Few would disagree, I think, with the wisdom of normalizing our relations with the People's Republic of China, a country which governs over one-fourth of the world's population. The question is on what terms we will recognize the PRC and that answer rests on what obligation we have to the 17 million people on the island of Taiwan. Under the President's plan, we have agreed to the PRC demand that the United States break formal diplomatic ties and terminate our Mutual Defense Treaty with Taiwan.

Taiwan has relied on the United States ever since it became the refuge of Nationalist Chinese driven from the mainland when the Communists assumed power in 1949. Our Mutual Defense Treaty with Taiwan provided stability, security for 25 years. Extensive American trade with Taiwan has helped its leaders establish a thriving economy.

In light of our long-standing relationship with Taiwan, it is important that the United States should have received definite assurances from the PRC with respect to the peaceable future of Taiwan. The administration has stated that it recognizes the assurances from the People's Republic of China that it will not employ force to reunite Taiwan with the mainland. The agreement the President reached with
the PRC is no different from what we could have had at any time since 1972. In short, I fear that the announced plan runs the risk of undermining the security of our friends on Taiwan and damaging the reputation of the United States as a dependable ally.

There is more at stake in this issue than the continued prosperity and security of the 17 million Chinese on Taiwan. America's reputation as a reliable ally is on the line. Taiwan is not alone in its dependence on our support. Korea and Israel rely heavily on our commitments for their security, and we have been urging countries like Egypt and Saudi Arabia to place more trust in us. We have defense treaties with European nations in NATO, and with Southeast Asian countries in SEATO. For these relationships to work, our word must be trusted.

The President stated in a television interview on December 19 that the PRC "know our firm expectations, clearly expressed that..." and "Commitment to the people of Taiwan. Of Taiwan and not abandon totally our hand...

In a widely reported January 5 news conference, Teng stated:

"President Carter indicated a wish that unification (of China and Taiwan) be accomplished by peaceful means. We take notice of that wish. At the same time, we make it very clear that the solution is China's internal affair.

We shall try to solve the Taiwan question by peaceful means. Whether or not this can be done is a very complex question. We cannot assume any undertaking that no other means than peaceful will be used to achieve unification of the motherland. We can't tie our hands.

In view of these statements and the absence of any guarantees from the PRC committing a peaceful solution which will enhance the future security of Taiwan and not abandon totally our commitment to the people of Taiwan. Joining me in this resolution are Senators Young, Thurmond, Domenci, Llop, Cochran, Bayh, Heinz, Hayakawa, Simpson, Helms, and Stone.

This resolution expresses the sense of the Senate that in the event of military aggression by the PRC against Taiwan, the United States must:

(1) not condone any threat or use of force in any attempt to unify the Republic of China and the People's Republic of China;
(2) not recognize the right of the Government of the Republic of China or the Government of the People's Republic of China to subvert the other by means of the use of force or the threat of an imminent use of force;
(3) should, in accordance with its constitutional processes, take all steps necessary to assist the Republic of China in ensuring its security and territorial integrity.

In the event of an act of aggression by the Republic of China against the People's Republic of China:

(4) should interpret any interference by any country with the commercial or cultural programs or military or economic assistance programs between the United States and the Republic of China as an unfriendly act and should rescind accordingly;
(5) should use its voice and vote in each international organization of which it is a member to prevent the exclusion or the removal of the Republic of China from membership in each such organization.

The hearing will be in the Old Appropriations Committee Room in the Senate Capitol building.

ADDITIONAL STATEMENTS

THE 96TH CONGRESS ECONOMIC CHALLENGE

Mr. HELMS. Mr. President, with timing that obviously required a great deal of forethought, the Wall Street Journal last Friday began publication of a column by Paul Craig Roberts.

Craig served with great distinction as economic counsel to Senator Orrin Hatch and has always gave much helpful advice to many other Members of this body. His new position with the Journal will allow his thoughtful analyses to be shared by hundreds of thousands of readers of that newspaper.

In his inaugural column, I believe Dr. Roberts has set forth the chief issues of an economic nature that will confront the 96th Congress.

In the broadest sense, the question is: "What makes the economy run?" Specifically, the question is: "Does depressions e Keynesianism work in the last quarter of the twentieth century?"

In his inaugural column entitled "The Tax Brake," Craig Roberts goes to the
core of the economic debate: Do the equations of the Keynesians and their dependence on the concept of aggregate demand fit the facts of contemporary economic life? Craig Roberts summarizes the arguments and concludes: "He is right. The problems are economic in nature, but in other respects they go to the heart of what philosophers call the "American Experience.""

Mr. President, the new Congress will have to confront major economic problems. This Congress will almost surely be faced with the problem of a deficit—"I hope it does not, but unfortunately it seems to be a fair prediction."

This Congress will, in all likelihood, be asked to approve a major change in monetary policy, to raise interest rates. How will the new Congress react? Mr. President, I ask that the column by Paul Craig Roberts be printed in the Record at the conclusion of my remarks. [C ONGRESSIONAL RECORD at the conclusion of my remarks.]

Mr. President, I ask that the column by Paul Craig Roberts be printed in the Record at the conclusion of my remarks. [C ONGRESSIONAL RECORD at the conclusion of my remarks.]

The tax brake is different from the Keynesian idea of "fiscal drag." Fiscal drag results from rising tax rates cutting into disposable income, and thus reducing spending. The tax brake, however, results from rising disincentives to produce additional output and thus raise productivity. Unemployment will occur on the supply side of the economy and not to spending on the demand side of the economy.

The tax brake requires that we refine some influential concepts. Whether there is excess capacity or excess demand depends on the tax rate at which additional income is taxed. If these rates are high, there can be excess demand even though there is excess capacity.

What is needed is the freeing of our economy from massive disincentives.

What is needed is the freeing of our policymakers from the myopia of Keynesian dogma.

Mr. President, the American people have made it clear for a number of years now that they consider inflation to be the Nation's No. 1 domestic problem. The orthodox Keynesians in our midst have chosen to ignore their democratic principles in this regard and attempt to publicly attack the symptoms of inflation: increases in the price level. They have ignored its causes—inordinate increases in the money supply caused by massive Federal deficits.

Mr. President, the 96th Congress has been given certain instructions by the American people. In part, they do not want inflation, that they do want a balanced budget, that they do not want massive regulation. But I think it is that they want government to get off their backs.

If big government was ever a "good thing" then there has been too much of a good thing.

The 96th Congress has an opportunity for innovation in the best sense. Let the 96th Congress begin a trend toward reliance on the free market. Let the 96th Congress accept a creed:...
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responsibility for the best the state had to offer. It was a pretty tough grind, but we had a lot of fun, and we had a lot of success. We had a lot of great players, and we had a lot of great coaches. I was proud to be a part of it, and I'm proud to be a part of Boise High School football.

And when Senator Frank Church of Idaho, he knows who to reach for to lead the Christmas Carolers at the YMCA. Hopefully, Loren Basler will be doing his singing for a lot more Christmases to come.

TRIBUTE TO FORMER SENATOR WENDELL ANDERSON, OF MINNESOTA

Mr. KENNEDY. Mr. President, as the new Congress convenes, all of us regret the absence of our fine colleague and friend from Minnesota, Senator Wendell Anderson. Mr. President, I have a tribute to him.

When Senator Anderson came to the Senate in 1977, he was already a national leader. As an outstanding Governor of Minnesota, he had already made his mark as a leader of the National Governors' Conference and as Chairman of the Democratic Platform Committee in 1976. As Governor of Minnesota, he had also earned an excellent record of leadership in both public and private education, on the elementary to the college level. Long before proposition 13 captured the attention of the Nation, Senator Anderson understood the challenge. He fought property taxes for his citizens, and he did his best to keep them down for others. Since then, property taxes have climbed more slowly in Minnesota than almost any other State.

For 2 brief years with us, I worked with Senator Anderson on many different issues, and I gained enormous respect for his leadership and record of service to the people of Minnesota. On the Armed Services Committee, he was an effective advocate of a strong but lean defense. On the Budget Committee, he worked hard to bring the deficit down while meeting the real needs of the Nation. As a member of the Energy Committee, he was a leader in the difficult 2-year struggle to enact a responsible energy policy for America. And he was a strong proponent of meeting the Nation's future needs and preventing unjust windfalls to the large oil and gas companies.

Senator Anderson was also an outstanding Senator who was responsive to the people of Minnesota. One of the most complex issues in the past Congress concerned the Boundary Waters Canoe area in Minnesota. No one is ever fully satisfied with a compromise, especially when feelings are running high. But no State has had a more conscientious or dedicated Senator working to resolve a difficult controversy in his State. And he finally resolved that issue in a way that protected the environment, avoided excessive Federal interference in the State, and was fair to the residents of northern Minnesota.

It was not an easy job, coming to the Senate, filling the shoes of two fine leaders, like Farz Mondale and Hubert Humphrey. But the people of Minnesota can be proud of Wendell Anderson. As Governor and Senator, he fit the mold of the Republican who has the past, and we shall miss his leadership here in the future.

VERMONT ROYSTER HONORED; SPEAKS OF PRESS FREEDOM

Mr. HELMS. Mr. President, about 3 weeks before Christmas, I flew back to Washington to attend a dinner honoring one of America's most respected editors, Vermont C. Royster, who has retired as editor of the St. Petersburg Times. He is now teaching journalism at the University of North Carolina at Chapel Hill.

Vermont is a native of Raleigh, which is my home also. I think it is safe to say that Vermont Royster has done as much as anyone alive to preserve the credibility of the news media. Throughout his career, he has been responsible, fearless, objective, and well-informed—all essential to a great editor.

The occasion on December 3, 1978, at the National Press Club, was the an-
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In his acceptance speech, Vermont Royster offered some valuable advice to the press corps.

Dred the room we are now in was little more than an unfinished barn and the Club itself was on the point of bankruptcy.

The working rules for press conferences were, by agreement, not followed by the President. In general we could paraphrase what he said but could use no direct quotes without express permission. He did also give us information "for background only" which we could use of but not attribute to him. And he kept the privilege of going "off the record" entirely when he chose.

I do not need to tell you how different it is today. That old State Department building is now a large hotel and it houses more staff aides to the President than, in those olden days, there were members of all press conferences are now TV events. The last one I attended was in the thinking that government is the only business I would never attend. Unless you want to get your face on television there's not much point.

Press conferences of cabinet officers and other high government officials are also now standard fare at the White House. Though I am reluctant to admit it, there are some gains in the way the new technology has altered the manner of doing things. The ordinary citizen in the White House does get a chance to see the President in action and doubtless to form impressions not just by what the President says but by his style. His grace under pressure, or his lack of it is not wholly irrelevant to his performance as our national leader.

