

## HOUSE OF REPRESENTATIVES—Tuesday, October 23, 1979

The House met at 12 o'clock noon. The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

*The eternal God is your dwelling place, and underneath are the everlasting arms.—Deuteronomy 33: 27.*

O Lord, we pray for a feeling of confidence in our lives and in the lives of those we love. Give us the calming sense of destiny and the assurance of Your providence as we face the concerns of life. Remind us, O Lord, that Your power and presence have been with people from the beginning of time. May that presence, together with the renewing reality of Your daily forgiveness, cause us to anticipate the future, trusting in You and Your goodness to us. In Your name, we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On October 19, 1979:

- H.R. 929. An act for the relief of Eun Kyung Cho and Hel Kyung Cho;
- H.R. 946. An act for the relief of Maria Estela Sims;
- H.R. 1153. An act for the relief of Nyoman Rahmawati;
- H.R. 1163. An act for the relief of Gladys Venicia Cruz-Sanchez;
- H.R. 1486. An act for the relief of Dang Petersen;
- H.R. 1628. An act for the relief of Susan Katherine Adamski;
- H.R. 2098. An act for the relief of Antonio Rivera Aristizabal;
- H.R. 3142. An act for the relief of Michael Carl Brown;
- H.R. 3146. An act for the relief of Patrick A. and Wayne L. Thomas; and
- H.R. 3218. An act for the relief of Rebecca Sevilla DeJesus.

On October 22, 1979:

- H.R. 1753. An act for the relief of Sergio and Javier Arredondo.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4580) entitled "An act making ap-

propriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 4, 7, 21, 25, and 27 to the foregoing bill.

The message also announced that the Senate further insists on its amendment numbered 12, and insists on its amendment to the House amendment to the Senate amendment numbered 27, agreed to a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. STENNIS, Mr. BAYH, Mr. HUDDLESTON, Mr. LEAHY, Mr. SASSER, Mr. DURKIN, Mr. MAGNUSON, Mr. MATHIAS, Mr. BELLMON, Mr. WEICKER, Mr. LAXALT, Mr. SCHMITT, and Mr. YOUNG to be conferees on the part of the Senate, to the bill, H.R. 4394 entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1037) entitled "An act to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RIBICOFF, Mr. EAGLETON, Mr. LEVIN, Mr. MATHIAS, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2440) entitled "An act to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. LONG, Mr. INOUE, Mr. EXON, Mr. PACKWOOD, Mrs. KASSEBAUM, and Mr. GOLDWATER to be the conferees on the part of the Senate.

## UNITED STATES-U.S.S.R. MILITARY BALANCE—MYTHS AND FACTS VI

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

Mr. BINGHAM. Mr. Speaker, no aspect of the Soviet Union's increasing conventional military power has received more attention in the Congress than its naval forces. Newly designed Russian ships and submarines outnumber our own, and some alarmists charge that the U.S. Navy is being scuttled.

In fact, the Soviet Navy is no match for our own. Consider the following:

Our Navy is significantly larger than the Russians' in number of major surface ships, total tonnage, and average tonnage per ship.

The U.S. Navy has 13 large attack aircraft carriers, while the Soviets have none. Each of these carriers can deliver more munitions on land and sea or in the air than the entire Soviet surface fleet of ships which displace 1,000 tons or more.

While the size of the Soviet Navy is expected to decrease during the next 5 to 10 years, the U.S. Navy is planning to have a 10-percent larger force.

Our Navy works closely with 4 large, modern allied navies with some 600 ships, while the Soviets have only meager backup from Poland and East Germany.

Our ships are newer, while the Russians have a serious block obsolescence problem—half their major surface ships were constructed over 20 years ago.

The U.S. Navy has over 100,000 more sailors, whose skills and training are far superior to their Russian counterparts.

We have 15 times as many marines, and our amphibious ships can lift 4 times as many troops into battle.

U.S. ships are at sea and on station for much longer periods than Soviet ships, maintaining much higher levels of training and readiness.

## RESIGNATION AS MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, COMMITTEE ON SMALL BUSINESS, AND SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

The SPEAKER laid before the House the following resignation as a member of the Committee on Interstate and Foreign Commerce, Committee on Small Business, and Select Committee on the Outer Continental Shelf:

OCTOBER 23, 1979.

HON. THOMAS P. O'NEILL, Jr.,  
Speaker, U.S. House of Representatives.

DEAR MR. SPEAKER: I hereby resign from the following committees of the House: Committee on Interstate and Foreign Commerce; Committee on Small Business; and Select Committee on the Outer Continental Shelf.

Very truly yours,

MARTY RUSSO.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

## DESIGNATING MEMBERSHIP ON STANDING COMMITTEE OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by authority of the Democratic Caucus, I offer

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

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

a privileged resolution (H. Res. 463) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 463

*Resolved*, That the following-named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Ways and Means: MARTIN A. Russo, Illinois.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**PERMISSION TO HAVE UNTIL MIDNIGHT, WEDNESDAY, OCTOBER 24, 1979, TO FILE CONFERENCE REPORT ON H.R. 4387 AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980**

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Wednesday, October 24, 1979, to file a conference report on the bill (H.R. 4387) making appropriations for the Department of Agriculture, rural development, and related agencies for the fiscal year ending September 30, 1980.

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

There was no objection.

**MAKING IN ORDER ON FRIDAY, OCTOBER 26, 1979, CONSIDERATION OF CONFERENCE REPORT ON H.R. 4387, DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980**

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it be in order on Friday, October 26, 1979, to consider the conference report on the bill (H.R. 4387) making appropriations for the Department of Agriculture, rural development, and related agencies for the fiscal year ending September 30, 1980.

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

There was no objection.

**APPOINTMENT OF CONFEREES ON H.R. 3354, NAVAL PETROLEUM AND OIL SHALE RESERVES AUTHORIZATION ACT FOR FISCAL YEAR 1980**

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for the conservation, exploration, development, and use of the naval petroleum reserves and the naval oil shale reserves, and for other purposes, with the Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. STRATTON, MOLLOHAN, DAN DANIEL, BEARD of Tennessee, and ROBERT W. DANIEL, JR.

**PERMISSION TO FILE FURTHER CONFERENCE REPORT ON H.R. 4394, HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1980**

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a further conference report on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 20, 1980, and for other purposes.

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

There was no objection.

**MAKING IN ORDER ON WEDNESDAY, OCTOBER 24, 1979, OR ANY DAY THEREAFTER, CONSIDERATION OF THE FURTHER CONFERENCE REPORT ON H.R. 4394, HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1980**

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that it shall be in order on Wednesday, October 24, 1979, or any day thereafter, to call up for consideration the further conference report on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

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

There was no objection.

**HOUSE RESPONDS TO ENERGY CHALLENGE**

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

Mr. HUTTO. Mr. Speaker, the gas lines in the spring of this year highlighted the need for a comprehensive energy policy to make use of existing and emerging technologies. The Congress responded to the challenge by offering a variety of proposals to develop alternative sources of energy. I think a significant step in this direction was taken when we in this House passed H.R. 3930 to initiate a \$3 billion program to develop a synthetic fuels industry with a national production

goal of 500,000 barrels per day of crude oil equivalent by 1985, and 2 million barrels per day by 1990.

I rise today to commend the efforts of the leadership for its timely response to the needs of this country and also to urge the Members of both the House and Senate to work together to develop a viable program to make America self-sufficient in energy in the future. I realize the differences that exist between House and Senate versions, but I feel that we can and must come up with a program that will let the American people know we are serious about solving our Nation's energy problems.

**GOOD MAN IN A CRISIS**

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

Mr. VAN DEERLIN. Mr. Speaker, several weeks ago a member of Jim Malloy's staff, Leo Inglesby, stepped into an emergency situation and administered cardiopulmonary resuscitation to a fallen officer of the House. Yesterday, Leo again showed his mettle in a crisis by tackling an intruder on the House floor.

Though, as it turns out, the individual was not dangerous, no one could know this beforehand. At the moment when chaos reigned, Leo remained alert and calm, using the minimum of force to restrain him.

It is not odd for lightning to strike once—nor for someone to demonstrate quick thinking and fast action once. But when it happens twice, it is clear the individual is someone special.

Leo Inglesby is certainly that. Mr. Speaker, I am sure all Members will join in offering him our congratulations on a job well done.

□ 1210

**DISPARITY IN FORMULA FOR DISTRIBUTING 221 CSA FUNDS**

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

Mr. DASCHLE. Mr. Speaker, I would like to address the disparity in which local initiative 221 CSA funds are now distributed.

This formula was devised in past years when States, such as my home State of South Dakota, had not as yet begun to participate in the local initiative program. This formula has thus penalized States such as South Dakota for late entry into the program. The current formula is consequently inequitable and discriminatory.

South Dakota ranks 49th among the States in per capita personal income, at a level of \$4,796 annually, yet South Dakota is consistently underfunded in relation to the other States of the country in terms of 221 local initiative funding.

I ask my colleagues why under this current formula the State of South Da-

kota should receive only \$6.58 per poor person, while the District of Columbia receives \$61.23 per poor person? I might add that this situation is further aggravated whenever additional local fund moneys are available from CSA which are also distributed according to this same formula.

The following table further illustrates the divergence of funding above the statutory minimum:

State	Personal income per capita 1976	Rank in region VIII	Rank among 50 States	Percent of funding above statutory minimum
Colorado	\$6,503	1	15	25
Montana	5,600	3	34	10
North Dakota	5,400	5	41	1
South Dakota	4,796	6	49	1
Utah	5,482	4	36	25
Wyoming	6,723	2	13	13

Mr. Speaker, I find this formula intolerable and hope that my colleagues in North and South Dakota and throughout the region will pursue this inequity and comment to the Director of CSA to have this situation rectified.

**CONGRESSMAN ANDERSON OF CALIFORNIA ON OIL COMPANY PROFITS AND U.S. NEEDS**

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

Mr. ANDERSON of California. Mr. Speaker, Exxon profits for this quarter have increased 120 percent from the third quarter of last year, to \$1.14 billion. Atlantic Richfield profits are up 45 percent, Standard Oil of Indiana is showing a 49-percent-profit increase. The oil giants are not doing badly.

But the American people could be doing better.

Reports tell us that for the first 9 months this year, Exxon's return on capital invested was at a healthy annual rate of 15.3 percent, up from 11.6 percent last year. Similarly, return of stockholders' investment was up from 13 to 18.5 percent.

Americans are paying more, much more, for gasoline and home heating oil.

And the Senate is still considering what is sometimes called a windfall profits tax.

The American people need this tax, and they need the tax to be a meaningful one. They need some of those additional dollars they are paying for gasoline as a result of decontrol to go for mass transit, so that less of their paychecks will go for gasoline in the future. They need some of those dollars to go for research and development of alternate energy sources so we will be independent from foreign nations for the resources we need to power America.

The Nation needs this tax to help reduce our balance-of-payments deficit, improve the value of the dollar, and fight inflation.

We need to make the Nation's finan-

cial statement look as good as the oil companies'.

**THE LATE RENE GAGNON, UNSUNG HERO OF WORLD WAR II**

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

Mr. DUNCAN of Tennessee. Mr. Speaker, I want to bring to the attention of the House the recent death of one of the unknown heroes of World War II. I am speaking of the late Mr. Rene Gagnon of Hooksett, N.H. Mr. Gagnon was one of the figures represented in the world famous statue of the raising of the American flag at Iwo Jima. The raising of the flag atop Mount Suribachi on February 23, 1945, signified the turning point in the Allied effort to win the war in the Pacific. It was truly one of the proud moments in American history.

Mr. Gagnon was one of the last two living participants that took part in that historic event, and the purpose of my brief remarks is to call attention to his contribution and achievement: Individual effort exercised in the team spirit by Mr. Gagnon and his only surviving comrade in the Iwo Jima flag raising, Mr. John Bradley of Wisconsin. Such heroism made it possible for us to prevail in the war.

I salute Mr. Gagnon and all of the others whose sacrifices made possible the preservation of this form of government and our way of life.

□ 1220

**A COVERUP IN THE TITLE III DEVELOPING INSTITUTIONS PROGRAM**

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

Mr. TAUKE. Mr. Speaker, there appears to be a coverup at HEW.

Recently, I discovered that title III funds which are awarded to developing educational institutions are being arbitrarily awarded in apparent disregard of the recommendations of the panel of grant application readers.

Last week, I called a respected and normally very cooperative employee of the Office of Education to obtain more information about the way in which the title III program is being run. The employee was nervous, afraid to talk. The employee noted that HEW employees are no longer permitted to talk to Members of Congress or their staffs. Suddenly, there was a strange silence on the other end of the phone, and then the employee said, "And I don't think you want to talk to me because this phone is probably tapped."

The conversation was very brief. No longer could this friend of honest government talk to me about the title III program. Patricia Harris, the new Secretary of HEW, on August 16, sent out a memo to all Department employees ordering them to have no contact what-

soever with any Member of Congress unless it is first cleared through the watchdog Assistant Secretary for Legislation.

This unwarranted edict is a direct attempt by Secretary Harris to subvert the protection of the "whistle blower legislation" which Congress passed to afford protection to honest Government employees who come forward with evidence of corruption in the bureaucracy. In the past, such employees were often fired. Since Secretary Harris can no longer fire those who would root out dishonesty and favoritism in her Department, she has taken the Draconian measure of forbidding all HEW employees to talk to any Member of Congress. The result is a coverup in the title III developing institutions program.

I am today asking President Carter to rescind Secretary Harris' order and to urge all Government employees with evidence of wrongdoing to step forward without fear of reprisal.

**ALMONDS AND EEC ENLARGEMENT**

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

Mr. THOMAS. Mr. Speaker, agricultural exports are extremely important to the U.S. balance of payments. Agricultural exports are projected to amount to \$32 billion this fiscal year, an increase of 17 percent. Only this favorable agriculture picture has enabled the United States to contend as well as it has with the problem of costly oil imports.

In California we contributed significantly to this total by exporting \$2.4 billion of agricultural products in calendar year 1978. Almonds, a product important to my district, will contribute approximately \$0.5 billion in exports this year. Of that \$0.5 billion, \$0.25 billion will go to the European Economic Community.