The same is true of course of others in the public arena, a Secretary of State speaking, a Cabinet officer or an economic adviser testifying before a Congressional committee. Even a 10-second snippet of tape from a press conference can mean a lot about the person, and that too is not irrelevant to his public performance.

But the whole spectrum of the technological changes are all for the better. President Roosevelt could, and often did, think out loud without fear that every word was put indelibly on the record. He could share with the reporters around his desk some personal information that would help them to do their jobs better, help them understand what was involved in some public question. He could, and sometimes did, misstate himself at first expression, as everyone may do in casual conversation, and then on second thought rephrase his remarks.

The modern President does no such latitude. He must live in constant fear of the slip-of-the-tongue. A misstated name from a Secretary of State speaking is an embarrassment. Awkward phraseology on some matter of public import is beyond recall or correction; it is fixed around the word irrevocably.

One consequence of this, it seems to me, is that Presidents today try to say no more at their press conferences than might be put on a card in a carefully drafted statement. The loss here is both to the President and to the press.

The President has lost an opportunity to be frank and open. The press has lost an opportunity to share his thoughts processes which might be useful in the thinking of tomorrow's headlines, nonetheless could help them on their own to do a better job of informing his readers and listeners.

I might add, by the way, that the President has also lost the opportunity to deal bluntly with the stupid, or worse, he has lost his wits are now here is both to the President and to the press.

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...what they are doing. In that last respect, of course, every right is no different from that of any other citizens, all of whom are free to speak their minds. We differ from other citizens only in that the government perform is our full-time occupation.

But there, or so it seems to me, is not the same relationship as adversaries, enemies even, of government as government. There's a distinction, and an important one, between differing with, and being an adversary of, a President in some editorial or commentary and being an adversary of the Presidency.

To think ourselves adversaries of government as government makes me uneasy and a bit nostalgic. If the press collectively thinks itself an adversary of government, why not the government begin to think of itself as adversary to the press?

We have, in fact, already seen some signs of that. The police searched our mail opened, our telephones tapped—as if we were agents of some hostile power. Some of us have been hauled into court and thrown into jail.

The reminder here is that in polity, as in physics, every action creates a reaction. We have in turn reacted to this harassment, as the Chinese do everything on the Gang of Four.

That all this somehow intimidated us from speaking our minds. We speak our minds. We speak our minds, whether the government likes it or not. That, after all, is what freedom of the press is supposed to mean.

The press has always been one of the most respected institutions of our society, and one of the most cherished. The press is a free society. It is a Fourth Estate.

...that the Fourth Estate does perform a function distinct from the other three. It is a voice, a mediator, a generation of public opinion that is essential to a healthy democracy.

As such we are permitted—NAE, invited, if you will—to influence what the other Estates are doing and upon occasion to criticize them. That is what we are supposed to do, under the provisions of the First Amendment, to inform the people what the other Estates are doing, and upon occasion to criticize and to be criticized.

I do not believe it. The competitive instinct among members of the press is not less important than in any other occupation. On my first beat, Agriculture, Felix Belair of the New York Times knocked naivety out of me in my first week. I shall not be as easily intimidated by Henry Wallace. I never noticed Eddie Fiolard of the Post, Turner Catledge of the Times or Harrison Salisbury of the UP passing up a good story in the desire to be as well regarded as the White House press corps.

Investigative reporting isn't new, either. It was practiced by those newspapers that covered the Teapot Dome scandal. In my time—for one example—Tom Stokes of Scripps-Howard won the Pulitzer for exposing graft and corruption in the WPA. The defeat of FDR's court-packing scheme was due to the spotlight the press kept focused on the Supreme Court.

But there was one thing about the press then, I think, which was different from today—no one took itself of ourselves and the government as enemies.

We were cynical about much in government. We were critical about some government programs, yes. We thought ourselves the watchdogs of government, yes. We detested the bumbling, the bungling, the corruption, yes.But enemies of government? No.

In any event I don't recall hearing much in the way of what I would call adversary relations between press and government. Today I hear the phrase everywhere.

It reflects an attitude that shows in many ways. At the new new-style press conferences, including those of the President, the questions often seem less designed to elicit information than to entrap. Even the press briefings by Jody Powell have become a sort of duel, an encounter that would have astounded Shep Bush and the then White House press regulars.

There appears to be a widespread view that here we are, the press, and over there on the other side are government officials, none of whom can be trusted.

I suppose it's a result of Watergate. We blame everything now on Watergate—much as the Chinese do everything on the Gang of Four.

But it is, I must confess to you, an attitude that leaves me uneasy.

Our Constitution the three official Estates of the realm are the executive, the legislature and the judiciary. Each has a different function. One does not control the other. When one, be it the executive, the legislature or the judiciary, says: "You may do this," the other two have a duty to say: "No, you may not do that.

That is, in Macaulay's felicitous phrase, we are a separation of powers and that is one of the central virtues of our constitutional system.

But that very phrase "Fourth Estate" implies that we are part of the self-governing process of our society, not something set apart from it.

As such we are permitted—NAE, invited—to influence what the other Estates are doing and upon occasion to criticize...
home here Friday. The former board
chairman who was not reappointed for another
term was sorting the huge piles of material
accumulated through the years. He was putting
plastic garbage bags to pass on to his as yet un-
named successor.
In the meantime, he said, no one just "walks through" the hospital surgery depart-
ment. The Kimberley rancher said he's only been in surgery twice. It is his pa-
ient and when the board was taken on a
tour through the department.

Hospital talk, whether misconception
or not, has long been part of the Savage
family for Joe was appointed to the board
when his father, the late W. B. (Bill) Savage,
retired in October, 1966. Together, father
and son have served a total of 32 years on
the MVMH board. Each served as both
treasurer and chairman.

Many people believe that board members
are paid, but they serve without reimburse-
ment of any kind. It is this notion that the
hospital is properly managed by public-minded citizens serving gratis on the board which in turn
hires the administrator.

"Doctors know health care, but they don't
know hospital administration," he said.

Boards in any way supervise health care, but after a few year's learning period on the board, the hospital trustees do become familiar with the intricacies of hospital management, Savage said.

He also believes, county commissioners should not have the primary management on the hospital board," he said. "They're going over the board's head in the current contro-
versy over management by inviting private management company representatives here to make their proposals.

"They (the commissioners) were pressured by the doctors to run the hospital," he added.

It takes three years to learn all the work-
ing of a hospital—you don't pick it up in a
year," Savage said.

"I don't agree with Ann Cover (county
commisisoner) on change for the sake of
change. If a person is doing a good job he
should be allowed to continue," he contin-
ued.

But Savage does not want to be "too nega-
tive" about his not being reappointed to the hospital board. "But I can't help it," he said. "I've been chair-
man the past two years.

The former chairman discredits the influ-
ence of some 2,000 signatures on petitions
in the interest of keeping expertise to run
the hospital.

Of the past two years. It was wise to keep
hospital management by inviting private
management company representatives on the
table with the hospital's regular board mem-
bers. This is the first time this has been done.

The working committees included execu-
tives, whose members also constitute the
finance committee; building, labor, joint
conference, half of whose membership is
composed of doctors; and the hospital de-
velopment and executive committee.

To do the very best job, the board chair-
man said these meetings would bring compre-
sive, cohesive planning for the future.

And that's just what Savage has done.
In his 12 years of service he has missed only
two regular board meetings.

His interest above and beyond the call of
duty drew high praise from James Rosen-
baum, hospital administrator.

"He not only gave leadership to the board
but really contributed a good deal of time
and energy to make the hospital a recognized
regional institution," the administrator said.

"He probably put in more time than the job
required because he felt a personal com-
mittment to put in the time was neces-
sary, not only to lead the board but to under-
stand a very complex industry."
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MARGARET MEAD

Mr. JAVITS, Mr. President. Late in 1978 our Nation lost one of its finest personalities and intellects when Margaret Mead, whom I knew well, succumbed to cancer. On the day of her passing, and periodically since, hundreds of thousands of words of tribute have been written about Dr. Mead, including a thoughtful, incisive piece by Alden Whitman of the New York Times.

Yet, none of what has been written about her can even yet capture fully the essence of Margaret Mead. Her contributions to the science of anthropology and thought cannot yet be fully appreciated. Her pioneering methods of research alone will continue to bear the fruit of human enlightenment as others follow in her footsteps, benefiting from her genius.

As a result, Mr. President, Margaret Mead lives on. She is with us in the brilliant studies she conducted on human behavior and in the books she authored, including the first, great book that launched her career, "Coming of Age in Samoa," written in 1928 and which continues to be a best-seller even today; her ideas thrive in the minds of her students whom she stimulated with her zeal and zest for the search for knowledge and truth; and her legacy still shines in exhibits she caused to be erected for thousands to view each year at the American Museum of Natural History in New York City, where she was curator emeritus of the department of anthropology. Her testimony before congressional committees showed all her talent and was of great benefit to our Nation.

Mr. President, Dr. Mead passed away while the Congress was in adjournment. As a result no CONGRESSIONAL RECORD was published the day of her death.

Yet, we must marvel at the fact that she lived to be 76 years old. "I'm not boasting," she said once. "I'm an old bird, and I'm glad."

We know what Dr. Blank will say—"Oh, pipple." But we're never sure about Margaret Mead."

Not only was Dr. Mead unpredictable, sometimes she also defied the rules of behavior that most scientists set for themselves. Anthropology, essentially the study of adaptation, should refrain from influencing the events it observes and interprets, most scientists believe. But Dr. Mead, according to her critics, was not only a student of adaptation but also an active advocate of many specific changes in modern society.

"We know what Dr. Blank will say—"Oh, pipple." But we're never sure about Margaret Mead."

Some social scientists thought that Dr. Mead was lacking in introspection, that she was too scattershot and sometimes self-contradictory. "But then," one critic said, "we do owe something to Kurt Waldheim, Secretary-General of the United Nations, for his habit of distributing his paper." "But we're never sure about Margaret Mead."

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SOME SCIENTISTS

One evidence of her formidable powers was her election, at the age of 72, to the presidency of the American Association for the Advancement of Science, the second woman to head this group, one of the ranking organizations of the country's scientific community. Her stature as a scientist had been obvious to those seeing her on TV; it is somewhat grudgingly because she was a woman in a male-dominated discipline.

For those who knew Mead in middle age and on, she was a robust, 6-foot-2-inch figure with her ankle years ago. Her head was topped by its rimless glasses, was pleasant and on, her feet were shod in plain leather sandals. Her voice was melodious, and her face, with its rimless glasses, was pleasant and on.

Although she could be incisive, she was often called "Mother," and even "Mother Superior." She believed civilized mankind to be often ill-informed and piggied, yet she usually displayed great compassion toward others, even if they were her students.

From the publication of her first book, "Coming of Age in Samoa," in 1928, in which she described the values of adolescent love-making in Samoan society, Dr. Mead's name was on to Barnard College to get her Bachelor of Arts degree in 1923. At Barnard, the young student met Frans Boas, a magnetic man who was one of the

To this and other admirals, Dr. Mead's usual reaction was, "Oh, pipple." It was said with noticeable spunk, tinged with disdain. Spunk was one of Margaret Mead's earliest traits. Born in Philadelphia on Dec. 16, 1901, she was the daughter of Edward Mead and Emily Mead. Her father, who taught economics at the University of Pennsylvania, had hoped for a son and once told his daughter, "It's a pity you aren't a boy; you'd have gone to Barnard College.

She determined to go to college and did, to Dartmouth College, from which she went on to Barnard College to get her Bachelor of Arts degree in 1923. At Barnard, the young student met Frans Boas, a magnetic man who was one of the
MR. CHURCH. Mr. President, each year the Senate Committee on Aging publishes a checklist of itemized deductions for individuals over 65 years old. A major purpose of this summary is to protect older Americans—as well as younger Americans—from overpaying their taxes.

In addition, the committee wants to assure that taxpayers are completely current concerning any new developments affecting the Internal Revenue Code.

Late last year, the Congress enacted the 1978 Revenue Act which included several important tax relief provisions for all taxpayers, including older Americans.

Most of these provisions will become effective for taxable year 1979. However, some are applicable during 1978, and will be helpful for taxpayers who will prepare their tax returns during the next few weeks.

One of the most important tax relief measures for older Americans is my amendment to permit taxpayers 55 or older to exclude once in their lifetime, up to $100,000 in profit when they sell their personal residences. This tax savings can provide considerable help to safeguard individuals from overpaying their taxes, especially those who are not completely current on tax relief provisions.

The checklist is helpful for taxpayers in other ways as well. The summary, for example, provides guidance to determine whether it would be more advantageous to itemize deductible expenses or claim the standard deduction.

In addition, it may be useful for individuals in planning their personal and tax affairs.

Finally, it may even be helpful for tax payers who have already filed a tax return but overlooked allowable deductions. These persons may still claim items initially omitted by filing an amended return, form 1040X. But it must be filed within 3 years after the original return was due or filed, or within 1 year from the time the tax was paid by the due date.

Mr. President, I ask unanimous consent that the Committee on Aging's checklist of itemized deductions and
summary of tax relief measures for older Americans be printed in the RECORD.

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

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INFORMATION PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor)
Acupuncture services
Ambulance hire
Anesthesiologist
Arch supports (prescribed by a doctor)
Artificial limbs and teeth
Back supports (prescribed by a doctor)
Bandages
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment) deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiologists
Chiroprists
Chiropractor
Christian Science practitioner, authorized
Convalescent home (for medical treatment only)

Cranes
Dental services (e.g., cleaning, X-ray, filling teeth)
Dermatologist
Eye glasses or other beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet—physician’s statement needed)
Gynecologist
Hearing aids and batteries
Home health services
Hospital expenses
Insulin treatment
Invalid chair
Lab tests
Lipreading lessons (designed to overcome a handicap)
Neuropsychiatists
Nursing services (for medical care, including nurse’s board paid by you)
Occupational therapists
Ophthalmologists
Optician
Optometrists
Oral surgery
Osteopath, licensed
Pediatrician
Physical examinations
Physical therapists
Podiatrists
Psychiatrists
Psychologists

Psychotherapy
Radium therapy
Sacramental fees (prescribed by a doctor)
Seeing-eye dog and maintenance
Speech therapists
Splints
Supplementary medical insurance (Part B) under Medicare
Surgeon
Telephone/teletype special communications equipment for the deaf
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)
Vaccines
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health)
Wheelchairs
Whirlpool baths for medical purposes
X-rays

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate
State and local gasoline
General sales
State and local income

Personal property

If sales taxes are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any non-taxable income (e.g., Social Security, Veterans’ pensions or compensation payments, Railroad Retirement annuities, workmen’s compensation, unemployment compensation, veterans’ retirement benefits) paid by the Federal Government.

In general, contributions may be deducted for (1) religious, charitable, scientific, or educational purposes; (2) the prevention of cruelty to children or animals; (3) Federal, State or local governmental units and public charities established by law to foster, promote, or carry on charitable, educational, scientific, or cultural activities. (4) the promotion of the general welfare. The limitation is $100 per recipient.

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Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gifts expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deductible based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).
Bank credit cards—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer with non-reimbursing agreement provided they are to be paid for use of lender’s money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Ununion dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools—subject to 3% limitation).
Dues for Chamber of Commerce (if as a business expense).
Expenses of a safe-deposit box used to store income-producing property.
 Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deductible based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Educational expenses that are: (1) required by your employer to maintain your position; or (2) for making you more proficient in your skills or your line of employment.

Political Campaign Contributions.—You may claim either a deduction (line 3, Schedule B, line 8, Form 1040) or a credit (line 2, Form 1040), for campaign contributions to an individual who is a candidate for nomination to any Federal, State, or local elective office in any primary, general, or special election. The deduction or credit is also applicable to contributions to (1) a congressional campaign committee of any Federal, State, or local elective office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). You may claim the additional deduction if the following requirements are met for multiple support:

1. Two or more individuals on whom you could claim a dependency deduction if it were not for the support test—(entries are 1, 2, or 3 times $250).

2. Any one of those who individually contributed more than 10% of the total dependent's support, but only one of them may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Presidential Election Campaign Fund

Additionally, you may voluntarily earmark an amount of your 1978 Federal income tax return if it is less than $100 ($200 for couples filing jointly). The maximum amount deductible is $100 ($200 for couples filing jointly).

Energy Tax

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property, $500 for residential rehabilitation, whether you own or rent it. The residence must have been substantially renovated in 1978. The credit for energy conservation measures is limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs; windows; doors; caulking or weatherstripping for exterior windows or doors; exterior storm (or thermal) windows or doors; heating or air-conditioning equipment, hydrogen fueled residential equipment, fluorescent replacement lighting systems, equipment using wind energy for transportation, energy sources for swimming pool heating.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.

Tribute to Former Senator Dick Clark of Iowa

Mr. KENNEDY. Mr. President, as the Congress records another year of its history on the calendar, it is fitting to pay tribute to one of its most distinguished members, Senator DICK CLARK OF IOWA, who passed away on December 13, 1978.

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January 15, 1979

CONGRESSIONAL RECORD—SENATE

respect for his integrity, courage, and leadership.

On issue after issue, Dick Clark was the first to blow the whistle on serious government waste. He earned a well-deserved reputation as Mr. Integrity and Mr. Reform because of his hard work and leadership in areas like the Senate Ethics Code and the effort to mandate a balanced Federal budget. He played a major role in the reform movement to equality, the highest transfer payments under the Earned Income Tax Credit, and more and better environmental laws. Dick Clark has been a leader in many different efforts to reform the Senate and Congress in commodity regulation. He was also a leader in sponsoring major reforms in the foreign policy area. Clark was well known for his willingness to listen to their ideas and understand their problems. They had a Senator who worked for them and cared about their needs.

In his 1972 campaign, Senator Clark said "We in the Senate have lost a close personal friend as well. Government in our Nation would like it to be. But it is right to reexamine our assumptions, inexorably leads to recession. At such a time, it is right for aspirants for office in the state clearly our goals, and work confidently for the future." Senator Clark was a leader in the House of Representatives and the Senate in the fight against inflation. He was a leader in sponsoring major reforms in the Nation's grain inspection system. Senator Clark was well known for his hard work in many areas, but he felt that his most significant accomplishments were in the area of agriculture. He took pride in his close relationships with the farmers of Iowa. Among his most important accomplishments was his authorship of legislation to end the abuses in commodity regulation. He was also a leader in sponsoring major reforms in packaginghouse regulations and in the Nation's grain inspection system.

As a member of the Rules Committee, Senator Clark was a leader in many different efforts to reform the Senate and make it function more effectively. In addition to his outstanding leadership in reforming the Senate's financing laws, he played a major role in the reform of the filibuster and seniority rules in the Senate.

It is not only the people of Iowa who have lost a courageous and responsible voice for reform and integrity. Many of us in the Senate have lost a close personal friend as well. Government in Washington may not be all that the people of the Nation would like it to be. But it is a better and more responsive government today because Dick Clark was a leader in the fight against inflation and anti-inflationary policies to keep our state a dream for the future.

JERRY BROWN'S SECOND INAUGURAL

MR. CRANSTON. Mr. President, the headlines on Jerry Brown's Inaugural Address last Monday focused on just one sentence of his lengthy speech—and not unreasonably, since his endorsement of a constitutional amendment to mandate a balanced Federal budget. Senate debate on the convention was the most controversial aspect and clearly the news story.

But there was a great deal more to the speech. The Governor's review of the accomplishments and promises of California, of the challenges faced by those who will reach majority in the year 2000, and of the paradoxes of our success and our challenge, is a crystallizing commentary on where our society is and the alternatives it faces.

Most importantly, Governor Brown calls for a lightening of the mood of less reliance on government, for national emphasis on productivity and maximization of each citizen's potential, for reduction in government's involvement in our lives, and for enhancement of the quality of our environment.

I invite my colleagues to read the speech in full and ask unanimous consent that it be printed in the Record. In addition, I ask unanimous consent that California Joint Resolution Number 2 appear as an appendix to the Governor's speech.

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

INAUGURAL ADDRESS OF GOVERNOR EDMUND G. BROWN, JR.

The new year on which we now begin is a year of testing. We are in a mood that our economy is careening down the path of inflation that inexorably leads to recession. At such a time, it is right for aspirants for office in the state clearly our goals, and work confidently for the future. 1979 is the international year of the child. Those born this year will graduate in the class of 2009. What they inherit will depend on the courage and vision we pass on to them. Whether Californians in that year are up among the best or stagnating in the continuing aftereffects of obsolete technology and pervasive foreign imports, that depends on us.

Today we see the ethos of our moment dominated by "getting and spending" rather than innovation and risk. The depressing spirit of the age ungratefully feeds off the boldness of the past. Where there should be investment in the spirit of the age ungratefully feeds off the boldness of the past. Where there should be investment in the future, there is dependence on the past. Where there should be confidence in the future, there is fear of the future. Where there should be willingness to listen to their ideas and understand their problems, there is fear of their ideas. Where there should be investment in the future, there is fear of the future.