The EEC currently maintains a 7-percent duty on almond imports. Our negotiators tried unsuccessfully to eliminate this duty during the multilateral trade negotiations. This was a major disappointment to the almond industry in California. My State of California and Spain are world's largest producers of almonds. It is crucial that negotiations to eliminate this duty be resumed immediately since Spain will soon begin negotiations to become a member of the EEC. As a member, Spain would also have the advantage of not being subjected to the 7-percent duty, thereby making it extremely difficult for California almond growers to compete effectively in the world market.

Mr. Speaker, in the interest of a stronger U.S. economy, I would urge the administration to proceed aggressively in negotiations aimed at elimination of the EEC's import duty on almonds.

**A MAJORITY OF TWO-THIRDS OUGHT TO HAVE THE RIGHT TO OFFER AMENDMENTS**

(Mr. BAUMAN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, once again I rise to defend the rights of the Democratic majority in this House of Representatives. As the Speaker well knows, recently there has been consideration by the Committee on Rules and by the majority party leadership of reporting out rules that would absolutely forbid any but the select few to offer amendments to bills. This grieves me a great deal. I think a majority of two-thirds ought to have the right to offer amendments. In fact, we have even heard the fiction and propaganda that it is the minority that is keeping bills from being considered by offering too many amendments.

I call the Members' attention to H.R. 3000, the energy authorization bill, that has been considered in this House to these many months—October 11, 12, 16, and 18—with most of the amendments offered, some 67 different amendments, coming from members of the committee, 52 of them from the majority side and 15 measly little amendments from the minority side. That is better than 2 to 1; better than 3 to 1. Who is obstructing this House by amendments?

Rise up, Democrats! Protect your rights! I warn you, the Speaker may take them away.

#### ONE OF FIRST MAJOR ACTS OF COMMITTEE ON COMMITTEES ACCEPTED BY REPUBLICAN CONFERENCE

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

Mr. DEVINE. Mr. Speaker, one of the first major acts by the newly created Committee on Committees was a recommendation that Members can only serve on a limited number of subcommittees and that subcommittees be reduced. I am happy to report to the Members that in accordance with the Rules of the House the Republican conference took this up this morning and approved the recommendation of the Committee on Committees. We hope that the majority follows suit.

This is an important step in the reduction of staff members in the Congress, hopefully the first of many steps to reduce the cost of Government, and set an example for all agencies at the Federal level.

I repeat, I hope the Democrat majority in their caucus approves the recommendation of the Committee on Committees; then, with their 2-to-1 majority amends the House rules to comply.

#### EXECUTIVE ORDER WAIVING APPLICATION OF SUBSECTIONS (a) AND (b) OF SECTION 402 OF THE TRADE ACT OF 1974 WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the Presi-

dent of the United States; which was read and referred to the Committee on Ways and Means:

#### To the Congress of the United States:

Pursuant to section 402(c) (2) of the Trade Act of 1974, (hereinafter, "the Act") I shall issue today an Executive Order waiving the application of subsections (a) and (b) of section 402 of the Act with respect to the People's Republic of China.

I wish to report to the Congress that I have determined that the requirements of section 402(c) (2) (A) and (B) of the Act have been satisfied.

JIMMY CARTER.

THE WHITE HOUSE, October 23, 1979.

#### CONFERENCE REPORT ON SECOND CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1980

Mr. GIAIMO submitted the following conference report and statement on the Senate concurrent resolution (S. Con. Res. 36) revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982:

#### CONFERENCE REPORT (H. REPT NO. 96-541)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982, having met, after full and free conference, have been unable to agree at this time.

ROBERT N. GIAIMO,  
THOMAS L. ASHLEY,  
LOUIS STOKES,  
PAUL SIMON,  
NORMAN Y. MINETA,  
JAMES R. JONES,  
STEPHEN SOLARZ,  
TIMOTHY E. WIRTH,  
LEON E. PANETTA,  
BILL NELSON,  
WILLIAM H. GRAY III,  
DELBERT L. LATTI,  
BARBER B. CONABLE,  
RALPH REGULA,  
BILL FRENZEL,  
BUD SHUSTER,

#### Managers on the Part of the House.

EDMUND S. MUSKIE,  
WARREN G. MAGNUSON,  
ERNEST F. HOLLINGS,  
LAWTON CHILES,  
JOE BIDEN,  
BENNETT JOHNSTON,  
HENRY BELLMON,  
PETE V. DOMENICI,  
BOB PACKWOOD,  
WM. ARMSTRONG,

#### Managers on the Part of the Senate.

#### JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982, report that they have been unable to agree at this time.

Therefore, the managers on the part of the House and Senate, pursuant to Section 305 of the Budget Act are making this report. Section 305 requires the managers to submit this report in disagreement since 7 days have passed since the appointment of conferees and complete agreement has not been reached. The managers intend to seek au-

thorization for a further conference in order to resolve the matters in disagreement.

ROBERT N. GIAIMO,  
THOMAS L. ASHLEY,  
LOUIS STOKES,  
PAUL SIMON,  
NORMAN Y. MINETA,  
JAMES R. JONES,  
STEPHEN SOLARZ,  
TIMOTHY E. WIRTH,  
LEON E. PANETTA,  
BILL NELSON,  
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RALPH REGULA,  
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HENRY BELLMON,  
PETE V. DOMENICI,  
BOB PACKWOOD,  
WM. ARMSTRONG,

#### Managers on the Part of the Senate.

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate concurrent resolution (S. Con. Res. 36) revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

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

Mr. ASHBROOK. Mr. Speaker, I reserve the right to object for the purpose of yielding to my colleague, the gentleman from Connecticut (Mr. GIAIMO), who may have a comment or two to make. I think my colleague, after all of this hard work, deserves the right to tell the Members exactly what is transpiring.

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, what is transpiring is that we have been in conference for 10 days, since a week ago last Tuesday. We have narrowed many of the issues. We have several issues left upon which to reach agreement: The issue of defense, the issue of education and training, income security, and the matter of revenues. As the gentleman knows, the Budget Act provides that if we do not arrive at either agreement or disagreement within 7 days, we have to report back to our respective Houses that fact, that we are in disagreement. So that is what we are doing now. It does not mean that we are deadlocked; it means that we have to ask permission of the House to be reconstituted to be named as a new conference committee, if you will, so that we can go back and try to complete the work of the conference.

Mr. ASHBROOK. I thank my colleague, Mr. Speaker, further reserving the right to object, I do not believe that any of us feel that the conferees should not be reconstituted or that the conference should not go on. There are many problems. I think some of us would point out that the Budget Act, brought in with such great expectations, has not really worked out as well as heralded or as well as we all would have liked. I am certainly not pointing my finger at my friend, the gentleman from Connecticut (Mr.

GIAIMO), because I know he spent the best part of his life during the last several years in Congress trying to make it work. But there are certain problems involved. I do not know whether we are looking in the future to a third concurrent resolution, maybe a fourth concurrent resolution, but it does seem that in this area, as in areas of appropriations, we do have problems meeting deadlines. I merely wanted to point that out, at the same time complimenting my colleague, the gentleman from Connecticut (Mr. GIAIMO), who is endeavoring to work this out with the Senate within the structure of laws set out by this body.

□ 1230

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

Mr. ASHBROOK. Under my reservation, I would yield to my colleague from California.

Mr. ROUSSELOT. Mr. Speaker, can the gentleman from Connecticut (Mr. GIAIMO) tell us what are the basic areas of disagreement?

Mr. GIAIMO. I thought I had just done so but I will be happy to repeat them.

In the area of national defense there is still a disagreement between us and the Senate.

In function 270 which deals with energy there is a disagreement which we think can be resolved.

We are also in disagreement in the education and training function, in the income security function, and in revenue.

Let me say we are very close, in my opinion, to reaching agreement and compromises on the amounts of money necessary for the budget in these areas.

Mr. Speaker, there are also other areas of disagreement where I very much doubt we will be able to reach agreement, such as the issue of reconciliation or the issue of a ceiling on the Committee on Appropriations. On the various breakdowns of the budget and the various functions, I think with several days more work and application we probably can reach agreement.

Mr. ROUSSELOT. I thank the chairman of the Committee on the Budget.

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

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

There was no objection.

The Clerk read the conference report. (For conference report, see prior proceedings of today's RECORD.)

The SPEAKER. The Clerk will read the House amendment to Senate Concurrent Resolution 36.

The Clerk read the House amendment as follows:

Strike out all after the resolving clause, and insert: That the Congress hereby determines and declares, pursuant to section 310 (a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is \$519,250,000,000, and the amount by which the aggregate level of Federal revenues should be increased is \$5,050,000,000;

(2) the appropriate level of total new budget authority is \$631,807,000,000;

(3) the appropriate level of total budget outlays is \$548,175,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is \$28,925,000,000; and

(5) the appropriate level of the public debt is \$885,825,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is \$55,825,000,000.

Sec. 2. The Congress reaffirms its commitment to find a way to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of off-budget Federal entities are not reflected in the budget totals, and that in fiscal year 1980, off-budget outlays (and, hence, the off-budget deficit) are estimated to be \$16,000,000,000.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):  
(A) New budget authority, \$138,156,000,000;

(B) Outlays, \$128,587,000,000.

(2) International Affairs (150):

(A) New budget authority, \$12,593,000,000;

(B) Outlays, \$8,522,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, \$5,833,000,000;

(B) Outlays, \$5,662,000,000.

(4) Energy (270):

(A) New budget authority, \$36,266,000,000;

(B) Outlays, \$8,801,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, \$12,525,000,000;

(B) Outlays, \$11,926,000,000.

(6) Agriculture (350):

(A) New budget authority, \$4,983,000,000;

(B) Outlays, \$2,542,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, \$6,778,000,000;

(B) Outlays, \$2,828,000,000.

(8) Transportation (400):

(A) New budget authority, \$19,610,000,000;

(B) Outlays, \$18,651,000,000.

(9) Community and Regional Development (450):

(A) New budget authority \$8,991,000,000;

(B) Outlays, \$8,289,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, \$31,391,000,000;

(B) Outlays, \$31,371,000,000.

(11) Health (550):

(A) New budget authority, \$58,767,000,000;

(B) Outlays, \$54,715,000,000.

(12) Income Security (600):

(A) New budget authority, \$217,658,000,000;

(B) Outlays, \$188,795,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, \$21,607,000,000;

(B) Outlays, \$20,851,000,000.

(14) Administration of Justice (750):

(A) New budget authority, \$4,269,000,000;

(B) Outlays, \$4,468,000,000.

(15) General Government (800):

(A) New budget authority, \$4,484,000,000;

(B) Outlays, \$4,301,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, \$9,076,000,000;

(B) Outlays, \$9,075,000,000.

(17) Interest (900):

(A) New budget authority, \$58,038,000,000;

(B) Outlays, \$58,038,000,000.

(18) Allowances (920):

(A) New budget authority, \$482,000,000;

(B) Outlays, \$453,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —\$19,700,000,000;

(B) Outlays, —\$19,700,000,000.

Sec. 4. The Congress projects the following budget aggregates for fiscal years 1981-1982, based on the policies assumed in sections 1 and 3—

(1) the level of Federal revenues is as follows:

Fiscal year 1981: \$605,200,000,000;

Fiscal year 1982: \$704,000,000,000;

(2) the level of total new budget authority is as follows:

Fiscal year 1981: \$666,459,000,000;

Fiscal year 1982: \$728,402,000,000;

(3) the level of total budget outlays is as follows:

Fiscal year 1981: \$603,477,000,000;

Fiscal year 1982: \$655,098,000,000;

(4) the amount of surplus in the budget is as follows:

Fiscal year 1981: \$1,723,000,000;

Fiscal year 1982: \$48,902,000,000;

(5) the level of the public debt is as follows:

Fiscal year 1981: \$916,175,000,000;

Fiscal year 1982: \$907,700,000,000.

Sec. 5. In 1980, each standing committee of the House of Representatives having jurisdiction over entitlement programs shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to what changes, if any, would be appropriate in the funding mechanisms of such programs to enable Congress to exercise more fiscal control over expenditures mandated by these entitlements.

Within a reasonable period of time after March 15, 1980, the Budget Committee of the House of Representatives shall submit to the House such recommendations as it considers appropriate based on such reports.

MOTION OFFERED BY MR. GIAIMO

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

The Clerk read as follows:

Mr. GIAIMO moves that the House insist on its amendment to the Senate concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 and request a further conference with the Senate thereon.

The motion was agreed to.

A motion to reconsider was laid upon the table.

APPOINTMENT OF CONFEREES ON SENATE CONCURRENT RESOLUTION 36

The SPEAKER. The Chair appoints the following conferees: Messrs. GIAIMO, ASHLEY, STOKES, SIMON, MINETA, JONES of Oklahoma, SOLARZ, WIRTH, PANETTA, NELSON, GRAY, LATTI, CONABLE, REGULA, SHUSTER, and FRENZEL.

APPOINTMENT OF CONFEREES ON S. 1157, DEPARTMENT OF JUSTICE AUTHORIZATION, 1980

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for the fiscal year 1980, and for other purposes, with the House amendment thereto, insist on the House amendment, and agrees to the conference asked by the Senate.

The SPEAKER. Is there objection to

the request of the gentleman from California? The Chair hears none and appoints the following conferees: Messrs. ROBINO, BROOKS, KASTENMEIER, EDWARDS of California, SEIBERLING, DANIELSON, DRINAN, Ms. HOLTZMAN, Messrs. McCLORY, RAILSBACK, FISH, and HYDE.

#### NEW YORK-NEW JERSEY PORT AUTHORITY COMPACT

Mr. DANIELSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4943) granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects, as amended.

The Clerk read as follows:

H.R. 4943

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the consent of Congress is given to an agreement or compact amendatory of and supplemental to the Compact between the States of New York and New Jersey creating the Port of New York District and establishing the Port of New York Authority which agreement or compact has been agreed to by such States effective August 24, 1978, and is substantially as follows:

"SECTION 1. The states of New York and New Jersey hereby find and determine:

"a. that to prevent further deterioration of the economy of the port district and thereby to promote, preserve and protect trade and commerce in and through the port of New York district as defined in the compact between the two states dated April thirty, nineteen hundred twenty-one (hereinafter called the port district), it is the policy of each of the two states actively to promote, attract, encourage and develop economically sound commerce and industry through governmental action;

"b. that in order to preserve and protect the position of the port of New York as the nation's leading gateway for world commerce, it is incumbent on the states of New York and New Jersey to make every effort to insure that the port receives its rightful share of interstate and international commerce generated by the manufacturing, industrial, trade and commercial segments of the economy of the nation and of the port district;

"c. That since nineteen hundred fifty the number of available jobs in the port district, particularly within the older central cities thereof, has decreased, thereby resulting in the underutilization of available land and other resources, the erosion of the port district's tax bases and a rate of unemployment substantially in excess of the national average;

"d. that in order to preserve the port district from further economic deterioration, adequate industrial development projects and facilities must be provided, preserved and maintained to attract and retain industry within the port district;

"e. that a number of new industrial development projects and facilities should be organized into industrial parks or districts;

"f. that the construction of such industrial parks or districts shall conform to the policies of the two states with respect to affirmative action and equal employment opportunities;

"g. that providing port district industrial development projects and facilities is in the public interest and involves the exercise of public and essential governmental functions

which may include appropriate and reasonable limitations on competition and which must be performed by the two states, or any municipality, public authority, agency or commission of either state and by a joint agency of the two states to accomplish the purposes of this act;

"h. that it is an objective of the two states, acting through the port authority, to facilitate reemployment of residents of the older cities through job training programs and employment opportunity priorities in connection with industrial development parks in their respective cities;

"i. that the acquisition and the use by such joint agency of abandoned, undeveloped or underutilized land or land owned by governmental entities within the port district for the generation of jobs and to reduce the hazards of unemployment would promote, preserve and protect the industry, trade and commerce of the port district, and will materially assist in preserving for the two states and the people thereof the material and other benefits of a prosperous port community;

"j. that the collection, disposal and utilization of refuse, solid waste or waste resulting from other treatment processes is an activity of concern to all citizens within the port district, that the health, safety and general welfare of the citizens within the port district require efficient and reasonable collection and disposal services and efficient utilization of such refuse, solid waste or waste resulting from other treatment processes with adequate consideration given to regional planning and coordination, and, therefore, that the construction and operation of any port district industrial development project and facility should conform to the environmental and solid waste disposal standards and state and county plans therefor in the state in which such project or facility is located;

"k. that the dedication by the municipalities of the port district of refuse, solid waste or waste resulting from other treatment processes to resource recovery to permit the generation of lower priced energy and the recovery of useful materials, together with the commitment by such municipalities to pay fees to permit the delivery and removal after processing of such refuse or solid waste at rates and for periods of time at least sufficient to assure the continued furnishing of such lower priced energy and material is in the public interest and would be a major incentive for the attraction and retention of industry within the port district;

"l. that the port authority of New York and New Jersey (hereinafter called the port authority), which was created by agreement of the two states as a joint agent for the development of terminal, transportation and other facilities of commerce of the port district and for the promotion and protection of the commerce of the port, is a proper agency to act in their behalf (either directly or by any subsidiary corporation) to finance and effectuate such industrial development projects and facilities;

"m. that it is desirable for the port authority, after consultation with the governing body of each municipality and within the city of New York the appropriate community board or boards and elsewhere another government entity or entities designated by such municipality in which industrial development projects or facilities are proposed to be located and with other persons, including but not limited to private real estate developers, to prepare and adopt a master plan providing for the development of such industrial development projects and facilities in the port district, which plan shall give consideration to the extent of unemployment and the general economic conditions of the respective portions of the port district and shall include among other things

the locations and the nature and scope of such projects and facilities as may be included in the plan;

"n. that the undertaking of such industrial development projects and facilities by the port authority has the single object of and is part of a unified plan to aid in preserving the economic well-being of the port district and is found and determined to be in the public interest;

"o. that no such port district industrial development projects and facilities are to be constructed if the sole intent of the construction thereof would be the removal of an industrial or manufacturing plant of an occupant of such projects and facilities from one location to another location or in the abandonment of one or more plants or facilities of such occupant, unless such port district industrial development projects and facilities are reasonably necessary to discourage such occupant from removing such plant or facility to a location outside the port district or are reasonably necessary to preserve the competitive position of such project occupant in its industry;

"p. that no such port district industrial development projects or facilities are to be constructed unless and until the port authority has entered into an agreement or agreements with the municipality in which any such project or facility is to be located with respect to payments in lieu of real estate taxes and the location, nature and scope of any project or facility;

"q. that, subject to entering into said agreement or agreements, the port authority should have the ability to acquire, lease, vacate, clear and otherwise develop abandoned, undeveloped or underutilized property or property owned by governmental entities within the port district and to finance and construct industrial development projects and facilities.

"§ 2. The following terms as used in this act shall have the following meanings:

"a. 'Bonds' shall mean bonds, notes, securities or other obligations or evidences of indebtedness;

"b. 'Effectuation' of any project or facility or part of any such project or facility shall include but not be limited to its establishment, acquisition, construction, development, maintenance, operation, improvement (by way of betterments, additions or otherwise) and rehabilitation by the port authority or any other person and the provision of funds therefor through the issuance of obligations, the making or granting of loans or otherwise;

"c. 'General reserve fund statutes' shall mean chapter forty-eight of the laws of New York of nineteen hundred thirty-one as amended, and chapter five of the laws of New Jersey of nineteen hundred thirty-one as amended, and 'general reserve fund' shall mean the general reserve fund of the port authority authorized by said statutes;

"d. 'Governing body' shall mean the board or body vested with the general legislative powers of the municipality in which an industrial development project or facility will be financed or effectuated pursuant to this act;

"e. 'Industrial development project or facility' or 'port district industrial development project or facility' shall mean any equipment, improvement, structure or facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof, and all real and personal property, located within the New York portion of the port district or within a municipality in the New Jersey portion of the port district which qualified for state aid under the provisions of P.L., 1971, C. 64 as most recently supplemented by P.L., 1978, C. 14 or which may hereafter qualify for such aid, including, but not limited to, machinery, equipment and other facilities

deemed necessary or desirable in connection therewith, or incidental thereto, whether or not now in existence or under construction, which shall be considered suitable by the port authority for manufacturing, research, non-retail commercial or industrial purposes within an industrial park, or for purposes of warehousing or consumer and supporting services directly related to any of the foregoing or to any other port authority project or facility; and which may also include or be an industrial pollution control facility or a resource recovery facility, provided that no such industrial development project or facility may include or be a facility used for the storage of chemicals, fuel or liquified natural gas unless incidental to the effectuation of such industrial development project or facility;

"f. 'Industrial pollution control facility' shall mean any equipment, improvement, structure or facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof, and all real and personal property, located within the port district, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in the opinion of the port authority in connection therewith, or incidental thereto, whether or not now in existence or under construction, having to do with or the end purpose of which is the control, abatement or prevention of land, sewer, water, air, noise or general environmental pollution deriving from the operation of industrial, manufacturing, warehousing, commercial and research facilities, including, but not limited to any air pollution control facility, noise abatement facility, water management facility, waste water collecting system, waste water treatment works, sewage treatment works system, sewage treatment system or solid waste disposal facility or site, provided that no such industrial pollution control facility may include or be used as a site for organic landfill or be of a character or nature generally furnished or supplied by any other governmental entity where such industrial pollution control facility is located without the consent of such governmental entity;

"g. 'Municipality' means a city, county, town or village all or any part of which is located within the New York portion of the port district, or a city, county, town, borough or township all or any part of which is located within the New Jersey portion of the port district;

"h. 'Person' means any person, including individuals, firms, partnerships, associations, societies, trusts, public utilities, public or private corporations, or other legal entities, including public or governmental bodies, which may include the port authority, as well as natural persons. 'Person' shall include the plural as well as the singular;

"i. 'Port authority' shall include the port authority and any subsidiary corporation now or hereafter incorporated for any of the purposes of this act; provided, however, as used in sections 4 and 5 of this act it shall not include any such subsidiary corporation;

"j. 'Purposes of this act' shall mean the effectuation of industrial development projects and facilities and of each project or facility constituting a portion thereof and of each part of each project or facility, and purposes incidental thereto;

"k. 'Real property' shall mean lands, structures, franchises and interests in land, including air space and air rights, waters, lands under water, wetlands and riparian rights, and any and all things and rights included within the said term, and includes not only fees simple absolute but also any and all lesser interests, including but not limited to easements, rights-of-way, uses, leases, licenses and all other incorporeal heredita-

ments and every estate, interest or right, legal or equitable, including terms for years and leins thereon by way of judgments, mortgages or otherwise;

"l. 'Resource recovery facility' shall mean any equipment, improvement, structure or facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof and all real and personal property located within the port district, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in the opinion of the port authority in connection therewith, or incidental thereto, whether or not now in existence or under construction, for the disposal or refuse or other solid wastes or wastes resulting from other treatment processes and for the recovery and sale or use of energy and other resources from such refuse or other solid waste or wastes resulting from other treatment processes, provided that no such resource recovery facility may include or be used as a site for organic landfill;

"m. 'Surplus revenues' from any facility shall mean the balance of the revenues from such facility (including but not limited to the revenues of any subsidiary corporation incorporated for any of the purposes of this act) remaining at any time currently in the hands of the port authority after the deduction of the current expenses of the operation and maintenance thereof, including a proportion of the general expenses of the port authority as it shall deem properly chargeable thereto, which general expenses shall include but not be limited to the expense of protecting and promoting the commerce of the port district, and after the deduction of any amounts which the port authority may or shall be obligated to pay or shall have obligated itself to pay to or set aside out of the current revenues therefrom for the benefit of the holders of any bonds legal for investment as defined in the general reserve fund statutes;

"n. 'Surplus revenues of port district industrial development projects or facilities' shall mean the surplus revenues of all industrial development projects or facilities effectuated pursuant to the terms of this act.

"§3. (a) In furtherance of the aforesaid findings and determinations, in partial effectuation of and supplemental to the comprehensive plan heretofore adopted by the two said states for the development of the said port district, and subject to the preparation and adoption of the plan authorized in paragraph (b) of this section three and the execution of an agreement or agreements authorized by sections eleven and twelve hereof, the port authority is hereby authorized, empowered and directed to establish, acquire, construct, effectuate, develop, own, lease, maintain, operate, improve, rehabilitate, sell, transfer and mortgage projects or facilities herein referred to as port district industrial development projects or facilities as defined in this act.

"The port authority is hereby authorized and empowered to establish, levy and collect such rentals, fares, fees and other charges as it may deem necessary, proper or desirable in connection with any facility or part of any facility constituting a portion of any port district industrial development project or facility and to issue bonds for any of the purposes of this act and to provide for payment thereof, with interest thereon, and for the amortization and retirement of such bonds, and to secure all or any portion of such bonds by a pledge of such rentals, fares, fees, charges and other revenues or any part thereof (including but not limited to the revenues of any subsidiary corporation incorporated for any of the purposes of this act) and to secure all or any portion of such bonds by mortgages upon any property held

or to be held by the port authority for any of the purposes of this act, and for any of the purposes of this act to exercise all appropriate powers heretofore or hereafter delegated to it by the states of New York and New Jersey, including, but not limited to, those expressly set forth in this act. The surplus revenues of port district industrial development projects or facilities may be pledged in whole or in part as hereinafter provided.

"(b) The port authority is hereby authorized to initiate studies and prepare and adopt a master plan providing for the development of port district industrial development projects and facilities which shall include the location of such projects and facilities as may be included in the plan and shall to the maximum extent practicable include inter alia a general description of each of such projects and facilities, the land use requirements necessary therefor, and estimates of project costs, of project employment potential and of a schedule for commencement of each such project. Prior to adopting such master plan, the port authority shall give written notice to, afford a reasonable opportunity for comment, consult with and consider any recommendation made by the governing body of municipalities and within the city of New York the appropriate community board or boards and elsewhere another governmental entity or entities designated by such municipality in which industrial development projects or facilities are proposed to be located and with such other persons, including but not limited to private real estate developers, which in the opinion of the port authority is either necessary or desirable. The master plan shall include the port authority's estimate of the revenues to be derived by municipalities from each such industrial development project or facility and also a description of the proposed additional arrangements with municipalities necessary or desirable for each such project or facility. The port authority may modify or change any part of such plan in the same form and manner as provided for the adoption of such original plan. At the time the port authority authorizes any industrial development project or facility, the port authority shall include with such authorization a statement as to the status of each project included in such master plan and any amendment thereof.

"(c) No industrial development project proposed to be located within the city of New York may be included in such master plan unless and until the mayor of the city of New York requests the port authority to conduct a comprehensive study of the feasibility of the effectuation of one or more industrial development projects or any parts thereof (including resource recovery or industrial pollution control facilities) in such city, which request shall specify the borough in which such comprehensive study is to take place; provided, however, that the president of any borough in which an industrial development project or facility is proposed to be located may within sixty days of receipt of notice of such request, and after consulting with and considering any recommendation made by the local borough improvement board, notify the port authority not to include any proposed industrial development project or facility within that county in such feasibility study. Any such request by the mayor of the city of New York may specify the facilities to be included in such industrial park project.

"§4. The moneys in the general reserve fund may be pledged in whole or in part by the port authority as security for or applied by it to the repayment with interest of any moneys which it may raise upon bonds issued or incurred by it from time to time for any of the purposes of this act or upon bonds secured in whole or in part by the

pledge of the revenues from any industrial development project or facility or any portion thereof or upon bonds both so issued or incurred and so secured; and the moneys in said general reserve fund may be applied by the port authority to the fulfillment of any other undertakings which it may assume to or for the benefit of the holders of any such bonds.

"Subject to prior liens and pledges (and to the obligation of the port authority to apply revenues to the maintenance of its general reserve fund in the amount prescribed by the general reserve fund statutes), the revenues from facilities established, constructed, acquired or otherwise effectuated through the issuance or sale of bonds of the port authority secured in whole or in part by a pledge of its general reserve fund or any portion thereof may be pledged in whole or in part as security for or applied by it to any of the purposes of this act, including the repayment with interest of any moneys which it may raise upon bonds issued or incurred from time to time for any of the purposes of this act or upon bonds secured in whole or in part by the pledge of the revenues of the port authority from any industrial development project or facility or any portion thereof or upon bonds both so issued or incurred and so secured; and said revenues may be applied by the port authority to the fulfillment of any other undertakings which it may assume to or for the benefit of the holders of such bonds.