California has been called the great exception. From the mystic aura of the name itself to the conquest of outer space, California has been leading among its many immigrant people. Gold, forests, rich agricultural lands, high technology, universities and colleges, the rich human mixtures of diversely aging people, the rich diversity of ethnic groups—these have all converged to keep our state a dream for the hundreds of thousands of those who still cross our borders each year. In the last four years, 1.5 million jobs have been created and the proportion of people over 16 employed in the wage economy has grown from 56 percent to 61 percent, a participation rate matched rarely anywhere in the world in almost anywhere else in the world. Over 14 million motor vehicles each month set new records in gallons of gasoline consumed and miles driven over our roads. Our 22 million people produce each year more than the combined effort of the billion people who inhabit India, Pakistan, Indonesia, the Philippines, South Korea, Nigeria and Zaire. We have the most advanced technology, the most stringent environmental laws, a strong commitment to equality, the largest transfer payments in the world. We depend on government and the most advanced labor laws.

Yet the mistrust of our public institutions and the more complacent in our economy are more the order than the exception. Three quarters of the people do not trust their government. More than half of the eligible citizens of California again decided not to vote in the last election. Why? Why the anti-government mood? I asked this same question a few years ago. I believe I understand. Simply put, the citizens are revolting against a decade of political leaders who have consistently espoused and excessive government spending but who in practice pursued the opposite course.

There is the contradiction between what political leaders have said in their anti-inflation and anti-spending rhetoric and what they have done in their fiscal policies that we find the cause of today's political malaise. The ordinary citizen feels that his contributions to inflation and that runaway inflation is as destructive to our social wellbeing as an inflation.

The economists will argue about the fine points but the people know that something is profoundly wrong when 75 percent of government spending decisions are automatically decided by past formulas and not present lawmakers—formulas that ensure that government and its taxes keep ahead of inflation.

People know that something is wrong when the federal government stimulates inflation and inflation raises the face value of prices, income, and property, so that the taxes on them are higher and higher. The reverse government money machine has created a fiscal dividend for local, state and federal government and shows how to expand faster than inflation and faster than real economic growth. These unauthorized dividends are now being canceled. The tax revolt is being heard.

There is much to learn about the unprecedented primary vote in Proposition 13. Not the least of which is that the established political union and corporate power no longer has the votes to roll over against an inflationary threat to their homes and pocketbooks. While it is true that the tax revolt has increased the privileges of the few, it has without question inspired the hopes of many. Plain working people, the poor, the elderly, those on fixed incomes, those who cannot keep up with each new round of recession, these are the people who are crying out for relief.

But in their name and in the name of misfortunes of every other futile prophecy, there have risen to advocate more and more government spending as the sure—more bureaucratic programs and higher staffing ratios of professionals. The result is that the billion dollar government increases are really deep cuts from the yet higher levels of spending they demand and that attempts to limit the inflationary growth of government derive not from wisdom but from selfishness. That disciplining government reflects not a care for the future but rather self-absorption. These false prophets, I tell you, can no longer distinguish the white horse of victory from the pale horse of death.

In this decade government at all levels has increased spending faster than the true rate of economic growth; taxes per $100 of income have climbed steadily. The cure for inflation has been treated with a vengeance. Yet most people feel worse, not better, about their government benefactor. The result is that the billions of dollars of their future pensions will never keep pace. Ten million dollars a day is what it is worth. Government money and their wages rise but not as fast as prices. They can barely obtain larger grants but find more expensive goods. Finally, in this decade, it is time to get off the treadmill, to challenge the assumption that more government spending automatically leads to better living. And primary vote and the fact that inflation and more inflationary spending leads to decline abroad and decadence at home. Ultimately
As government makes itself more productive, it must also strip away the roadblocks and the responsibilities that create mindlessly puts in the path of private citizens. Unneeded licenses and proliferating rules may stifle innovation and business. Society is more interdependent and our capacity to harm both nature and our ability to respond to its needs is reduced. Regulations primarily protect the past, prop up privilege or prevent sensible economic choices.

These are the rules that should be changed in the ongoing self-examination by each department of government. Where economic incentives are not creative, government can accomplish the goal, they should be tried.

Finally, in order to ensure that we permanently get the most out of our investment in the nation, I will support the resolution now pending before the legislature calling upon Congress to propose a constitutional amendment to limit state and local spending grossly and repeatedly exceed what is reasonable. I will also support the resolution now pending before the legislature calling upon Congress to propose a constitutional amendment to limit state and local spending.
WHEREAS, Knowledgeable planning, fiscal prudence and public policy require that the budget reflect all federal spending and be in balance; and

WHEREAS, Believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat ever to our nation, we strongly believe that constitutional restraint is necessary to bring the fiscal discipline needed to achieve responsibility; and

WHEREAS, Under Article V of the Constitution of the United States, amendments to the Constitution of the United States may be proposed by the Congress whenever two-thirds of both houses of the several states the Congress shall call a constitutional convention for the purpose; such a proposal is not to become law unless ratified by three-fourths of both houses of the Congress; we believe such action vital; now, therefore, be it

RESOLVED, by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully proposes as an amendment to the Constitution of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, stating that the Constitution of the United States requests the Congress to prepare and submit to the several states a constitutional amendment, to be known as the Proposition A amendment, requiring in the absence of a national emergency, as defined by a majority of the Congress, that no tax shall be levied exceeding the total of all estimated federal revenues for that fiscal year; and be it further

RESOLVED, That, alternatively, the Legislature of the State of California makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States Constitution requiring in the absence of a national emergency, as defined by a majority of the Congress to include, but not be limited to: (1) a serious threat to national security; (2) a war; (3) a natural disaster; and (4) a serious condition of unemployment, 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; and be it further

RESOLVED, That the Legislature of the State of California also proposes that an amendment upon the Congress of the United States establishing appropriate restrictions limiting federal appropriations at the discretion of a constitutional convention called pursuant to this resolution to the subject matter of this resolution and, should the Congress of the United States fail to so act, this resolution shall have no effect and be considered nullity; and be it further

RESOLVED, That the Legislature of the State of California also proposes that the legislatures of each of the several states convene and make application and requests that the Congress requesting the enactment of an appropriate amendment to the United States Constitution, or requiring the Congress to call a constitutional convention for proposing such an amendment to the United States Constitution, and be it further

RESOLVED, That the Secretary of the Senate transmit copies of this resolution to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate.

CHANGES IN THE PHILADELPHIA CONGRESSIONAL DELEGATION

Mr. HEINZ. Mr. President, as the 96th Congress convenes, I want to note the presence of two new Members from Philadelphia, Rev. William H. Gray and former State Senator Charles Dougherty.

Although of different political parties, these two new Representatives typify the strengths of a growing, dynamic city like Philadelphia. Tough, thoughtful, and aggressive are apt characterizations of Congressman Gray and Congressman Dougherty. I am certain they will serve their city and State well, and I join all Pennsylvanians in welcoming them to the Congress. To further acquaint other Senators with the background and abilities of these two men, Mr. President, I ask that two articles published in the Philadelphia Inquirer, November 9 and November 11, 1978, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Philadelphia Inquirer, Nov. 11, 1978]

The Reverend Gray is Suddenly a Political Force

(By Acel Moore)

To the casual political observer, the victory of the Rev. William H. Gray 3d by a 5 to 1 margin over his Republican opponent, attorney Roland J. Atkins, in Tuesday's general election may seem anticlimactic.

Because the real battle to become congressmen from Philadelphia's 2d Congressional District was won last May 16 when Mr. Gray, the 37-year-old pastor of Bright Hope Baptist Church, toppled Rep. Robert N. C. Nix, the 74-year-old, 10-term incumbent in the Democratic primary.

Still, on Tuesday, Mr. Gray did much more than defeat the long-time Democratic opponent in a heavily Democratic district.

He played a key role—along with state Rep. Charles Dougherty, who beat Eilberg, and David P. Richardson—in forming coalitions with white liberals to defeat the Frank Rizzo-backed church in a coalition second Tuesday and the figures in his district—one of the most ethnically and economically diverse in the city—underscore the growing opinion among the pundits that he has become one of Philadelphia's most powerful politicians.

The charter change went down 15 to 1 in the 2d District, but more importantly, Mr. Gray has already (10 percent) and polled the most votes (127,883) of any congressional candidate in Pennsylvania.

And Mr. Gray inherited more than his pastoral duties from his father. Political activism was seemingly also part of the estate. Rev. William H. Gray Sr., former president of Florida A&M University, was also one of Philadelphia's most powerful leaders in the Democratic Party's reform movement under mayors Joseph Clark and Richardson Dilworth.

Mr. Gray took over as pastor of Bright Hope from his father in 1972 and has guided the church to its present position as one of the most influential Black Baptist churches in the city. Its 3,800 members make it second only to the 5,000-member Zion Baptist church, headed by the Rev. Leon Sullivan, and is considered the most prominent church in the city.

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Mr. Gray says.

Mr. Gray has served on the board of directors of influential civic and non-profit corporations in the city, including the Urban Coalition, Hospital and the Greater Philadelphia Partnership.

I have worked for many years in the community interest representing my church," said Mr. Gray, who has shown a keen knowledge of the issues of concern in urban areas.

In the area of housing, Mr. Gray has founded five nonprofit housing corporations, including one that is developing a $4 million senior citizens housing unit in North Philadelphia. Mr. Gray also is the developer of the Philadelphia Black ghetto where he grew up.

Mr. Gray, married and the father of three boys, is a tall, slender man, and is reflected by his background. He was a four-letter athlete at Simon Gratz High School who also achieved scholastic honors.

He is a graduate of Franklin and Marshall College with a degree in business from both Princeton University and Drew Theological Seminary.

Mr. Gray thinks he is prepared to enter Congress and has done his homework—an issue that his primary opponent Nix concentrated on last May.

Nix, during that bitter primary fight, was quoted as saying: "He won't be able to find the toilet if he is elected to Congress."

"Not around the toilet, but I will be able to find the floor (of the House) has been Mr. Gray's response.

[From the Philadelphia Inquirer, Nov. 9, 1976]

HE ORGANIZED HIS WAY INTO CONGRESS

(From Thomas Ferrick, Jr.)

Some politicians have charisma. Others have a lot of money. Charles Dougherty, Philadelphia's new Republican congressman, has both.

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to reach the administration's target of a deficit of $30 billion for 1980, it is likely that the avoidance of tax expenditures will have to be increased by approximately $15 to $20 billion. If the cuts are allocated properly, then $12 to $16 billion of the cuts should come from direct spending programs and $3 to $4 billion of the cuts should come from tax expenditure programs. Clearly, direct spending programs should not be viewed as either the full budget or any spending cuts that may be necessary.