"§ 5. In all cases where the port authority has raised or shall hereafter raise moneys for any of the purposes of this act by the issue and sale of bonds which are secured in whole or in part by a pledge of the general reserve fund or any portion thereof, the surplus revenues from industrial development projects or facilities financed in whole or in part out of the proceeds of such bonds and the surplus revenues from any other port authority facility the surplus revenues of which at such time may be payable into the general reserve fund shall be pooled and applied by the port authority to the establishment and maintenance of the general reserve fund in an amount equal to one-tenth of the par value of all bonds legal for investment, as defined in the general reserve fund statutes, issued by the port authority and currently outstanding, including such bonds issued for any of the purposes of this act; and all such moneys in said general reserve fund may be pledged and applied in the manner provided in the general reserve fund statutes.

"In the event that any time the balance of moneys theretofore paid into the general reserve fund and not applied therefrom shall exceed an amount equal to one-tenth of the par value of all bonds upon the principal amount of which the amount of the general reserve fund is calculated, by reason of the retirement of bonds issued or incurred from time to time for any of the purposes of this act the par value of which had therefore been included in the computation of said amount of the general reserve fund, then the port authority may pledge or apply such excess for and only for the purposes for which it is authorized by the general reserve fund statutes to pledge the moneys in the general reserve fund and such pledge may be made in advance of the time when such excess may occur.

"§ 6. The two states covenant and agree with each other and with the holders of any bonds issued by the port authority for the purposes of this act, that so long as any of such bonds remain outstanding and unpaid and the holders thereof shall not have given their consent as provided in their contract with the port authority, the two states will not diminish or impair the power of the port authority to establish, levy and collect

rentals, fares, fees or other charges in connection with industrial development projects or facilities or any other facility owned or operated by the port authority the revenues of which have been or shall be pledged in whole or in part as security for such bonds (directly or indirectly, or through the medium of the general reserve fund or otherwise), or to determine the quantity, quality, frequency or nature of any services provided by the port authority in connection with the operation of each project or facility. This section shall not affect or diminish the provisions of section twelve of this act.

"§ 7. The port authority is authorized and empowered to co-operate with the states of New York and New Jersey, with any municipality thereof, with any person, with the federal government and with any agency, public authority or commission of any one or more of the foregoing, or with any one or more of them, for and in connection with the acquisition, clearance, replanning, rehabilitation, reconstruction or redevelopment of any industrial development project or facility or of any other area forming part of any industrial development project or facility for the purpose of renewal and improvement of said area and for any of the purposes of this act, and to enter into an agreement or agreements (and from time to time to enter into agreements amending or supplementing the same) with any such person, municipality, commission, public authority or agency and with the states of New York and New Jersey and with the federal government, or with any one or more of them, for or relating to such purposes, including but not limited to agreements with respect to the dedication by the municipalities of the port district of refuse, solid waste or waste resulting from other treatment processes to resource recovery to permit the generation of lower priced energy and the recovery of useful materials; with respect to a commitment by such municipalities to pay fees to permit the delivery and removal after processing of such refuse or solid waste at rates and for periods of time at least sufficient to assure the continued availability of such energy and recovered materials; with respect to financial assistance, loans and grants pursuant to any federal law now in effect or hereinafter enacted which would provide such financial assistance, loans and grants in connection with any of the purposes of this act, provided, that if either state shall have or adopt general legislation governing applications for such federal aid by municipalities, public authorities, agencies or commissions of such state or the receipt or disbursement of such federal aid by or on behalf of such municipalities, public authorities, agencies or commissions, then such legislation shall at the option of such state apply to applications by the port authority for such federal aid in connection with an industrial development project or facility located in such state and to the receipt and disbursement of such federal aid by or on behalf of the port authority, in the same manner and to the same extent as other municipalities, public authorities, agencies or commissions of such state; and, with respect to occupancy of space in any industrial development project or facility. The port authority is hereby authorized and empowered to apply for and accept financial assistance, loans and grants for such purposes under federal, state or local laws, and to make application directly to the proper officials or agencies for and receive federal, state or local loans or grants in aid of any of the purposes of this act. Nothing contained in this act shall be construed to limit or impair the power of the governor of New Jersey to review the actions of the commissioners of the port authority as provided for in chapter seven hundred of the laws of New York of nineteen hundred twenty-seven, as amended, and in chapter three hundred thirty-three of the laws of New Jersey of nineteen hundred

twenty-seven, as amended, or to authorize the port authority to commence the effectuation of any industrial development project or facility unless and until the municipality in which such project or facility is to be located has consented to the commencement of such effectuation, with such consent to be provided for in the agreement authorized by section 11 or section 12 hereof. The port authority is authorized and empowered to enter into an agreement or agreements (and from time to time to enter into agreements amending or supplementing the same) with any public authority, agency or commission of either or both states to provide for the effectuation of any of the purposes of this act through a subsidiary corporation owned jointly by the port authority and any such public authority, agency or commission, and any such public authority, agency or commission is authorized and empowered to enter into such agreement or agreements with the port authority.

"§ 8. Notwithstanding any contrary provision of law, general, special or local, either state and any municipality thereof and any commission, public authority or agency of either or both of said two states is authorized and empowered to cooperate with the port authority and to enter into an agreement or agreements (and from time to time to enter into agreements amending or supplementing the same) with the port authority or with any other person for and in connection with or relating to the acquisition, clearance, replanning, rehabilitation, reconstruction, redevelopment, sale, transfer or mortgage of any industrial development project or facility or of any other area forming part of any industrial development project or facility for the purpose of renewal and improvement of said area as aforesaid or for any of the other purposes of this act, including but not limited to the dedication by the municipalities of the port district of refuse, solid waste or waste resulting from other treatment processes to resource recovery to permit the generation of lower priced energy and the recovery of useful materials and a commitment by such municipalities to pay fees to permit the delivery and removal after processing of such refuse or solid waste at rates and for periods of time at least sufficient to assure the continued availability of such energy and recovered materials, upon such reasonable terms and conditions as may be determined by such state, municipality, public authority, agency or commission and the port authority. Such agreement may, without limiting the generality of the foregoing, further include consent to the use by the port authority or any other person of any real property owned or to be acquired by said state, municipality, public authority, agency or commission and consent to the use by such state, municipality, public authority, agency or commission of any real property owned or to be acquired by the port authority or by any other person which in either case is necessary, convenient or desirable in the opinion of the port authority for any of the purposes of this act, including such real property, improved or unimproved, as has already been devoted to or has been or has to be acquired for urban renewal or other public use, and as an incident to such consent such state, municipality, public authority, agency or commission may grant, convey, lease or otherwise transfer any such real property to the port authority or to any other person and the port authority may grant, convey, lease or otherwise transfer any such real property to such state, municipality, public authority, agency, commission or any other person for such term and upon such conditions as may be agreed upon. If real property of such state, municipality, public authority, agency or commission be leased to the port authority or to any other person for any of the purposes of this act,

such state, municipality, public authority, agency or commission may consent to the port authority or any other person having the right to mortgage the fee of such property and thus enable the port authority or such other person to give as security for its bond or bonds a lien upon the land and improvements, but such states, municipality, public authority, agency or commission by consenting to the execution by the port authority or such other person of a mortgage upon the leased property shall not thereby assume and such consent shall not be construed as imposing upon such state, municipality, public authority, agency or commission any liability upon the bond or bonds secured by the mortgage. In connection with any of the purposes of this act, either state and any municipality thereof, any commission, public authority or agency of either or both of said two states, the port authority and any other person are empowered to enter into any other agreement or agreements (and from time to time to enter into agreements amending or supplementing same) which may provide inter alia for the establishment of prices or rates, a requirement that any person sell, lease or purchase any commodity or service from any other person, or any other similar arrangement.

"Nothing contained in this section shall impair or diminish the powers vested in either state or in any municipality, public authority, agency or commission to acquire, clear, replan, reconstruct, rehabilitate or redevelop abandoned, undeveloped or underutilized land and the powers herein granted to either state or any municipality, public authority, agency or commission shall be construed to be in aid of and not in limitation or in derogation of any such powers heretofore or hereafter conferred upon or granted to such state, municipality, public authority, agency or commission.

"Nothing contained in this act shall be construed to authorize the port authority to acquire, by condemnation or the exercise of the right of eminent domain, property now or hereafter vested in or held by either state or by any municipality, public authority, agency or commission without the authority or consent by such state, municipality, public authority, agency or commission, provided that the state under whose laws such public authority, agency or commission has been created may authorize by appropriate legislation the port authority to acquire any such property vested in or held by any such public authority, agency or commission by condemnation or the exercise of the right of eminent domain without such authority or consent; nor shall anything herein impair or invalidate in any way any bonded indebtedness of either state or any such municipality, public authority, agency or commission, nor impair the provisions of law regulating the payment into sinking funds of revenues derived from such property, or dedicating the revenues derived from such property to a specific purpose.

"The port authority, subject to the express authority or consent of any such state, municipality, public authority, agency or commission, is hereby authorized and empowered to acquire from any such state or municipality, or from any other public authority, agency or commission having jurisdiction in the premises, by agreement therewith, and such state or municipality, public authority, agency or commission, notwithstanding any contrary provision of law, is hereby authorized and empowered to grant and convey, upon reasonable terms and conditions, any real property which may be necessary, convenient or desirable for any of the purposes of this act, including such real property as has already been devoted to a public use.

"Notwithstanding any inconsistent provision of this section or act or any compact

or general or special law, the port authority may not acquire any park lands for industrial development projects or facilities unless each such conveyance of such land is specifically authorized by the legislature of the state wherein the land is located.

"Any consent by a municipality shall be given and the terms, conditions and execution by a municipality of any agreement, deed, lease, conveyance or other instrument pursuant to this section or any other section of this act shall be authorized in the manner provided in article twenty-two of the compact of April thirty, nineteen hundred twenty-one between the two states creating the port authority, except that as to towns in the State of New York, such consent shall be authorized in the manner provided in the town law and as to counties in the state of New Jersey, such consent shall be authorized in the manner provided in New Jersey statutes annotated, forty: one-one, et seq. Any consent by either state shall be effective if given, and the terms and conditions and execution of any agreement, deed, lease, conveyance or other instrument pursuant to this section or any other section of this act shall be effective if authorized by the governor of such state. Any consent by a public authority, agency or commission shall be effective if given by such public authority, agency or commission.

§ 9. The states of New York and New Jersey hereby consent to suits, actions or proceedings by any municipality, public authority, agency or commission against the port authority upon, in connection with or arising out of any agreement, or any amendment thereof, entered into for any of the purposes of this act, as follows:

"a. for judgments, orders or decrees restraining or enjoining the port authority from transferring title to real property to other persons in cases where it has agreed with said municipality, public authority, agency, or commission for transfer of such title to the municipality, public authority agency or commission; and

"b. for judgments, orders or decrees restraining or enjoining the port authority from committing or continuing to commit other breaches of such agreement or any amendment thereof; provided, that such judgment, order or decree shall not be entered except upon two days' prior written notice to the port authority of the proposed entry thereof; and provided further that upon appeal taken by the port authority from such judgment, order or decree the service of the notice of appeal shall perfect the appeal and stay the execution of such judgment, order or decree appealed from without an undertaking or other security.

"Nothing herein contained shall be deemed to revoke, rescind or affect any consent to suits, actions, or proceedings against the port authority heretofore given by the two said states in chapter three hundred one of the laws of New York of nineteen hundred fifty and chapter two hundred four of the laws of New Jersey of nineteen hundred fifty-one.

§ 10. The effectuation of industrial development projects or facilities or any such projects or facilities constituting a portion of any industrial development project or facility, are and will be in all respects for the benefit of the people of the states of New York and New Jersey, for the increase of their commerce and prosperity and for the improvement of their health and living conditions; and the port authority and any subsidiary corporation incorporated for any of the purposes of this act shall be regarded as performing an essential governmental function in undertaking the effectuation thereof, and in carrying out the provisions of law relating thereto.

§ 11. The port authority shall be required to pay no taxes or assessments upon any of the property acquired and used by it

for any of the purposes of this act or upon any deed, mortgage or other instrument affecting such property or upon the recording of any such instrument. However, to the end that no taxing jurisdiction shall suffer undue loss of taxes and assessments by reason of the acquisition and ownership of property by the port authority for any of the purposes of this act, the port authority is hereby authorized and empowered, in its discretion, to enter into a voluntary agreement or agreements with any city, town, township or village whereby the port authority will undertake to pay in lieu of taxes a fair and reasonable sum, if any, or sums annually in connection with any real property acquired and owned by the port authority for any of the purposes of this act and to provide for the payment as a rental or additional rental charge by any person occupying any portion of any industrial development project or facility either as lessee, vendee or otherwise of such reasonable sum, if any, or sums as hereinafter provided. Such sums in connection with any real property acquired and owned by the port authority for any of the purposes of this act shall not be more than the sum last paid as taxes upon such real property prior to the time of its acquisition by the port authority; provided, however, that in connection with any portion of any industrial development project or facility, which is owned by the port authority or another governmental entity and improved pursuant to this act with buildings, structures or improvements greater in value than the buildings, structures or improvements in existence at the time of its acquisition, development or improvement by the port authority, any person occupying such portion of such industrial development project or facility either as lessee, vendee or otherwise shall, as long as title thereto shall remain in the port authority or in another governmental entity, pay as a rental or additional rental charge an amount in lieu of taxes, if any, not in excess of the taxes on such improvements and on personal property, including water and sewer service charges or assessments, which such person would have been required to pay had it been the owner of such property during the period for which such payment is made; provided further, however, that neither the port authority nor any of its projects, facilities, properties, monies or bonds and notes shall be obligated, liable or subject to lien of any kind whatsoever for the enforcement, collection or payment thereof. Each such city, town, township or village is hereby authorized and empowered to enter into such agreement or agreements with the port authority which agreement or agreements may also include provisions with respect to the joint review of categories of tenants proposed as occupants for industrial development projects or facilities with the cities, towns, townships or villages in which they are proposed to be located, and to accept the payment or payments which the port authority is hereby authorized and empowered to make or which are paid by a person occupying any such portion of such industrial development project or facility as rental or as additional rental in lieu of taxes, and the sums so received by such city, town, township or village shall be devoted to purposes to which taxes may be applied in all affected taxing jurisdictions unless and until otherwise directed by law of the state in which such city, town, township or village is located. At least ten days prior to the authorization by the port authority of any agreement provided for in this section eleven, the port authority shall notify the chief executive officer of each city in the port district within which an industrial development project or facility has been included in the master plan provided for in paragraph (b) of section three hereof of the proposed authorization of such agree-

ment, shall seek their comments and shall include with such authorization any comments received from such city. The port authority shall not sell or lease substantially all of an industrial development project or facility to a proposed purchaser or lessee without the prior approval by the municipality wherein the project or facility is located of such purchaser or lessee.

"§ 12. Except as otherwise specifically provided, all details of the effectuation, including but not limited to details of financing, leasing, rentals, fees and other charges, rates, contracts and service, of industrial development projects or facilities by the port authority shall be within its sole discretion and its decision in connection with any and all matters concerning industrial development projects or facilities shall be controlling and conclusive; provided that the construction and operation of any such project or facility shall conform to the environmental and solid waste disposal standards and any state and county plans therefor in the state in which such project or facility is located. At least ninety days prior to the authorization by the port authority of the first contract for the construction of any industrial development project or facility, the port authority shall transmit to the governor of the state in which such project or facility is to be located a statement as to the conformance of such industrial development project or facility with such environmental and solid waste disposal standards and any state and county plans therefor, and shall consult with such governor or his designee with respect thereto. The port authority and the city, town, township or village in which any industrial development project or facility is to be located and for whose benefit such project or facility is undertaken are hereby authorized and empowered to enter into an agreement or agreements to provide which local laws, resolutions, ordinances, rules and regulations, if any, of such city, town, township or village affecting any industrial development project or facility shall apply to such project or facility. All other existing local laws, resolutions, ordinances or rules and regulations enacted after the date of such agreement or agreements shall not be applicable to such projects or facilities unless made applicable by such agreement or agreements or any modification or modifications thereto.

"So long as any facility constituting a portion of any industrial development project or facility shall be owned, controlled or operated by the port authority, no public authority, agency, commission or municipality of either or both of the two states shall have jurisdiction over such project or facility nor shall any such public authority, agency, commission or municipality have any jurisdiction over the terms or method of effectuation of all or any portion thereof by the port authority including but not limited to the transfer of all or any portion thereof to or by the port authority; provided, however, the port authority is authorized and empowered to submit to the jurisdiction over such project or facility of either state or any department thereof or any such public authority, agency, commission or municipality when the exercise of such jurisdiction is necessary for the administration or implementation of federal environmental or solid waste disposal legislation by either state.

"Nothing in this act shall be deemed to prevent the port authority from establishing, acquiring, owning, leasing, constructing, effectuating, developing, maintaining, operating, rehabilitating, improving, selling, transferring or mortgaging all or any portion of any industrial development project or facility through wholly owned subsidiary corporations of the port authority or sub-

sidary corporations owned by the port authority jointly with any public authority, agency or commission of either or both of the two states or from transferring to or from any such corporations any moneys, real property or other property for any of the purposes of this act. If the port authority shall determine from time to time to form such a subsidiary corporation it shall do so by executing and filing with the secretary of state of the State of New York and the secretary of state of the State of New Jersey a certificate of incorporation, which may be amended from time to time by similar filing, which shall set forth the name of such subsidiary corporation, its duration, the location of its principal office, any joint owners thereof, and the purposes of the incorporation which shall be one or more of the purposes of establishing, acquiring, owning, leasing, constructing, effectuating, developing, maintaining, operating, rehabilitating, improving, selling, transferring or mortgaging all or any portion of any industrial development project or facility. The directors of such subsidiary corporation shall be the same persons holding the offices of commissioners of the port authority together with persons representing any joint owner thereof as provided for in the agreement in connection with the incorporation thereof. Such subsidiary corporation shall have all the powers vested in the port authority itself for the purposes of this act except that it shall not have the power to contract indebtedness. Such subsidiary corporation and any of its property, functions and activities shall have all of the privileges, immunities, tax exemptions and other exemptions of the port authority and of the port authority's property, functions and activities. Such subsidiary corporation shall be subject to the restrictions and limitations to which the port authority may be subject, including, but not limited to the requirement that no action taken at any meeting of the board of directors of such subsidiary corporation shall have force or effect until the governors of the two states shall have an opportunity, in the same manner and within the same time as now or hereafter provided by law for approval or veto of actions taken at any meeting of the port authority itself, to approve or veto such action. Such subsidiary corporation shall be subject to suit in accordance with section nine of this act and chapter three hundred one of the laws of New York of nineteen hundred fifty and chapter two hundred four of the laws of New Jersey of nineteen hundred fifty-one as if such subsidiary corporation were the port authority itself. Such subsidiary corporation may be a participating employer under the New York retirement and social security law or any similar law of either state and the employees of any such subsidiary corporation, except those who are also employees of the port authority, shall not be deemed employees of the port authority.

"Whenever any state, municipality, commission, public authority, agency, officer, department, board or division is authorized and empowered for any of the purposes of this act to co-operate and enter into agreements with the port authority or to grant any consent to the port authority or to grant, convey, lease or otherwise transfer any property to the port authority or to execute any document, such state, municipality, commission, public authority, agency, officer, department, board or division shall have the same authorization and power for any of such purposes to co-operate and enter into agreements with such subsidiary corporation and to grant consents to such subsidiary corporation and to grant, convey, lease or otherwise transfer property to such subsidiary corporation and to execute documents for such subsidiary corporation.

"§ 13. The bonds issued by the port authority to provide funds for any of the pur-

poses of this act are hereby made securities in which all state and municipal officers and bodies of both states, all trust companies and banks other than savings banks, all building and loan associations, savings and loan associations, investment companies and other persons carrying on a commercial banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever (other than savings banks), who are now or may hereafter be authorized by either state to invest in bonds of such state, may properly and legally invest any funds, including capital, belonging to them or within their control, and said bonds are hereby made securities which may properly and legally be deposited with and shall be received by any state or municipal officer or agency of either state for any purpose for which the deposit of bonds of such state is now or may hereafter be authorized. The bonds issued by the port authority to provide funds for any of the purposes of this act as security for which the general reserve fund shall have been pledged in whole or in part are hereby made securities in which all savings banks also may properly and legally invest any funds including capital, belonging to them or within their control.

"§ 14. Subsequent to and subject to the execution of the agreement or agreements authorized by sections eleven and twelve hereof for the projects and facilities and at the locations specified therein, if the port authority shall find it necessary, convenient or desirable to acquire from time to time any real property or any property other than real property (including but not limited to contract rights and other tangible or intangible personal property), for any of the purposes of this act whether for immediate or future use (including temporary construction, rehabilitation or improvement), the port authority may find and determine that such property, whether a fee simple absolute or a lesser interest, is required for a public use, and upon such determination the said property shall be and shall be deemed to be required for such public use until otherwise determined by the port authority, and such determination shall not be affected by the fact that such property has theretofore been taken for and is then devoted to a public use; but the public use in the hands of or under the control of the port authority shall be deemed superior to the public use in the hands of any other person, association or corporation.

"The port authority may acquire and is hereby authorized so to acquire from time to time, for any of the purposes of this act, such property, whether a fee simple absolute or a lesser estate, by condemnation (including the exercise of the right or eminent domain) under and pursuant to the provisions of the eminent domain procedure law of the state of New York in the case of property located in or having its situs in such state, and chapter three hundred sixty-one of the laws in New Jersey of nineteen hundred seventy-one, in the case of property located in or having its situs in such state, or, at the option of the port authority, as provided in section fifteen of chapter forty-three of the laws of New Jersey of nineteen hundred forty-seven, as amended, in the case of property located in or having its situs in such state, or pursuant to such other and alternate procedure as may be provided by law of the state in which such property is located or has its situs; and all of said statutes for the acquisition of real property shall, for any of the purposes of this act, be applied also to the acquisition of other property authorized by this section, except that such provisions as pertain to surveys, diagrams, maps, plans or profiles, assessed valuation, lis pendens, service of

notice and papers, filing in the office of the clerk in which the real property affected is situated and such other provisions as by their nature cannot be applicable to property other than real property, shall not be applicable to the acquisition of such other property. In the event that any property other than real property is acquired for any of the purposes of this act under this section then, with respect to such other property, notice of such proceeding and all subsequent notices or court processes shall be served upon the owners of such other property and upon the port authority by personal service or by registered or certified mail, except as may be otherwise directed by the court.

"The port authority is hereby authorized and empowered, in its discretion, from time to time to combine any property which is to be acquired as aforesaid by condemnation for any of the purposes of this act for acquisition in a single action or proceeding notwithstanding that part of the property so to be acquired is personal property or mixed real and personal property or may be owned by more than one owner.

"The owner of any property acquired by condemnation or the exercise of the right of eminent domain for any of the purposes of this act shall not be awarded for such property any increment above the just compensation required by the constitutions of the United States and of the state or states in which the property is located or has its situs by reason of any circumstances whatsoever.

"Nothing herein contained shall be construed to prevent the port authority from bringing any proceedings to remove a cloud on title or such other proceedings as it may, in its discretion, deem proper and necessary, or from acquiring any such property by negotiation or purchase.

"Where a person entitled to an award in the proceedings for the acquisition of property by condemnation or the right of eminent domain for any of the purposes of this act remains in possession of such property after the time of the vesting of title in the port authority, the reasonable value of this use and occupancy of such property subsequent to such time, as fixed by agreement or by the court in such proceedings or by any court of competent jurisdiction, shall be a lien against such award, subject only to liens of record at the time of the vesting of title in the port authority.

"§ 15. The port authority and its duly authorized agents, and all persons acting under its authority and by its direction, may enter in the daytime into and upon any real property for the purpose of making such surveys, diagrams, maps, plans, soundings or borings as the port authority may deem necessary, convenient or desirable for any of the purposes of this act.

"§ 16. Any declarations contained herein with respect to the governmental nature and public purpose of any industrial development project or facility and to the exemption of any industrial development project or facility property and instruments relating thereto from taxation and to the discretion of the port authority with respect to said projects or facilities shall not be construed to imply that other port authority facilities, property and operations are not of a governmental nature or do not serve public purposes, or that they are subject to taxation, or that the determinations of the port authority with respect thereto are not conclusive. The powers hereby vested in the port authority and in any subsidiary corporation incorporated for any of the purposes of this act (including but not limited to the power to acquire real property by condemnation or the exercise of the right of eminent domain) shall be continuing powers and no exercise thereof by

the port authority or a subsidiary corporation incorporated for any of the purposes of this act shall be deemed to exhaust them or any of them.

"§ 17. This section and the preceding sections hereof constitute an agreement between the states of New York and New Jersey supplementary to the compact between the two states dated April thirtieth, nineteen hundred twenty-one and amendatory thereof, and shall be liberally construed to effectuate the purposes of said compact and of the comprehensive plan heretofore adopted by the two states, and the powers granted to the port authority shall be construed to be in aid of and not in limitation of in derogation of any other powers, heretofore conferred upon or granted to the port authority."

SEC. 2. Nothing contained in said agreement or compact shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement.

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. DANIELSON) will be recognized for 20 minutes, and the gentleman from New York (Mr. FISH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

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

Mr. Speaker, in keeping with the provisions of article I, section 10, clause 3, of the Constitution of the United States, the bill, H.R. 4943 grants the consent of Congress to the compact entered into between the States of New York and New Jersey in June, July, and August of 1978. The compact referred to in the bill provides for the financing and development of industrial development projects, and for related resource recovery facilities by the Port Authority of New York and New Jersey.

This compact between New York and New Jersey was agreed to by those States in 1978. The bill restates the provisions of the compact as entered into by both States and as approved by their legislatures. The compact was passed by the New York State Assembly and the New York State Senate on June 22, 1978, and was approved by the Governor of New York on July 25, 1978. The New Jersey General Assembly passed the compact on June 26, 1978, and the New Jersey Senate on July 27, 1978. It was approved by the Governor of New Jersey on August 24, 1978.

The compact contained in the bill supplements the compact between the States of New York and New Jersey creating the Port of New York District and establishing the Port Authority of New York and New Jersey consented to by the act of August 23, 1921. The 1921 compact between the States of New York and New Jersey created the Port of New York District and established the Port Authority of New York and New Jersey. Its implementation led to the comprehensive development of the Port of New York.

The industrial development projects contemplated under the compact now before us include resource recovery facilities and are designed to attract and retain industry within the bi-State Port of New York District. The resource recovery facilities I have just referred to would involve the collection, disposal, and utilization of refuse. It is contemplated that this activity would provide a major incentive for the attraction and retention of industry through the generation of lower priced energy and the recovery of useful materials.

The area of the port district includes those portions of northern New Jersey and metropolitan New York which are within a 25-mile radius of the Statue of Liberty.

The projects are intended to have the further beneficial effect of reducing unemployment in the area. On the basis of studies, the States concluded that such projects are necessary because in the last three decades the number of available jobs in the port district has decreased. This has been particularly true in the older central cities in the portions of New Jersey and New York included in the district and has contributed to an under utilization of available land and other resources, the erosion of tax bases and a rate of unemployment substantially in excess of the national average.

The port authority contemplates the development of moderate-size industrial parks on inner-city sites. This development of well-planned, secure, attractive, and economical industrial parks could be assisted by real estate tax abatements and, as has been noted, the possibility of lower cost energy.

The port authority has advised the committee that in planning for this program, the port authority has not contemplated receiving any special Federal assistance, although as provided under otherwise applicable laws, the port authority could establish its eligibility under those laws for available Federal aid under existing programs.

The compact's provision for industrial development projects was prompted by a desire by the State of New Jersey and New York to retain the substantial industrial base of both States which now exists within the port district and by a further desire to induce new manufacturing establishments to locate within it. As expressed in the compact, the industrial projects would involve a cooperative program which would draw upon State and local resources and, where qualified, resources available under laws administered by Federal Government. In effect the States have selected the port authority as the responsible agency to focus these resources and administer the program.

The Committee on the Judiciary has recommended that the amended bill be considered favorably. The amendments are technical in nature and merely correct printing errors in the bill. Accordingly, I recommend the approval of the bill.

Before concluding, Mr. Speaker, I would like to point out that the subcommittee has contacted the appropriate

offices of the Government of the United States as well as the New York and New Jersey Port Authority and has been assured there are no respects whatever in which this compact would in any manner conflict with existing Federal laws or the rights of the Federal Government.

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In addition, the subcommittee has contacted each and every member of the New York and New Jersey delegations to the Congress, bipartisan, on both sides of the aisle, and has invited their comments. Without exception, all comments received have been favorable.

I might add that the gentlewoman from New York (Ms. HOLTZMAN) did have some questions concerning the bill, but I have been assured by the gentlewoman that she has worked them out with the responsible authorities of the Port Authority to her satisfaction.