Tax expenditures have always had a preferred—but undeserved—position in the budget, because they have an automatic first priority in the allocation of Federal revenues. Direct spending programs compete for the revenues left after all the tax expenditures have been funded. Thus, responsible development of the Federal budget must include an evaluation not only of relative priorities among direct spending programs, but also of the priorities involved in tax expenditure programs.

Unfortunately, there is no evidence that the $150 billion tax expenditure budget is even being given consideration as a possible budget-saving measure by the administration in the preparation of the 1980 budget. Yet, the President’s $30 billion deficit figure can be reached as easily by cutting tax expenditures as by cutting direct expenditure programs. There is no reason why this large component of the Federal budget should be exempted from examination and from bearing its fair share of the forthcoming austerity that is likely to be imposed.

The Treasury should be required to justify each dollar spent through the tax expenditure budget with the same degree of precision required of all other agencies in justifying their proposals for direct spending programs. In addition, each item in the tax expenditure budget should be reviewed to determine its priority compared to the direct spending programs in the same budget category that are candidates for budget cuts.

Careful review of the tax expenditure budget is also essential because it is the part of the total Federal budget that is rising the most rapidly and that is most clearly out of control. In the current decade, the number of tax expenditure programs has more than doubled, from 40 to nearly 100. Between 1971 and 1978, the total revenues spent through the tax expenditure budget increased from $51 billion to $141 billion, an increase of 141 percent. By contrast, direct spending climbed from $211 billion to $448 billion in the same period, an increase of only 112 percent.

It is in the hands of both Congress and the administration, as part of the budget process, to examine the tax expenditure budget with the same care they give to the direct spending portion of the budget. I am confident that such study will reveal spending programs in the tax expenditure list that should be cut before any of the proposed direct spending cuts are made.

To demonstrate this point, I have made a preliminary survey of some of the proposed spending cuts that have received publicity in recent weeks. Then, I have compared the tax expenditure programs in the same budget areas. This analysis reveals that often, cuts in tax expenditure items can and should be made without reducing programs that are reduced from present levels. Indeed, reduction or elimination of some of the most wasteful tax expenditures could make budget cuts in direct spending programs that have higher priority. Clearly, however, cuts contemplated in the highway program would not be made in the same category.

First, nutrition. The administration is reportedly planning to cut $400 to $500 million from the food stamp program, the special milk program for schoolchildren, and the school lunch program. By comparison, the $1 billion tax spending program that subsidizes lavish meals and expensive living arrangements for corporate executives, doctors, lawyers, and other high income business persons will apparently remain untouched. Before Congress authorizes this plan, it should ask the central question: Why are the direct spending programs for nutrition and health care, which provide food stamps, not more fully included in the same category?

Last year, the President recommended that the deduction for business meals be limited to 50 percent of the cost of the meal. Congress did not adopt the President’s proposal, but the revenue saved would be more than enough to eliminate the need for the currently proposed cuts in the food stamp, school milk and school lunch programs.

It would be unconscionable for Congress and the administration to continue to provide federally subsidized lunches and alcoholic beverages for high income corporate executives, while cutting back on the basic nutritional needs of the poor and the schoolchildren of the Nation. The President should squarely confront Congress with this situation, and insist that the rich must take a place at the rear of the subsidized lunch line, behind the more deserving families of the Nation.

Second, Health care. There has already been extensive discussion and debate over the level of spending for health care in the direct budget. In recent weeks, the administration has restored some of the needed funds. But many important programs are still scheduled for unacceptable cuts, and I am hopeful that the additional funds will be restored as the budget process develops.

By contrast, the tax expenditures that provide health care largely for a privileged few would remain untouched. In fiscal 1980, tax subsidies for health care will exceed $11 billion. Of this amount, $1 billion will go to those with the top 1 percent of incomes in the country—those with over $50,000 income annually.

If we are to have an austere budget on health, the question must be faced as to how we can achieve it for the rich—provided through tax expenditures—have a higher priority than the direct spending programs slated for drastic cutbacks, especially the programs in the areas of biomedical and aid to medical schools, where cuts are still planned totaling approximately $500 million.

My own view is that we should move forward now to national health insurance, as the best means of controlling costs and providing adequate health care for all citizens. But if that goal is not achieved, we must make the most efficient use of the Federal funds currently available for health care. Paying 50 percent to 70 percent of the medical bills and private health insurance premiums of the highest income families in the country hardly represents a pressing health priority for the Nation. Revenues should therefore be diverted from these tax expenditure programs in order to hold fund higher priority direct health care needs.

Third, Housing. Budget cuts are also being considered for federally subsidized low- and middle-income housing, which will reduce housing units by about 20 percent next year. At the same time, tax expenditures for real estate construction and owner occupancy, which subsidize them through the tax laws, will reduce housing units by about 20 percent next year. The direct spending programs benefit low- and middle-income people. But over 75 percent of these tax expenditures go to the 1 percent of individuals with the highest incomes in the country. It is a distortion of the Nation’s housing priorities to reduce Federal spending for low- and middle-income persons, but to continue massive Federal spending in the form of real estate tax subsidies for the over-$50,000 income group.

Even worse, only 5 percent of the tax expenditures for real estate is used to fund low-income housing projects. The remaining 94 percent goes to provide Federal subsidies for luxury apartments, high-rise office buildings, motels and similar facilities. Congress would certainly not provide indirect subsidies for these real estate developments, but to subsidize them through the tax laws. Direct subsidies for low- and middle-income persons should be held at present levels and the necessary budget reductions should come from cuts in real estate tax expenditures.

Fourth, Income security. A number of social security programs are apparently also in jeopardy in order to achieve spending cuts of $500—$600 million. Again, tax expenditure programs in the same budget category would remain untouched.

One of the programs scheduled for elimination is the modest $355 survivor’s benefit, which will save $220 million in the 1980 budget. By contrast, a current tax expenditure program will provide almost $3 billion in tax subsidies for decedents in fiscal 1980. This enormous Federal subsidy is made available through the exemption of tax on the gains in property transferred at death. For the top 1 percent of families, the tax subsidy provides an average survivor’s benefit of over $5,000, at a cost of over $6 billion. It makes no sense to require the hardship of eliminated benefits for the richest families in the Nation, while slashing the meager $355 direct
Another direct program to be cut back is the social security benefit for orphaned students. Under present law, students receive benefits until the age of 21. But the administration would phase this down to age 18. The proposal is only for the wealthiest 2 percent of families in the country, those with the largest estates. The wealthier the parents, the larger is the Federal tax subsidy for their orphaned children. It makes no sense to provide a Federal tax subsidy for children of the country's wealthiest families until they reach 21, but to cut off orphaned students of low- and middle-income parents when they reach age 18. The tax expenditure program should be reduced or eliminated and the direct social security benefit should be retained at present levels.

Other proposed social security cutbacks would reduce minimum benefits for intermittent workers. Currently, the maximum benefits that a disabled person can receive, and terminate benefits for mothers of dependent children when those children reach 16. These actions appear to be designed to save approximately $850 million in fiscal year 1980. Tax expenditures for private pension plans are, however, to remain unaffected. The tax subsidy for private pension plans will exceed $15 billion in 1980. Over $3 billion of this amount goes to those with incomes above $50,000 a year. Moreover, 90 percent of distributions from these plans can be as much as $90,000 per year, many times the social security benefits that are to be cut back. Surely we should not do this. We have a more likely candidate for a budget cut in the pension area is the $3 billion retirement tax subsidy for the rich, instead of direct social security benefits for low and middle income families.

Fifth. Education. In addition to the reduction in social security benefits for students discussed above, the administration is reportedly considering a reduction of $200 million in the basic educational opportunity grants program and a larger amount in the Elementary and Secondary Education Act program. Students in middle income families will be the hardest hit by these proposed cuts.

Yet, tax expenditures for education will exceed $1.1 billion in 1980. Of that amount, the 1 percent of families with incomes over $50,000 will receive over $130 million. In short, elimination of tax spending for students from the country's wealthiest families would prove much easier to achieve.

AN HISTORIC PRECEDENT IS SET

Mr. MATHIAS. Mr. President, January 15, 1979, will long be remembered as an historic day in the annals of the U.S. Senate—indeed in the history of the United States itself. As NANCY LANDON KASSEBAUM takes her seat in the U.S. Senate, it marks the beginning of a new era. All of Senator KASSEBAUM's predecessors in this body were first elected or appointed to Congress to fill unexpired terms of Members who resigned or died in office.

Senator Margaret Chase Smith, who served with great distinction in the Senate from 1948 to 1973, was first elected in State legislatures by nearly 2 percent of families in the wealthiest 2 percent of families in the country, those with the largest estates. The wealthier the parents, the larger is the Federal tax subsidy for their orphaned children. It makes no sense to provide a Federal tax subsidy for children of the country's wealthiest families until they reach 21, but to cut off orphaned students of low- and middle-income parents when they reach age 18. The tax expenditure program should be reduced or eliminated and the direct social security benefit should be retained at present levels.

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As the above examples show, there is considerable overlap among tax spending programs and direct spending programs. Cuts in either type of program can be made to reach the desired level of Federal spending and the budget deficit.

I do not suggest that it will always be preferable to cut a tax expenditure instead of a direct expenditure program. What is essential, however, is that the administration and Congress should remove their budget blunders and examine the entire range of Federal spending programs. The tax expenditure budget contains numerous areas where spending cuts can be made to reach our budget objectives. Moreover, the administration should accept a budget policy that involves drastic new austerity for direct spending programs, while allowing the tax expenditure policy to continue for tax spending programs.

JUDICIAL REVIEW OF VETERANS' ADMINISTRATION DECISIONS

Mr. CRANSTON. Mr. President, in the last Congress, the Senator from Colorado (Mr. HART) proposed a measure, S. 364, providing for judicial review of final Veterans' Administration decisions and for other changes relating to VA procedures. As I stated on July 19 of last year, in remarks appearing at pages 21672-74 of the daily edition of the Record for that date, the Committee on Veterans' Affairs held 5 days of hearings on that legislation. From the testimony received at those hearings, it became apparent that, while the Senate was well to focus needed attention on the complex issues of judicial review, administrative procedure, and attorneys' fees, the need existed for a substitute measure more specifically tailored to VA claims, adjudication, and rulemaking processes and to the circumstances of veterans and survivors with claims before the VA.