Mr. Speaker, I know of no objection to the bill and urge it be adopted.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have no objection to this bill, but at one time I was concerned about the priorities of the port authority. In 1922 when the port authority was created, as part of its original master plan, it undertook to study the problem of rail freight access to the metropolitan area and to New York City and to construct a rail freight tunnel across the Hudson. New York City is not linked directly across the Hudson to the continental United States; instead you have to go 150 miles up the Hudson and cross over near Albany to bring freight by rail in and out of the city of New York. This detour of 300 miles can cause serious delays in rail shipment; it undermines the economy of New York and makes our port less attractive than it could be. Because the port authority is coming to the Congress to ask for help in the creation of new industrial parks to improve the economy of the port region (although these are industrial parks that at present stand half vacant), I thought it was important to ask the port authority why it was not fulfilling the terms of its original master plan and why it was paying virtually no attention to the issue of lack of rail freight access to New York City and to the Port of New York.

I am very pleased that as a result of my concern the port authority has now agreed to undertake a study to be finished, it is hoped and anticipated, by February 1, of the economic impact on the Port of New York of the construction of a tunnel across the Hudson River for the purposes of rail freight; and I want to thank the gentleman from California, Mr. DANIELSON, for his cooperation in this regard.

In formulating and urging this study and in my meetings with the port authority about this matter I was joined by a coalition of business and environmental groups including the New York Chamber of Commerce, Citizens Union

Foundation, the Sierra Club, and the Regional Plan Association. A full description of the study agreed to by the port authority and a copy of the agreement follow.

I thank the gentleman for yielding.

#### STUDY TO DEVELOP ESTIMATES OF MARKET POTENTIAL FOR PROPOSED CROSS HARBOR RAIL FREIGHT TUNNEL

The basic objective of the study will be to develop estimates of the volume of freight which could be expected to move via the proposed tunnel in the period from 1990 and beyond. It is assumed that the tunnel would be located across Upper New York Bay, linking Conrail lines in Jersey City and the Bay Ridge line in Brooklyn, unless there is a mutually acceptable change in the near future. The freight flow could consist of: (a) traffic diverted from existing rail freight services over competitive routes, (b) diversion from existing truck freight flows, (c) diversion of commodity movements by water, (d) normal growth in freight traffic generated by the region between the present and 2000, and new freight flows generated by the new facility. Both freight moving to and from the New York-Northeastern New Jersey Metropolitan Region and freight moving through the region to and from points in New England will be included.

The freight volume estimates which will be generated will be based on two opposite basic assumptions: (1) Current restrictions in the rail route from the south via the Baltimore Tunnel will continue, and (2) that such restriction will be eliminated permitting unrestricted movement of TOFC and large size rail cars over the entire route from Washington to New York and New England.

Out of these estimates of freight flows through the proposed tunnel, the study will also develop revenue estimates for the tunnel. A further output of the study will be information concerning whatever reductions in truck traffic might result from the construction of the new tunnel, and finally, the impact on freight flows over existing rail routes as well as on proposed route improvements such as the removal of restrictions on the present rail route from Selkirk, New York to New York City and Long Island.

An Advisory Committee will be constituted which will meet twice during the conduct of the study to advise, to review study progress and to examine relevant materials on request. The Advisory Committee will include representatives of the New York Chamber of Commerce, Sierra Club, Citizens Union, Regional Plan Association, New York City Office of Economic Development, New York State Department of Transportation, and any other mutually acceptable organization or persons.

The actual study, which we will endeavor to complete by the end of February 1980, will require extensive work by Port Authority staff and may also involve the employment of a consultant to assist in the assembling of data required and the development of the freight diversion and generation models. The study will consist of the following components:

#### TASK I

It will be necessary to obtain data on existing freight flows into and out of the New York region and to and from New England by rail, truck, and possibly water. Certain information is available on this subject at present but a substantial effort will be necessary to overcome the gaps which presently exist in this knowledge. This will involve extensive contacts with existing carriers, shippers and receivers.

#### TASK II

Determine the competitive characteristics of existing services and routes provided by

both railroads and trucks in order to identify those segments of existing freight flows which would represent potential traffic for a new tunnel. This will include the identification of the costs, elapsed times, reliability and standard of the services provided over these routes by existing carriers.

#### TASK III

Forecasts of the region's and New England's future growth as a freight generator or consumer will be made in order to estimate the region total freight market as it is expected to exist in the period 1990 and beyond. This will involve forecasts of employment in industries located in specific areas in the region as well as estimates of future population growth. These estimates will be made both with and without a new tunnel in order to develop projections of the possible future generative force of a new tunnel on the region's growth and consequent freight volumes.

#### TASK IV

Estimate diversions of present freight traffic flows from existing routes to a new route via the proposed tunnel. This will include traffic diverted from both existing rail services and truck services. It will require the use of a diversion model which would use simulated rail and truck networks on both the proposed new route via a tunnel and whatever improvements are planned in existing rail or truck services and routes by 2000. It will also measure effect of increased fuel costs on the trucking industry.

#### TASK V

A forecast of freight volumes for 1990 and beyond for the route via a new tunnel will be constructed using the information developed in Tasks 1 through 4. The forecast will include both freight moving to and from the New York-Northeastern New Jersey Metropolitan Region and freight moving through the region to and from New England points. Total forecast volumes will consist of freight diverted from existing and proposed rail services, freight diverted from existing and proposed truck routes, any additional freight resulting from the region's and New England's growth to 2000, and freight generated by the existence of the new route.

#### TASK VI

Estimates will be developed of the decrease in truck movements and the consequent reduction in highway wear in the region as well as any changes in rail freight flows on competing routes which would result from a new tunnel.

#### TASK VII

The forecast of future freight volumes through a new tunnel will be translated into estimates of freight transportation revenues available to defray the costs of constructing and operating a new tunnel. An effort will be made to express these revenues both in terms of revenues to the carriers and to the tunnel operator.

#### TASK VIII

Economic impacts of new tunnel on the region will be determined. Included will be effect on employment, on personal and business income, on industry location and on tax revenues.

OCTOBER 5, 1979.

HON. ELIZABETH HOLTZMAN,  
Rayburn House Office Building,  
Washington, D.C.

DEAR CONGRESSWOMAN HOLTZMAN: This is to confirm our conversation that the Port Authority will undertake a study to assess the extent and nature of the market which might utilize a suggested rail freight tunnel providing direct access to New York City from New Jersey and the South. We expect that this study can be completed by the end of February.

Upon completion of this review, and depending upon the results, all the groups and agencies affected by such a project should sit down together and determine whether a more detailed engineering feasibility study of the tunnel makes sense, and how a feasibility study would be funded. If the results of the study are promising, and recognizing the Port Authority's responsibility for aiding the economic growth of the port, I will work with you and other concerned groups to secure appropriate funding for such an engineering feasibility study.

Sincerely,

PETER C. GOLDMARK, JR.,  
Executive Director.

Mr. DANIELSON. Mr. Speaker, I thank the gentlewoman for her contribution.

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on the Judiciary, the honorable gentleman from New Jersey, Mr. PETER RODINO.

Mr. RODINO. Mr. Speaker, I urge the approval of H.R. 4943 which grants the consent of Congress to a compact agreed to by the States of New York and New Jersey on August 24, 1978, providing for participation by the Port Authority of New York and New Jersey in a program of industrial park development.

Under this compact the industrial park projects, including resource recovery facilities by the port authority, are intended to attract and retain industry for the central cities within the bi-State Port of New York District, an area in northern New Jersey and metropolitan New York which is located approximately within a 25-mile radius of the Statue of Liberty. The construction and operation of industrial parks are also expected to assist in reducing unemployment in the region's inner cities.

In the last 3 decades the number of available jobs in the port district has decreased, resulting in the under utilization of available land and other resources, the erosion of tax bases and a rate of unemployment substantially in excess of the national average. This has been particularly true in the older central cities of the region such as Newark, Jersey City, and New York City.

I believe that the two States in entering into this compact have wisely provided for the development of well planned, secure, attractive, and economical industrial parks. I understand that this effort will be assisted by available real estate tax abatements and the possibility of lower cost energy derived from resource recovery. The development of these parks is also intended to assist in reducing the rate of unemployment among inner-city residents and encourage further development of similar inner-city programs.

I am advised that pursuant to the compact as expressed in the laws of both States, the principal features of the industrial parks to be developed by the port authority would include:

First. An area of approximately 100 acres or more, capable of being prepared and marketed for occupancy by industry.

Second. An environment that over-

comes the disadvantages that central city locations have been perceived to hold for manufacturing plants.

Third. A level of security for people and property that assures safety for tenants and satisfies insurers.

Fourth. Reasonable real estate costs, including any necessary tax abatement.

Fifth. Training programs for the region's abundant pools of unskilled and semiskilled labor.

Sixth. Good transportation access, with off-street parking and loading.

Seventh. Industrial park management with strong financing capabilities, continuity and the ability to buffer tenants from complicated or burdensome public administrative processes.

Eighth. Lower cost energy not now available throughout the region, and which may be provided through resource recovery systems (that is systems in which municipal solid waste is the basis for both the recovery of reusable materials and the generation of electricity and steam through environmentally sound incineration).

The port authority forecasts a combined public and private investment of approximately a billion dollars over 10 years and hopes that if successful the program will encourage the private sector and other public agencies to invest additional funds in the inner cities. Today's energy crisis makes viability of the established inner cities more important than ever before. In this connection I would note, as has been stated in the letter from the Congressional Budget Office which is part of the report accompanying this bill, the enactment of this bill will result in no additional cost to the Federal Government.

Clearly the approval of this agreement between the States of New Jersey and New York will enable these States through the New York-New Jersey Port Authority to initiate the work to create the industrial development projects authorized under the interstate compact.

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

Mr. Speaker, this legislation would grant the consent of Congress to an interstate compact between the States of New York and New Jersey, pursuant to the compact clause of the U.S. Constitution (art. I, sec. 10, cl. 3). This compact is, in reality, an amendment or supplement to the already existing compact which created the Port Authority of New York and New Jersey. The initial compact was approved in August, 1921 during the 67th Congress (42 Stat. 174). The purpose of this supplementary legislation is to grant unquestioned authority to the two States to engage in cooperative efforts to finance and implement industrial development projects, including resource facilities leading to energy for municipal waste.

H.R. 4943 was introduced by Judiciary Committee Chairman PETER RODINO, with the cosponsorship of numerous members of the New York and New Jersey delegations. I am pleased to be counted among the cosponsors of this measure.

The agreement between New York and New Jersey contained in the bill has been adopted by the legislatures of both states. The bill restates the provisions of the compact as entered into by both states and as approved by their Legislatures. The compact was passed by the New York State Assembly and the New York Senate on June 22, 1978, and was approved by the Governor of New York on July 25, 1978 (Ch. 651, Laws of N.Y. 1978). The New Jersey General Assembly passed the compact on June 26, 1978, and the New Jersey Senate on July 27, 1978. It was approved by the Governor of New Jersey on August 24, 1978 (Ch. 110, Laws of N.J. 1978).

In the early 1960's, when the port authority undertook the construction and development of the World Trade Center, it did so without specific congressional consent. Litigation developed challenging the validity of the World Trade Center project, citing the lack of congressional consent. While the litigation was unsuccessful, it nevertheless served to seriously delay the project. The New York Court of Appeals rejected the argument that specific congressional consent was necessary, emphasizing that terms of the original consent "expressly contemplated" such additional cooperative bi-State efforts in furtherance of port purposes. *Courtesy Candwich Shop. v. Port Authority*, 12 N.Y. 2d, 379, 391 (1963). The New York Port Authority, therefore, is exercising caution in seeking express authority with regard to the industrial development projects, so that similar delays cannot occur. I urge the House to suspend the rules and pass H.R. 4943.

Mr. Speaker, I have no requests for time.

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

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and pass the bill, H.R. 4943, as amended.

The question was taken.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 412, nays 0, answered "present" 1, not voting 20, as follows:

[Roll No. 588]

YEAS—412

Abdnor	Archer	Bedell
Addabbo	Ashbrook	Beilenson
Akaka	Ashley	Benjamin
Albosta	Aspin	Bennett
Alexander	Atkinson	Bereuter
Ambro	AuCoin	Bethune
Anderson,	Badham	Bevill
Calif.	Balley	Blaggi
Andrews, N.C.	Baldus	Bingham
Andrews,	Barnard	Blanchard
N. Dak.	Barnes	Boggs
Annunzio	Bauman	Boland
Anthony	Beard, R.I.	Bolling
Applegate	Beard, Tenn.	Boner

Bonior  
Bonker  
Bouquard  
Bowen  
Brademas  
Breux  
Brinkley  
Brodhead  
Brooks  
Broomfield  
Brown, Calif.  
Brown, Ohio  
Broyhill  
Buchanan  
Burlison  
Burton, John  
Burton, Phillip  
Butler  
Byron  
Campbell  
Carney  
Carr  
Carter  
Cavanaugh  
Chappell  
Cheney  
Chisholm  
Clay  
Clinger  
Coelho  
Coleman  
Collins, Ill.  
Collins, Tex.  
Conable  
Corcoran  
Corman  
Cotter  
Coughlin  
Courter  
Crane, Daniel  
Crane, Phillip  
D'Amours  
Daniel, Dan  
Daniel, R. W.  
Danelson  
Dannemeyer  
Daschle  
Davis, Mich.  
de la Garza  
Deckard  
Dellums  
Derrick  
Derwinski  
Devine  
Dickinson  
Dicks  
Dingell  
Dixon  
Dodd  
Donnelly  
Dorman  
Dougherty  
Downey  
Drinan  
Duncan, Tenn.  
Early  
Eckhardt  
Edgar  
Edwards, Ala.  
Edwards, Calif.  
Edwards, Okla.  
Emery  
English  
Erdahl  
Erlenborn  
Ertel  
Evans, Del.  
Evans, Ind.  
Fary  
Fascell  
Fazio  
Fenwick  
Ferraro  
Findley  
Fish  
Fisher  
Flithian  
Flippo  
Florio  
Foley  
Ford, Mich.  
Ford, Tenn.  
Forsythe  
Fountain  
Fowler  
Frenzel  
Frost  
Fuqua  
Garcia  
Gaydos  
Gephardt  
Gialmo  
Gibbons  
Gilman