By July of last year, it became clear that, in light of the time required to complete the drafting of a new measure, the need for further hearings prior to committee action, and the very crowded state of the Senate's legislative calendar, there was insufficient time remaining to address this matter effectively during the 95th Congress. Therefore, with the concurrence of my friend from Colorado (Mr. HART), I proposed that committee staff continue its work on the substitute measure and circulate the draft to all interested parties for their comments and criticisms during the 96th Congress, either Senator HART or I would be able to introduce a new measure. I am happy to report, however, that this has been a vintage year for women in Maryland.

Maryland is a State that has always respected women. It is, in fact, named after a woman—Henrietta Maria, Princess of France and Queen of England. The Honorable Anne Arundel County is named for Lady Baltimore. St. Mary's County, Caroline County, Queen Anne's County, the town of Princess Anne and My Lady's Manor are all bear witness to Maryland's appreciation of women.

After three centuries of slow but deliberate advance in the recognition of women, Maryland has now followed this course to its logical conclusion. A Maryland woman, Margaret Brent, was the first in America to demand the suffrage. Now, four Maryland women—MARJORIE S. HOLT, GLADYS NOON SPELLMAN, BARBARA A. MIKULSKI, and BEVERLY B. BYRDS—are members of the first Mary­land delegation in the House of Representa­tives to be equally representative of men and women.

Just as Jeannette Rankin, the first woman ever elected to Congress, was a successful in her effort to open the political process to women, I am confident that each woman elected to serve in the 96th Congress will make the road easier for those who follow her.
Also, I agreed to schedule hearings on it and bring it to the committee by May 1, 1979, for disposition.

DRAFT SUBSTITUTE MEASURE CIRCULATED AND HEARINGS SCHEDULED

Mr. President, consistent with these plans, committee staff completed a draft of the substitute measure on December 8, 1978, and circulated it for comments. In a cover letter transmitting the draft legislation, I indicated that the new bill would be introduced early this year.

Subsequently, based on the assumption that the substitute measure would be ready for introduction on the first day of this Congress, I gave informal notice that hearings would be conducted on it on January 30.

HEARINGS RESCHEDULED

Mr. President, because the comments on the draft measure were so extensive and helpful, substantial revisions have been necessary and the new bill could not be ready for introduction today. Therefore, introduction is being deferred until next week.

This means that hearings will not be held on January 30. Rather, following introduction of the bill next week, hearings have been rescheduled for February 22, at 9:30 a.m., in room 318 of the Russell Senate Office Building.

Mr. President, as I have previously indicated, I greatly appreciate the strong leadership and commitment that the Senator from Colorado (Mr. Hart) has displayed in this important matter and for his most helpful cooperation. I am also extremely pleased that so many organizations and individuals have given such substantial time, effort, and expertise to the issues raised in this legislation.

TRIBUTE TO FORMER SENATOR ROBERT GRIFFIN OF MICHIGAN

Mr. Kennedy. Mr. President, I wish to pay tribute to Senator Robert Griffin, Michigan's former senior Senator and a minority whip of the Senate in his first term. In 1956, he was named one of the Senate's outstanding young men by the Civic League of America, an organization of students to attend college with the help of low-interest loans repayable after graduation.

Albion, Mr. President, last summer I testified before the Senate Subcommittee on the Constitution on behalf of the proposed constitutional amendment to abolish the electoral college. I still believe that this amendment is very much needed and today I rejoin my Senate colleagues in cosponsoring this important measure.

The electoral college system and various proportional systems introduced in the 96th Congress represent truly one step from the voter. This leads to a potential distortion of the total and may permit a candidate who has won the popular vote to lose the election.

Under the direct election method of electing the President, the votes of individual citizens will count directly toward the final total, a community the size of Burlington, Vt., will have equal importance in the final total of that particular candidate for the first time in our history. Every vote will be important and will, I believe, strengthen the party system at the local level. It will also be an incentive to increase voter turnout, which has decreased in recent years.

It has been argued that small States will be hurt by the abolition of the electoral college, that they will lose the proportional clout they now command under that system and that emphasis is placed in any campaign on major States with small States being ignored. I disagree. If the votes are equally toward the final total, a community the size of Burlington, Vt., will have equal importance in the size of New York, Missouri, or California. Thus, it will be equally important for candidates to spend a similar amount of time in small States. To forego these visits might cost them the election.

Therefore, I reaffirm my support of this proposed constitutional amendment and look forward to early passage of the direct election measure in the Senate this session of Congress.

UNIVERSITY OF HARTFORD HOSTS WHITE HOUSE INFLATION FORUM

Mr. Ribicoff. Mr. President, inflation is the most critical issue facing Congress, the President, and the Nation. America's economic lifeblood and its very security are seriously threatened by soaring prices, a large and longstanding trade deficit, rising taxes, and an inflation rate approaching 10 percent. Inflation is one of the most difficult problems we have to deal with, and it is a problem of the utmost importance. It is a problem of the utmost importance. Inflation is a problem of the utmost importance. Inflation is a problem of the utmost importance. Inflation is a problem of the utmost importance.

There are no simple solutions or easy answers. Government alone cannot solve the problem. There must be cooperative action by Government, business, labor, and all sectors of the economy.

Early last month a high-level White House team-Wage and Price Stability Council Chairman Robert Strauss, Assistant to the President for Economic Affairs, chairman of the Council of Economic Advisers Chairmen; Charles Schulze, Labor Secretary Ray Marshall, Esther Peterson, the President's special counselor on wage and price affairs, and Ambassador Robert Strauss—traveled to the campus of the University of Hartford to explain the administration's anti-inflation program. Over 800 Connecticut business, labor, and consumer leaders as well as State and local officials participated in this important forum. Following a 15-minute telephone question-and-answer session with President Carter, there was a candid and useful exchange between the various Connecticut representatives and the administration spokesmen.

The University of Hartford anti-inflation forum was a valuable contribution to the national dialog on this important issue. All sectors of our State's government and economy were able to participate and to exchange their ideas and concerns with the White House officials. I believe my colleagues will be interested in the meetings during the Hartford forum, and I ask that a summary of the meeting be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

WHITE HOUSE FORUM ON INFLATION

INTRODUCTION

On November 8, 1978, a White House Forum on Inflation was held at the University of Hartford's Lincoln Theatre in West Hartford, Connecticut. Co-hosted by the University of Hartford and the Greater Hartford Chamber of Commerce, the forum was attended by some 800 people, including invited leaders representing business, education, political, consumer groups, religious organizations, and the community.

After a welcome by University of Hartford President Stephen J. Trachtenberg and greetings by Hartford Deputy Mayor Nicholas R. Carbone, Mr. Henry Roberts, Chairman of the White House Team, introduced Robert S. Strauss, Inflation Counselor to President Carter. Mr. Strauss presented the groundrules for the forum: (a) presentations by the four member delegation from Washington; (b) responses from three panels representing labor, business, and consumer groups; (c) a question and answer period; (d) a phone call from President Carter, who would answer questions from three individuals and then offer some remarks.

PANELS

Administration: Robert Strauss, Inflation Counselor; to the President, Ray Marshall, Secretary of Labor; Charles Schulze, Chairman, Council of Economic Advisors; Esther Peterson, Special Assistant to the President for Economic Affairs; to the President on Inflation and Chairman of the Council on Wage and Price Stability.

Wallace Barnes, Chairman, The Barnes Group; John Flannery, President, State Bank for Savings; Consumer: James G. Harris, Executive Director, Community Renewal Team of Greater Hartford; Chairman, National Senior Citizens Association; Marie Caplan, Executive Director, Connecticut Citizen Action Group.

ADMINISTRATION PANEL

Mr. Schultze: Economic Background on Inflation—Government Actions to Control Inflation

Mr. Schultze briefly discussed his role as Chairman of the Council of Economic Advisers and then observed that the major single way the federal government affects the economy is by the federal budget.

Mr. Schultze went on to present a history of inflation in the United States over the past ten years. During this period inflation has averaged about 7% - a worldwide phenomenon, one with strong underlying momentum.

The problems in this country began a decade ago with excessive stimulation of our economy because the Vietnam War, then heating up, and the budgetary and fiscal policies compounded the problem, which subsequently worsened further due to a world-wide crop shortage and the quadrupling of oil prices by OPEC. The brakes were applied again, resulting in the worst recession in 40 years, but inflation continued to rise, never dipping below 6%.

We need to deal with two sets of factors, according to Schultze: (a) those which heat up the economy excessively, causing inflationary pressures; (b) the momentum or inertia factor of the wage-price spiral, which tends to continue even after the basic causes of inflation have been removed. Given this history and analysis, a two-part balanced program is necessary to deal with inflation.

1. A set of overall economic policies—fiscal, budgetary, monetary—to address the underlying causes of inflation; and

2. Measures by the government, and complemented by a program for the private sector, to halt the momentum and break the spiral.

Neither the proper, austere budget and moderately restricted economic policies on the one hand, nor voluntary wage and price controls, on the other hand, can accomplish the job alone. According to Schultze, we need to combine the two major parts of a balanced program in order to continue moderate economic progress while at the same time unwinding the spiral.

The federal government's responsibility in this joint policy will be, among other things, to prevent the rise of inflation and to reduce the rate of inflation by the increase in demand in the economy. This will require an austere federal budget and budget policy, but one consistent with maintaining moderate economic growth on a sustainable basis. However, the country cannot afford a boom, a rapid overheating of the economy.

The new federal budget policy will involve reducing the rate of growth of federal expenditures significantly, reducing the federal budget deficit, and moving toward balance. This requires a continued program of tax reform and reduction and controls that would allow the country to remain in the general inflationary period, and the reduction is expected to be at least 21%.
If Congress cooperates with legislation, and they may not, wages would be held down but price increases would still lead to the same results. For example, if Driscoll believes, to have full control of all incomes across the board from the start.

Donald Ephlin, Director, Region 9, United Auto Workers:

Mr. Driscoll, President, Connecticut State Chamber of Commerce, and Chairman of the Board, Connecticut General Insurance Corporation:

Mr. Driscoll stated that the President's program of wage and price controls as having a dismal record, as being unable to work reasonable and equitable.

It is workable and equitable.

The panel felt that the President's program of wage and price controls would have value for a limited time in support of more fundamental actions by the White House, Congress, and the Federal Reserve, and they intended to be supportive.

Wallace Barnes, Chairman, The Barnes Group:

After indicating his support and what he believed would be the support of business for the program, Mr. Barnes attacked mandatory controls as being costly and unfair and difficult to administer. They do violence to the free market system, he added, and are designed to promote understanding of and cooperation with particular inflationary pressures.

Mr. Ephlin pointed out that the UAW backs increased productivity through new programs, not workers or consumers. It does not control foreign import prices. And it allows firms to circumvent the spirit of the plan while adhering to the letter by making slight cosmetic changes in products in order to label them new and raise prices above the standards.