Gingrich  
Ginn  
Glickman  
Goldwater  
Gonzalez  
Goodling  
Gore  
Gradison  
Gramm  
Grassley  
Gray  
Green  
Grisham  
Guarini  
Gudger  
Guyer  
Hagedorn  
Hall, Ohio  
Hall, Tex.  
Hamilton  
Hammer-  
schmidt  
Hance  
Hanley  
Hansen  
Harkin  
Harris  
Harsha  
Hawkins  
Heckler  
Hefner  
Heftel  
Hightower  
Hillis  
Hinson  
Holland  
Hollenbeck  
Holt  
Holtzman  
Hopkins  
Horton  
Howard  
Hubbard  
Huckaby  
Hughes  
Hutto  
Hyde  
Ichord  
Ireland  
Jacobs  
Jeffords  
Jeffries  
Jenkins  
Jenrette  
Johnson, Calif.  
Johnson, Colo.  
Jones, N.C.  
Jones, Okla.  
Jones, Tenn.  
Kastenmeier  
Kazen  
Kelly  
Kemp  
Kildee  
Kindness  
Kogovsek  
Kostmayer  
Kramer  
LaFalce  
Lagomarsino  
Latta  
Leach, Iowa  
Leath, Tex.  
Lederer  
Lee  
Lehman  
Leland  
Lent  
Lewis  
Livingston  
Lloyd  
Loeffler  
Long, La.  
Long, Md.  
Lott  
Lowry  
Lujan  
Luken  
Lungren  
McClory  
McCloskey  
McCormack  
McDade  
McEwen  
McHugh  
McKay  
McKinney  
Madigan  
Maguire  
Markey  
Marks  
Marlenee  
Marriott  
Martin

Mathis  
Matsui  
Mattox  
Mavroules  
Mazzoli  
Mica  
Michel  
Mikulski  
Miller, Calif.  
Miller, Ohio  
Mineta  
Minish  
Mitchell, Md.  
Mitchell, N.Y.  
Moakley  
Moffett  
Mollohan  
Montgomery  
Moore  
Moorhead, Calif.  
Moorhead, Pa.  
Mottl  
Murphy, Ill.  
Murphy, N.Y.  
Murphy, Pa.  
Murtha  
Myers, Ind.  
Myers, Pa.  
Natcher  
Neal  
Nezdi  
Nelson  
Nichols  
Nolan  
Nowak  
O'Brien  
Oakar  
Oberstar  
Obey  
Ottinger  
Panetta  
Pashayan  
Patten  
Patterson  
Paul  
Pease  
Pepper  
Perkins  
Petri  
Peysner  
Pickle  
Preyer  
Price  
Pritchard  
Pursell  
Quayle  
Quillen  
Rallsback  
Ratchford  
Regula  
Reuss  
Rhodes  
Richmond  
Rinaldo  
Ritter  
Roberts  
Robinson  
Rodino  
Roe  
Rose  
Rosenthal  
Rostenkowski  
Roth  
Rousselot  
Roybal  
Royer  
Rudd  
Runnels  
Russo  
Sabo  
Santini  
Satterfield  
Sawyer  
Schroeder  
Schulze  
Sebelius  
Seiberling  
Sensenbrenner  
Shannon  
Sharp  
Shelby  
Shumway  
Shuster  
Simon  
Skelton  
Slack  
Smith, Iowa  
Smith, Nebr.  
Snowe  
Snyder  
Solarz  
Solomon  
Spellman

Spence  
St Germain  
Stack  
Staggers  
Stangeland  
Stanton  
Stark  
Steed  
Stenholm  
Stewart  
Stockman  
Stokes  
Stratton  
Studds  
Stump  
Swift  
Symms  
Synar  
Tauke  
Taylor  
Thomas

Thompson  
Traxler  
Treen  
Trible  
Udall  
Ullman  
Van Deerlin  
Vander Jagt  
Vanik  
Vento  
Volkmer  
Walgren  
Walker  
Wampler  
Watkins  
Waxman  
Weaver  
Weiss  
White  
Whitehurst  
Whitley

Whittaker  
Whitten  
Williams, Mont.  
Williams, Ohio  
Wilson, Bob  
Wilson, C. H.  
Wirth  
Wolf  
Wolpe  
Wright  
Wyatt  
Wylder  
Wylie  
Yates  
Yatron  
Young, Alaska  
Young, Fla.  
Young, Mo.  
Zablocki  
Zeferetti

NAY—0

ANSWERED "PRESENT"—1

Conyers

NOT VOTING—20

Anderson, Ill.  
Bafalis  
Burgener  
Clausen  
Cleveland  
Conte  
Davis, S.C.  
Diggs  
Duncan, Oreg.  
Evans, Ga.  
Flood  
Leach, La.  
Levitas  
Lundine  
McDonald  
Rahall  
Rangel  
Scheuer  
Wilson, Tex.  
Winn

□ 1300

The Clerk announced the following pairs:

On this vote:

Mr. Rangel and Mr. Rahall for, with Mr. McDonald against.

Until further notice:

Mr. Scheuer with Mr. Anderson of Illinois.  
Mr. Charles Wilson of Texas with Mr. Winn.  
Mr. Diggs with Mr. Cleveland.  
Mr. Leach of Louisiana with Mr. Conte.  
Mr. Davis of South Carolina with Mr. Clausen.  
Mr. Evans of Georgia with Mr. Burgener.  
Mr. Flood with Mr. Lundine.  
Mr. Duncan of Oregon with Mr. Levitas.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. BEILENSEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 457 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 457

*Resolved*, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, and all points of order against said conference report for failure to comply with the provisions of clause 3, rule XXVIII are hereby waived.

The SPEAKER. The gentleman from California (Mr. BEILENSEN) is recognized for 1 hour.

Mr. BEILENSEN. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 457 is a very simple rule and, to my knowledge, an uncontroversial one. It provides for routine consideration of the conference report on the bill S. 1030, the Emergency Energy Conservation Act, and grants a waiver of points of order against the legislation under clause 3, rule XXVIII of the House. Clause 3, of rule XXVIII provides that the contents of a conference report must be limited to the scope of the differences between the House and Senate positions.

There are four provisions where scope waivers may be needed. The first concerns the procedures for legislative review of a fuel rationing plan. Members will recall that the House voted to subject the implementation of any rationing plan to a one-House congressional veto. The Senate position, which was that of current law, provides for two-House approval as a standby plan, plus a one-House veto over the plan's actual implementation. The conference report provides for congressional disapproval of a standby plan upon passage of a joint resolution which would be subject to the President's veto. There is further provision for a one-House veto of the President's decision to implement.

The second area where a scope problem may exist is the language clarifying Governors' rights to include in State conservation plans provisions permitting persons affected by any measure in the State plan to use alternate means of conservation.

The third item is additional language in the conference report stating that, in the setting of conservation targets by the President, judicial relief is limited to the issuance of a final injunction. No temporary restraining order may be issued.

Finally, the conferees made explicit the authorization of funds for developing conservation and rationing programs mandated under the bill.

As the Members of the House can see, the waiver granted we believe is largely technical, since the provisions in question are clarifications or elaborations of items contained in either the House or Senate versions of S. 1030.

Mr. Speaker, House Resolution 457 is a good rule granting a totally appropriate waiver and I urge my colleagues to adopt it.

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

Mr. Speaker, the gentleman from California (Mr. BEILENSEN) has explained the provisions of the rule to make the conference report in order. I know of no major controversy on the conference report. It has much bipartisan support. The Senate has already passed it by a tremendous majority, and with the conference report coming to the floor of the House I would like to point out to the Members that it is somewhat of a watered down version of what we passed in the House.

Truly, it retains the provisions for a 20-percent shortfall before the gasoline rationing plan can go into effect. But the formula for anticipating such a

shortfall has been changed. So, therefore, if two houses should approve the gasoline rationing plan could go into effect with a much smaller shortfall.

Mr. Speaker, I know of no objection to the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1310

Mr. DINGELL. Mr. Speaker, pursuant to the rule just adopted, I call up the conference report on the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. MINISH). Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 12, 1979).

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DINGELL) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. BROWN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

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

Mr. Speaker, I rise in support of the conference report on S. 1030, the Emergency Energy Conservation Act of 1979. The conference report was approved last week in the Senate by a vote of 77 to 18.

The conference report consists primarily of two major provisions—one dealing with rationing and the other with conservation. There are additional provisions relating to matters such as studies, thermostat controls, and minimum fuel purchases. It is significant that all of the House and Senate conferees have signed the report which represents a fair blending of the House and Senate bills. The provisions are described in the statement of the managers accompanying the legislation as well as in the House report accompanying S. 1030, but I would like to briefly discuss the provisions of the conference substitute.

The legislation is an important step in providing the President and the States the necessary authority to plan for energy emergencies and the authority to exercise standby powers when necessary.

Only the House bill dealt with rationing. The House bill amended the procedure in existing law for approving and implementing rationing. Under existing law, a rationing plan must first be approved by both Houses of Congress to become a standby authority. The President's decision to implement rationing

is then subject to a one-House veto. The House bill removed the first step by eliminating the two-House approval, but retained the one-House veto at implementation. Although the Senate conferees generally agreed with the House concern that a rationing plan be developed soon, and that it not be easily disapproved prior to its implementation, they insisted that the plan be subjected to some congressional review when it is first developed. Thus, the conference substitute permits the plan to be put in standby status unless both Houses enact a joint resolution of disapproval which is, of course, subject to Presidential veto. The decision to implement rationing would still be subject to a one-House veto, as is the case under existing law.

The House bill also established a "trigger" of 20 percent before rationing could be implemented. This trigger has been retained, with some modification to make clear that the 20-percent shortfall is related to the difference between anticipated supplies of gasoline and middle distillates and the anticipated demand for those products. It was also recognized that the calculation of the shortfall is highly judgmental, and that the President's determination of the shortage should not be reviewable. Indeed, a decision by the Congress not to veto the President's decision to ration will indicate congressional approval of the President's determination of the 20-percent shortfall as well as the decision to ration. However, the conferees were concerned that a lower threshold may be required. Therefore, the conference substitute permits rationing at a lower level of shortfall, but only if both Houses of Congress pass resolutions of approval.

The conference substitute also retains the various conditions in the House bill placed upon the plan, as well as the requirement for progress reports.

With respect to the conservation program, the two bills were similar. The conference agreement permits the President to establish conservation targets for States, if he makes a finding of an energy emergency. The States would then be required to develop plans to meet the target. If a State fails to meet its target, a Federal conservation plan could be imposed, subject to certain conditions. During consideration of the various conservation contingency plans, the Governors of various States indicated that they would prefer to assume the responsibility for conservation, rather than letting the Federal Government enforce plans which might be incompatible with their particular needs. This legislation provides the States just such an opportunity, but they must now bear a substantial responsibility. We cannot tolerate unnecessary delays in the development of effective conservation contingency plans by either the States or the Federal Government.

It is important to note that the legislation is designed to deal with emergencies. It is not a bill designed to assist long-term conservation programs. The conference substitute clearly makes this point. Since it is a bill designed for emergency situations it grants broad, but

carefully drawn, authorities to the President to deal with such contingencies. Throughout the legislation we have made clear that the President has broad discretion which is generally not reviewable or is subject only to limited review. For example, the legislation limits the scope of judicial review. States are permitted to institute lawsuits, but only under very carefully prescribed conditions described in the legislation. Temporary injunctions in certain circumstances are specifically precluded, and it is expected that because the legislation is designed to deal with emergencies that such injunctions would not likely be granted in other cases as well. The judicial review provision is, despite some suggestions to the contrary, the exclusive provision.

The House bill also contained a provision which required the Federal building temperature plan to permit businesses to achieve a comparable savings through alternate means. This provision which was an amendment offered by my colleague from Ohio, Congressman WYLIE, has been retained, but modified to insure that the alternative conservation plans can be enforced. As adopted by the House, the provision would have permitted many businesses to decide to ignore the temperature regulations merely by claiming to be conserving by alternate means. Under the conference substitute, businesses may conserve by alternate means, but only under conditions which insure that such conservation is in fact taking place. The first condition is that a State or locality must first develop a "comparable program" and be exempted from the Federal rules.

Second, that comparable program may include provisions for approving alternative plans by individuals and businesses which indicate exactly the conservation steps they intend to take. The important factor is that the alternative plans must be enforceable and effective. The same concept of alternate compliance is also embodied in the conservative portion of the legislation.

The House provision relating to minimum automobile fuel purchases is retained, as is the provision exempting certain out-of-State vehicles from odd/even purchase rules. Studies contained in the House bill are retained in a modified form.

In summary, the conference agreement represents a fair compromise of the House and Senate bills. Important provisions of the House bill have been retained, and the legislation is an important step in making the country more prepared to deal with energy emergencies.

I would like to take this opportunity to commend my fellow House conferees, including my colleague and ranking minority member of the Subcommittee on Energy and Power, Congressman Brown of Ohio. I would also commend the Senate conferees, particularly the chairman of the conference, Senator JOHNSTON, and his Republican cosponsor of S. 1030, Senator DOMENICI. I would also commend the House and Senate staffs for their work on the conference.

Finally, I would like to commend the

cosponsors of H.R. 4283, the conservation bill which was embodied in the House-passed version of S. 1030. I would note that although the "sticker plan" for reduced automobile use is not explicitly mentioned in the conference report, as it was in H.R. 4283, it remains a permissible conservation plan to be used to achieve State conservation targets.

Finally, I again emphasize that the temperature amendment which was offered by our good friend from Ohio (Mr. WYLIE), who behaved in this whole matter in a most statesmanlike and gentlemanly fashion and for which I wish to commend him has as I have indicated been resolved in a constructive way. I observe that under the conference substitute, businesses may conserve by alternate means, but only under conditions which assure such conservation in fact taking place and enforced. This, I believe, reflects the intentions of the author of the regulation and I commend him for the basic idea.

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

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

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding and appreciate his kind complimentary remarks.

I would like to say that I would return the compliment of the gentleman and thank him for the gentlemanly way in which he approached this amendment, and may I especially thank the gentleman from Ohio (Mr. BROWN), and the gentleman from Michigan (Mr. STOCKMAN), who were also very workmanlike in this regard. It was a pleasure to work with them. Their support was most helpful.

The thermostat control amendment as reported is agreeable to me, I might say, and my amendment was offered on the House floor in the interest of conservation, recognizing regional differences.

In Ohio, we have hot temperatures in the summer with high humidity and cold temperatures in the winter with high humidity. My amendment was indeed offered in a spirit of saving energy. I think that setting thermostats at 78 degrees in Ohio and some other States is not practical.