The President's program is going to be too loosely administered for labor to have confidence in it or to back it at the bargaining table. There are no guarantees that the sacrifices of American workers will result in stabilizing the country's inflationary problem.

Mr. Driscoll stated that the President's program of wage and price controls would have value for a limited time in support of more fundamental actions by the White House, Congress, and the Federal Reserve, and they intended to be supportive.

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CONGRESSIONAL RECORD—SENATE January 15, 1979

most for their dollars. Of course, the best answer for older people will be to cut the rate of inflation. In the interim, Peterson said, the value of existing programs—buying clubs, gardening, and so forth.

SCHULTZE. Referring to a point made by both the labor and consumer panels, Schultze agreed that inflation has not been adequately addressed in the programs. There are few villains totally inside our borders. However, all of us—government, business, labor—in trying to keep up or catch up, play a role in the wage-price spiral. Mr. Schultze added that the wage-price spiral hasn’t worked, as neither profit margins nor real wages have gone up over the past ten years. The way to catch up is not through higher prices or wages but through a reduced rate of inflation.

To the right of the poor and the aged, which it has been suggested is the most acute with respect to inflation, likewise can be addressed best by a reduction in inflation. In a time when government revenues are in some jeopardy (e.g., Proposition 13, etc.), that is the best way to increase the real incomes of the poor and the aged without increasing government expenditures.

Finally, there are those areas which require major share of government attention, especially for low income groups, and in which inflation is felt most keenly: food, energy, and health. Of concern to the President is the price of food in the industrial economy—processing, wholesaling, retailing, transportation. And 50 to 70% of the cost of energy is attributable, not to the price of raw energy forms, but to the industrial sector where the President has little control. A similar case can be made in housing. In other words, the major areas of cost in these necessities are exempt from the President’s program; wages and price standards apply. As for those areas where they do not—farm prices, OPEC rates, etc.—special measures can in many cases be applied, but a lowered rate of inflation is the best way to reduce the pressures that lead to higher prices in these areas outside of our control.

To sum up, wages are not the cause of inflation, but wages and prices, government, business, and labor, are all part of the cure.

Mr. Schultze’s remarks concluded the formal program. Mr. Kahn then turned the floor to President Ford to accept questions from the audience.

TRIBUTE TO FORMER SENATOR FLOYD HASKELL OF COLORADO

Mr. KENNEDY. Mr. President, I would like to pay tribute to a close friend and one of our most distinguished colleagues, Senator Floyd Haskell of Colorado, who is not returning to the Senate. His fine record of service here and the extraordinarily high quality of his work leave too many members of this body who knew him and respected his leadership.

With his departure the Senate has lost one of its few real experts on energy. His great ability in this area, especially on the conversion and the many complex questions involving oil and gas, made him an undeniable asset in the Senate. He was the floor manager of the Coal Conversion Act, which is designed to accelerate the use of coal by the United States to coal as a source of energy. He was the author of the first successful solar energy program to pass the Senate. He was also the creator of the Office of Energy Information in the new Department of Energy. As a result of these and many other efforts, Senator

defined public purpose can be much more effective, Barnes felt, pointing to the vigor and success of such phenomena as Consumer Power and the Environmental Movement and the Civil Rights Movement.

With the government leading the way, as the President said it would, voluntary support from the private sector should work long enough to break the wage-price spiral. An Administration ensuring time to adopt the necessary monetary policies and spending and regulatory restraints. Once equilibrium is restored after a period of atonement, the free market system will again work and demand and supply will be the best permanent controller of inflation.

John Flannery, President, State Bank for Savings

Rather than wage and price guidelines, Ms. Flannery preferred to comment on the recent rise in the discount rate and the dollar support program. These he saw as well-reasoned, courageous, and appropriate actions to bring the government’s resources to bear on inflation, albeit directed primarily at the international money market and the dollar question, encouraging writers to bring the coordination between the Administration and the Federal Reserve Board, despite questions being asked about the danger to the independence of the Board, and Chairman Schultze’s indication that the “war chest” is being expanded.

Mr. Flannery did voice concern, though, about the continuing effectiveness of this tactic when the dollar is encouraged to appreciate in an independent system. Why, he asked, isn’t the coordination working? He questioned whether the dollar is moving really as the Board would want it to move, lessening the chance that the coordination is working.

He pointed out that the dollar support program is a conditioned support program, in that the US government will only buy dollars if they are offered to it at the rate it has established. Why does the US government want to buy dollars? Because they have higher interest rates, what Mr. Flannery referred to as the “discount rate,” and that is why the dollar is appreciated. The dollar support program is a carefully thought out program, he said, but it has a way of getting out of hand, and the Board doesn’t know how to stop it. Once it is started, there is no way to stop it, and that is why the Chairman has been so�

In the view of the prepared statements of his co-panelists, Mr. Adams simply posed a few questions: (1) How will the President’s anti-inflation policy affect the elderly and those on fixed incomes? (2) Will it benefit them, and when will it start to benefit them? (3) Will there be an escalator clause put into Social Security? The questions, Mr. Adams was informed, would be answered after his panel’s presentations.

James Harris, Executive Director, Community Renewal Team of Greater Hartford:

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Haskell played an outstanding role in the Nation's evolving energy policy. Senator Haskell also worked hard to achieve a coalition of like-minded Senators to add an energy resource policy to the budget. He was the author of three key energy bills: the National Environmental Policy Act, the Federal Land Management Act, and the National Monuments Act. President Carter asked the assembled leaders to be patient—his own "reputation as a leader" was committed to enacting our proposals. We are so used to foreign accusations against the U.S., and so used to agreeing with it, that we have probably not realized how much of a great deal of credibility. Were they justified? Foreign trade and the U.S. deficit have both been a problem, and it is important for us to learn that how we got into our current mess, looking especially at the role played by some of the countries that we are so quick to remind us of our duties to the free system.

Let us consider Japan—the nation that has profited most from the relative openness of the American market. After World War II, Japan's rebuilding effort was guided by the principles of "fair trade" and the "free trade" policy currently being inaugurated in the United States. These principles of Japanese trade policy during this period were free trade abroad (for Japan), and protection at home (to avoid foreign competition). Protectionist devices that the most ardent labor "fair traders" find offensive in America today—you name them, the Japanese used. Their economy was sealed off from foreign competition. Their government, the Ministry of International Trade (MITI)—or the "Ministry of Trade in One-man or Two-man Form"—was more powerful in Japan than in any other country. It is important for us to learn, especially at a time when the world is facing its own energy crisis, that we are so quick to remind us of our duties to the free trade system.

Mr. President, I ask that the article be included in the Record so that all Senators may read Mr. Haskell's, work in the Senate to give it jurisdiction to make legislative changes that are necessary for the lasting benefit of the American people. Mr. Haskell also worked hard to establish the Committee and to give it jurisdiction to study the energy issue. It is important for us to learn, especially at a time when the world is facing its own energy crisis, that we are so quick to remind us of our duties to the free trade system.

FAIR TRADE OR FREE TRADE?

Mr. HEINZ, Mr. President. I bring to the attention of my colleagues an interesting article by Robert M. Kaus that appeared in the Washington Monthly shortly after the 95th Congress adjourned. In this article, titled "Getting Tough on Trade," Mr. Kaus explodes some of the popular myths about trade policy currently being perpetrated by the Carter Administration. He points out fairly accurately the tendency of many in the administration to label any one who disagrees with them on trade issues as rabid protectionists, regardless of the facts of the situation. He clearly demonstrates with numerous examples the degree to which the United States is taking advantage of the protectionist policies of other trading nations. Indeed, in fact, what Mr. Kaus is saying is that free trade itself is a myth, made so not by our policies but by those of our trading partners. Thus the question for policymakers is not how to maintain free trade, but whether unfree trade will also be unfair, whether we will continue to permit others to tax our goods and services in a non-transparent way.

This is a thought-provoking discussion, which I hope all Senators will read. Mr. President, I ask that the article be printed in the Record.

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

CONGRESSIONAL RECORD—SENATE

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The barriers to foreign trade in the U.S. in the postwar era largely took the form of tariffs. But there were also non-tariff barriers—subsidies, complex rules and regulations, and other protective measures—generally conceded to have been licenses, burdensome paperwork required for shipping, and the like, called "non-tariff barriers." These were significantly lower than the traditional tariff barriers, but they were far more widespread. Foreign countries applied them to the invisible bureaucratic methods of protectionism. Privacy clauses of the Japanese counterpart of Richard Rivers? And the administration is doing little to stop the spread of these new policies—preferring to whimper its views to foreign leaders. But Strauss' advisers had miscalculated. The point of this incident is not that Strauss' office bungled the mission, but that the trade policy debate in Japan is a matter of intense public debate. The force of the resulting public opinion is one source of Japanese determination to negotiate for the U.S. trade. The U.S. trade aide to Japan, in a private meeting, turned the low-level American objections into high-level American objections. Strauss wanted to present a set of demands to the Japanese government, but he did not want to provoke a confrontational policy that would contribute to the non-tarifal barriers to trade.

The problem was illustrated during the recent visit of a U.S. trade delegation. When Strauss wanted to present a set of demands to the Japanese government, but he did not want to provoke a confrontational policy that would contribute to the non-tarifal barriers to trade.

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TRIBUTE TO FORMER SENATOR WILLIAM HATHAWAY OF MAINE

Mr. KENNEDY. Mr. President, I would like to pay tribute to my close friend and former colleague, Senator William Hathaway of Maine. During his 6 years of outstanding service in the Senate, Senator Hathaway demonstrated a profound concern for the people of Maine and for all Americans.

Senator Hathaway and I served together and worked together on the Human Resources Committee for the past 6 years, and no Member of this body had a better record or was a stronger supporter of the interests of the working man and woman than Senator Hathaway.

He was one of the workhorses of the Senate, with over 200 bills and amendments to his credit enacted into law, an outstanding record for any Senator in a single term.

On the Human Resources Committee, Senator Hathaway was also an effective leader on issues like jobs and health care. On Jobs, he worked hard to protect the shoe and textile workers of Maine from the rising tide of imports. He was also a leader in the successful effort to enact the 200-mile fishing limit for the Nation, which has done so much to protect the jobs of the fishermen of his State.

Senator Hathaway was an extremely effective Member of the Senate over the problems of rural areas, especially those with critical shortages of doctors and facilities. He was a leader in the development of the Regional Medical Program Act, the Emergency Medical Services Act, and the Rural Health Clinics Act.

On health care, he was an extremely important contributor. As a member of the Finance Committee, Senator Hathaway had the best tax reform record of any member of that committee. Again and again, in the committee and on the Senate floor, he was willing to stand up for the average taxpayer, insisting on a fair share of tax relief for the ordinary citizens who have to pay the bill, opposing new loopholes for special interest groups and those rich enough to hire lobbyists to crowd the hearing rooms of Congress.

And on the Senate Small Business Committee as well, Senator Hathaway has been an effective leader, seeking to end the paperwork burdens of excessive Government regulation, insisting that small business get its fair share of Federal contracts, listening to the small business men and women of Maine, making sure that their voices were heard in both Congress and the executive branch of Government.

And finally, as a member of the Senate Intelligence Committee, Senator Hathaway was one of the most important and influential Senators in investigating the CIA, ending its abuses, and requiring its budget to meet the same strict standards of review applicable to every other agency.

But most of all, Senator Hathaway was a decent and compassionate Senator. He never forgot his roots in Maine, and he never forgot the people he represented—the ordinary citizen, the average voter, the men and women throughout the State who needed someone to speak for them and serve them in the Senate. They have lost an outstanding public servant, and all of us will miss him.

TAIWAN

Mr. GARN. Mr. President, as all the world knows, President Carter's Christ­mas present to the people of Taiwan was the breaking of diplomatic relations and the announcement of his intention to abrogate the Mutual Defense Treaty between the United States and the Republic of China. This is of doubtful legality, and even more doubtful wisdom. The timing alone, while the Congress was out of session, was an insult to the Senate and Government of Taiwan. Even members of the President's own party have criticized his timing; this is not a partisan matter.

The January 15 issue of U.S. News and World Report contains a pro and con debate between Senator George McGov­ern and myself over some of the issues involved in the opening to Peking, and I ask that the debate be printed in the Record.

There being no objection, the inter­views were ordered to be printed in the Record, as follows:
Q. Would you support such legislation required for the termination of treaties in the future?
A. I would favor extensive consultation with the Senate by the President, but I don't know I would vote for a law requiring it or attempting to define what consultation entails in particular cases. I think President Carter's termination of the mutual defense treaty with Taiwan is illegal.

Q. Why didn't the Senate challenge the Chief Executive on earlier occasions when he nullified treaties?
A. As I understand it, there was a congressional role in every case where a treaty was involved. This treaty was not taken into account the long, peculiar, unique relationship we've had with Taiwan. And when that treaty was made, it would have been detailed and close-in consultation with the Congress.

Q. Do you believe that the administration should have gotten from Peking specific assurances of Taiwan's continued security?
A. It's conceivable that they could have gotten more out of Peking than they did. Regardless of the communique, we should continue to press all nations to have access to the waters between Taiwan and the mainland, and that we look with the most serious kind of concern on any threat to Taiwan's security. We should underscore our conviction that the wishes of the people on Taiwan should be taken into account.

From the standpoint of Taiwan's security, however, it is very important that the Peking government go ahead with normalization despite our declared intent to continue supplying arms to Taiwan and to continue cultural exchanges with the people on that island. Vice Premier Teng has made separate assurances that they will respect Peking's relationship with the people on Taiwan. The treaty process is that Peking will respect that relationship with us.

Q. How valid is the White House argument that no agreement could have been reached with Peking if Carter had been required to consult with the Senate?
A. The kind of agreement he made could not have been completed, because I believe it falls below real American and Taiwanese interests. Every concession was made by us. No concessions were made by the Red Chinese. And we held all the chips.

Q. Do you believe that Congress would have insisted upon a supply of Red China, with its 900 million people. But the President has done it at the expense of 17 million Chinese on Taiwan.

Far beyond the issue of Taiwan's security is the moral credibility of the United States. If we insist on securing it, and we have been promised the treaties approved by the U.S. Senate. The Senate's role in this aspect of foreign policy is required by the Constitution.

Q. Hasn't the administration implicitly guaranteed the future security of Taiwan by assuring it a continued supply of American arms?
A. We've not yet spelled out exactly what those arms sales are going to be. And even if we sell them a good amount of arms, that doesn't mean they will guarantee them the security they have under a defense pact with the U.S.

Q. Do you think Carter damaged his relations with Congress by acting as he did?
A. There is a damaging perception here that the administration was deliberate, that he hastened to achieve an agreement, that it was more important to him in terms of political credit, doing things dramatically and rapidly, that the obtaining of an agreement becomes more important than the knowledge of the people of the United States.

Q. Do you think the acceptance of the treaty would result in political relations with the Soviet Union?
A. I think that's why he did it while we were out of session, just before Christmas, because he could be no organized effort against him.

Q. Why was the President in such a hurry?
A. It is widely charged that the President is interested in political credit, doing things dramatically and rapidly, that the obtaining of an agreement becomes more important than the knowledge of the people of the United States.

Q. What is your perception of how Congress will proceed?
A. I think the Russians took advantage of this, when agreement had nearly been reached, to make further demands.

Q. How valid is the White House argument that no agreement could have been reached with Peking if Carter had been required to consult with the Senate?
A. It's conceivable that they could have gotten more out of Peking than they did. It's clear that there is a great deal of concern on any threat to Taiwan's security. We should underscore our conviction that the wishes of the people on Taiwan should be taken into account.

NANCY LANDON KASSEBAUM
Mr. DOLE. Mr. President, the Senator from Kansas wishes to comment upon his new colleague, the distinguished Senator from Kansas, NANCY LANDON KASSEBAUM.

We bring from the State of Kansas an outstanding lady. Mr. President, this afternoon, we have witnessed another of those historic moments which have so distinguished this Chamber in the annals of self-government. We have welcomed to our ranks a new colleague, who earns the warm admiration of her peers as she has won the hearts and minds of her fellow Kansans.

I might add, part of the proudest moment in the life of Al Landon was the swearing in of his daughter in Topeka, Kans. He may not have done it as well in 1936, but in 1978 the Landon name will not be soon forgotten. But we should be careful not to oversell the importance of the evolution of women in public life.

But, of course, NANCY KASSEBAUM is more than a woman. First and foremost, she is an outstanding lawyer. She brings a lineage of service to the people of my State. I am conscious today of a torch being passed, as the Landon family launches the newest chapter in an honored tradition of effective and compassionate leadership.

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one who has strongly supported her political drives, I am extremely pleased to see her back in the Senate. Her brand of political moderation makes her a welcome addition to the Republican Party and this Congress. Her fresh and original perspective will contribute significantly to the Republican viewpoint. Kashebaum brings to our work a mind that is penetrating as well as thoughtful, and a compassion that does not exclude Government efficiency from its criteria of needs.

The Senator has enunciated clearly her belief that Government should be sensitive to individual needs. It should also be sane in spending to meet those needs. These twin principles form the core of Senator Kashebaum's political faith of millions of Americans who can take their rightful place in society's decisionmaking process. In this room where history is written with every vote taken, every debate decided, you must make history by your very presence.

It is a presence we warmly welcome.

TRIBUTE TO FORMER SENATOR THOMAS McINTYRE OF NEW HAMPSHIRE

Mr. KENNEDY. Mr. President, the absence of New Hampshire's Mr. McIntyre from this chamber in the 96th Congress will be a source of great regret to all of us who served with him and worked with him. Senator McIntyre and I both came to the Senate in 1962, and we worked closely together for 16 years. In his many years of outstanding service, he earned a solid reputation for his skillful work on national defense. As a member of the Armed Services Committee, he presided over the Armed Services Committee. He spoke in Congress over the cutting edge of America's military strength, the research and development budget so vital to maintain our Nation's future power. And his long experience on the Banking Committee made him a leader on economic issues important to both New Hampshire and the Nation. He was widely known in Congress as the father of the NOW account, one of the most remarkable banking innovations for the benefit of the consumer in many years.

Throughout his work on the Senate Small Business Committee, Senator McIntyre helped to launch the drive for regulatory reform in Congress. As much as any other single factor, it was Senator McIntyre's investigative hearings that made all of us in Congress understand the crushing burden of Government paperwork, especially on small business.

In many other areas, he was also an effective Senator. He was a pioneer on solar energy, and worked hard to develop a responsible energy policy for the benefit of both New England and the Nation.

Throughout his service, Senator McIntyre was an outstanding Member of the Senate, and we shall miss his friendship and leadership in the years to come.

RECESS TO THURSDAY, JANUARY 18, 1979

Mr. ROBERT C. BYRD. Mr. President, the vote to recess the Senate until the hour of 12 o'clock meridian on Thursday, January 18, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

ALASKA THE REAL ECONOMICS OF THE ALASKA NATIONAL INTEREST LANDS

HON. JOSEPH L. FISHER OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

Mr. FISHER. Mr. Speaker, last May the House of Representatives, by a resounding vote the Alaska National Interest Lands Conservation Act, H.R. 39. I was a strong supporter of that bill.

Mr. Speaker, last May I was a strong supporter of the Alaska National Interest Lands Conservation Act. In my view, a good compromise and balance is achieved in H.R. 39. Around 56 percent of the enormous land area of Alaska will be available for development; these are the 105 million acres of State land plus 44 million acres of Native court-awarded land, the 105 million acres of which in the normal course will be open for grazing, timber cutting, and other uses. Furthermore, most of the national forest land, some 14 million acres will be subject to appropriate timber harvesting. Hardrock mining under this bill will continue to be eligible on 70 percent or more of the lands with some mineral potential which remains outside the conservation system.

I cite these personal experiences simply to make clear that I do have a unique background and perspective on this bill. Out of this experience I want to make two principal points.

"Lock-up" of Alaska

First, with regard to the "lock-up" of resources particularly mineral resources, that some Members think this bill will entail, I simply want to remind you that what Congress locks up Congress can unlock. The key turns both ways in the lock and Congress holds the key. As a result of these resource investigations, in which I have participated in other parts of the country, I can say that this charge against resource conservation and protection legislation is a familiar charge. Naturally, private developers will want the maximum of free access to land, water, minerals and other resources. Within some framework of orderly development procedures, they want license to go ahead, and this is understandable. Citizens more generally, whether in Alaska or in other States, have a divided view: they want cheaper agriculture, timber, fish, minerals, and other products, and they also want the benefit of outdoor recreation, sport fishing and hunting and wilderness. These interests frequently conflict and compromises or balances have to be struck.

In my view, a good compromise and balance is achieved in H.R. 39. Around 56 percent of the enormous land area of Alaska will be available for development; these are the 105 million acres of State land plus 44 million acres of Native court-awarded land, the 105 million acres of which in the normal course will be open for grazing, timber cutting, and other uses. Furthermore, most of the national forest land, some 14 million acres will be subject to appropriate timber harvesting. Hardrock mining under this bill will continue to be eligible on 70 percent or more of the lands with some mineral potential which remains outside the conservation system.