It has caused a burden on restaurant businessmen and retail owners. I do think that the language in the conference report retains the original concept of my amendment, which was to provide an alternate plan to conserve energy in those areas of the country which do not use oil to produce electricity; and Ohio is one of those.

The original idea, of course, of standby conservation plan No. 2 was to conserve oil.

I know the restaurant people and the retail merchants say they can live with this amendment. I would like to say that I appreciate the spirit in which the gentleman from Michigan (Mr. DINGELL) recognized our problem. I, again, express my sincere thanks to the gentleman from Michigan (Mr. DINGELL), to the gentleman from Ohio (Mr. BROWN), to the gentleman from Michigan (Mr. STOCKMAN), and to the gentleman from Connecticut

(Mr. MOFFETT) for aiding me in getting this amendment adopted by the conference committee.

I thank the gentleman for yielding.

Mr. DINGELL. I thank the gentleman. I do commend him for the very statesmanlike fashion in which he approached this problem. It has been a pleasure to work with the gentleman.

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

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

Mr. BAUMAN. I thank the gentleman for yielding.

I have listened very carefully to the description of the gentleman from Michigan (Mr. DINGELL) on this conference report on rationing.

As I recall, we had any number of days of debate on this issue on the floor at great length, and the conference report as the gentleman has described it has two congressional vetoes; one when the plan is made, and one when it takes effect. It has a 20-percent shortfall as the trigger. It contains some of the version of the Wylie thermostat amendment.

Those were all of the things that the gentleman from Michigan (Mr. DINGELL) was opposed to.

Why did we debate this bill for days and days on the floor when the bill that came back is exactly what most of us in the House wanted, and the gentleman opposed? Did we not waste a lot of time?

Mr. DINGELL. I thank the gentleman.

As the gentleman well knows, we do a great many things around here which we are not greatly enthused about. I am sure the gentleman from Maryland (Mr. BAUMAN) has had the same experience from time to time himself. I note that the final version is quite different from the version on which we had several amendments. It does not provide for a one-House veto of the plan.

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

Mr. DINGELL. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I wish to commend the ranking member of the Interstate and Foreign Commerce Committee (Mr. DINGELL), the Chairman of the Energy and Power Subcommittee (Mr. MOFFETT), and its ranking minority member (Mr. BROWN) for their efforts in trying to arrive at a consensus on this emergency energy measure.

Mr. Speaker, when this emergency energy bill was initially debated in the House, I opposed it, and offered a motion to recommit it. The main reason—but not the only reason—that I opposed it was that it failed to include a reasonable safeguard against a President's prescription of an unreasonable standby gasoline rationing plan.

The congressional veto plan that I offered, and that was originally adopted but later removed from the bill, would have provided for congressional input by way of a one-House veto of any standby rationing authority.

I regret that the Senate did not insist that their conferees adopt this plan. But

a moral victory has been won—this conference report concedes that Congress itself ought to retain the right to reject an improper or badly thought-out rationing plan. The proposed two-House veto—which would then in turn be subject to a Presidential veto, which could be overridden by a two-thirds vote—is a replication of the process one must go through to have any law enacted.

It is heartening that some semblance of my proposal for a meaningful congressional veto was adopted and I wish to thank the conferees for agreeing to it, although I wish they had been a little more flexible.

I just wanted to clarify the congressional veto that is now incorporated in the bill.

Am I correct that both Houses will have 30 days in which to consider the bill and can by resolution of this approval send it back to the President?

Mr. DINGELL. There are two sets of vetoes. The first is the veto of the plan when it comes up here. That is subject to veto by joint resolution by both Houses functioning generally under the EPCA process under the time limit of 30 days; and it does take affirmative action by both Houses.

□ 1320

In connection with the actual implementation, that is subject to the one-House veto as has always been the case under EPCA. That is on a 15-day time limit.

Mr. GILMAN. If the gentleman would yield further, I am pleased that the gentleman now agrees to both of these vetoes. As I recall, at the time we suggested both vetoes there was a great deal of opposition to that. I would have liked to have seen a lot more flexibility in the congressional approval. However, I am pleased that this portion at least was incorporated so that the Congress has an opportunity to make a determination.

Mr. DINGELL. I thank the gentleman and I hope he will now support the proposal.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report accompanying S. 1030. Although I voted against final passage of S. 1030 when it was on the House floor, and am still dissatisfied with some of the provisions contained in this legislation, I am nonetheless supporting it because I feel that it is the best legislation possible given the two bills which went to conference.

Mr. Speaker, the conference report now provides for congressional review of any motor fuel rationing plan which the administration may devise, the concept espoused by BEN GILMAN of New York. Although this review takes the form of a two-House veto, it still provides for a degree of congressional input that was absent in the House-passed bill after the House reversed itself on approval of the Gilman amendment.

Most importantly, however, the House was able to retain the trigger mechanism originally contained in the House leg-

islation. As the bill is now written, before an approved rationing plan can be imposed, the President must find that a 20-percent shortfall of gasoline and middle distillate exists or is likely to exist for at least 30 days, and neither house has disapproved the President's proposal to implement the plan. Between zero and 20 percent shortfall, both Houses must approve implementation of the previously approved plan.

The most important provisions of this conference report concern emergency conservation authority. These provisions also trouble me more than any others contained in this bill. As the bill is now written, the President may establish energy conservation targets for any fuel which the President finds that an energy supply emergency exists. These targets must be related to the actual shortage and must be uniform throughout the Nation.

Within 45 days after the establishment of a target, each State must submit a plan to reduce consumption of the particular fuel in short supply to meet its target.

If the President finds that an approved plan is not achieving its target, he may impose a Federal mandatory conservation plan, provided he determines that the shortfall within the State for the energy source involved is at least 8 percent. The targets and any mandatory Federal measures can remain in effect for no more than 12 months without a finding by the President that the energy supply emergency continues to exist.

Two amendments which were offered by the minority and which were accepted by the House are contained in the conference report although they have been modified somewhat. The Wylie amendment was retained by the conference committee and provides that in the case of any plan which would regulate building temperatures, any State or local government may submit a comparable plan which will permit affected buildings within that State or locality to conserve at least as much energy by alternative means.

Another minority amendment, which I offered, has been modified to permit any State or local agency to submit as part of its proposed plan to the President a mechanism for allowing affected persons to receive an exemption from the plan if they can demonstrate comparable savings by alternative means. Both the Wylie amendment and this provision offer States, localities, and affected persons, including businesses, within those States much needed flexibility in meeting any federally established energy conservation target.

The most troublesome aspect of this conference report is that there is little protection against the President's arbitrarily declaring that an energy supply emergency exists with respect to any energy source. However, it is the intent of the conferees that this authority to establish targets not be used in other than severe supply disruptions. The conferees did not intend that this authority be used in a situation similar to the one that presently exists. I assure my col-

leagues that if the President attempts to use this authority in an arbitrary or unreasonable manner, I will be one of the first to try to repeal this provision or to limit the funds available for these purposes.

I can summarize the intent of this bill in one sentence: It is an emergency program to coordinate emergency energy conservation during periods of severe energy shortages.

Mr. Speaker, the conference substitute, which we will adopt today, contains a provision which provides an expedited procedure for States to seek review over the rather broad authorities granted by this legislation to the President and to the Secretary of Energy. This expedited judicial relief section subtracts nothing from the normal rights of the States, but adds a "fast-track" so that the rights of the States can be determined without unduly delaying an emergency program in energy conservation.

This legislation grants a great deal of power to the President and to the Secretary of Energy over the consumption of energy in each State during an emergency. There may well be conflicts, justifiable ones, between the Federal and State governments over the establishment of emergency targets, over the performance of State emergency plans, and over the approval of those plans. There must be quick and thorough judicial review. Only in the case of the establishment of targets, which starts, this emergency program and obligates the States to devise emergency plans, is the judicial review limited—and only limited in the sort of injunctive relief available at that time.

This judicial review section seeks to provide an avenue for the States to obtain prompt review over the determinations of the President and the Secretary of Energy. The State legislatures will have no ability to check these powers, nor will the Congress. So this judicial review section, offered by the gentleman from Maryland (Mr. BAUMAN) and consolidated in conference, is intended to quicken the ability of the States to seek adjudication, not, of course, to limit the judicial avenues of the States.

I might say in conclusion, Mr. Speaker, that the three Republican conferees, Mr. BROYHILL of North Carolina, Mr. STOCKMAN of Michigan, and myself have all supported the final conference version and have signed off on the conference report. I think the spirit of cooperation which motivates us to do that again springs from the fact that we do have a continuing energy shortage, and probably will have for many years to come. We do face severe tightening, as the years go by, of our fossil fuel sources and unless we get under way fairly shortly with synthetic programs and programs to develop exotic energy sources, we will find that this country is enthralled to those people who now supply us much of our energy from abroad, the OPEC nations.

For that reason I think it behooves us to undertake conservation in this country. It also behooves us to be prepared for emergencies because of the national security aspects of the situation. We must

be ready to deal with any emergency supply disruption, particularly as it applies to our transportation industry and the use of motor gasoline, and our home heating industry with the use of distillates.

It is for that reason that I have subdued my own basic objections to the over-weaning power of the Federal Government in the hope that we can have conservation plans and rationing plans that are sensible, that will deal with our problem as it should be dealt with in the future and which will also succeed in saving us energy in the situation in which we find ourselves now facing the possibility at any moment of shortages of a severe nature.

It is because I understand that the conference bill protects the States and localities from undue Federal involvements, offers States an additional avenue of judicial review to those already provided under other acts and the Constitution, and that it offers individuals and businesses an opportunity to become involved through their own alternative programs of conservation, that I support this conference report.

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

Mr. BROWN of Ohio. I am happy to yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker, I would like to say as one member of the conference committee that it was a pleasure working with the gentleman and the other Republican conferees on this matter. In fact, it was almost fun, entertaining.

I would like to congratulate the gentleman on the conciliatory approach he took in the conference. I hope this will lead to many more instances of cooperation between the majority and the minority.

Mr. BROWN of Ohio. I appreciate the gentleman's remarks. I might say to my colleagues on the majority side, and also say to some of my colleagues on the minority side who are going to face additional difficult votes in this whole energy area, notably in the fast track legislation and elsewhere, that it is really with a spirit of conciliation that I approach this particular piece of legislation.

□ 1330

I would hope that we will, as a Congress, share this spirit without regard to party affiliation in the future. I know that the gentleman from Connecticut (Mr. MOFFETT)—and I do appreciate his kind remarks—has been a very valued member of our Subcommittee on Energy and Power, and has worked very hard on trying to address in particular the conservation aspects.

As we have worked through these problems together, we have to come to a general agreement that we must have both production and conservation, production in the domestic sense and conservation in the domestic sense, because of the finite nature of our energy resources. We literally must try to educate the general public to the problems that we face and see if we can come to a truly national

agreement, rather than to some agreement that has partisan overtones.

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

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding. I would just like to congratulate again everyone on the conference committee for the spirit of cooperation and the gentlemanly attitude which was displayed to me on my thermostat amendment—and that is the basis for me to relate to the conference and how it went.

It seems to me as though that the open and cooperative attitude which was displayed to me indicates that we can in this Congress accomplish something on energy and accomplish something on anything that is very important to the country if we really put our minds to it. Mr. DINGELL, the chairman of the subcommittee, Mr. BROWN of Ohio, Mr. STOCKMAN, Mr. MOFFETT and others were very careful to keep me informed of the deliberations of the conference with respect to my amendment and all made significant contributions to this significant amendment.

Again, I want to say how very much I appreciate that.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for his comment. I want to compliment him. There is a significant amount of the amendment offered by the gentleman from Ohio (Mr. WYLIE) in this legislation. I think he can be proud of his contribution to the consideration of the bill.

I would say the same thing for the gentleman from New York (Mr. GILMAN). His legislative input, on the critical subject of congressional review, is clearly put into this bill. His mark on this bill.

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

Mr. BROWN of Ohio. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman for yielding. I would like to make the comment that I am not a member of the committee, but I have watched its process concerning gasoline rationing and conservation all year long as a new Member. It seems to me that, to give it a little perspective, we did the right thing back earlier in the year by defeating a gas rationing proposal that came to the floor. Then the gentleman from Connecticut devised a sticker plan which I think gave a new dimension to the debates, and I think got us all thinking about conservation at the State and local levels. We were breaking away from the notion that Central Government can do all things for us.

I think that was very helpful in the course of this whole process. Then, we came to another time in the summer when the House considered conservation measures, delegating to State and local governments the authority to conserve at that level, and the process went on. Some of us at that time felt it proper to go ahead and vote for the measure, and then when it went to conference the debate continued.

Now, we are considering the confer-

ence report, and I think it is a good bill. I would like to commend the members of the committee for their long and arduous work which I think has brought us a reasonably good piece of legislation.

Mr. BROWN of Ohio. I thank the gentleman. He was one of the leaders who defeated the original badly designed and inequitable rationing plan the President devised. I think, literally, by making that important but difficult decision to disapprove the previous plan, we have brought to this body, and to the other body, a more rational view of this whole problem.

I must say that I appreciate the gentleman's firm leadership at that time, and I appreciate the gentleman from Connecticut (Mr. MOFFETT) and his proposals on the rationing plan. We are past the point when we can deal casually with these things, or where we can just say "no" to ideas. We have the obligation of originating these ideas, as the gentleman from Connecticut did, when we feel that the idea that has been presented to us is poor. I think we have the opportunity and the obligation in this body to try to bring these ideas into a forum and knock off the rough edges. Voting down the last rationing plan has, it turns out, enabled us to advance this Nation's emergency energy preparations.

Mr. BETHUNE. I just want to make the point that after this long and arduous process we now have a gasoline rationing mechanism mixed with conservation features. The new bill insures that rationing will be used only as a last resort. I think that is the position it should be in.

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

Mr. BROWN of Ohio. I will be happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding. I too want to commend the gentleman from Ohio, the distinguished ranking minority member of the Subcommittee on Energy and Power, Mr. BROWN, for his efforts in bringing this consensus by way of this conference report back to the floor. I too want to thank him for preserving a congressional approval thereby making certain that Congress does have an input with respect to any emergency rationing proposal by the President, and for making the implementation of such a Presidential plan subject to a congressional veto.

While there are many items in this conference report that many of us cannot agree upon, most of us do recognize that this emergency measure is of extreme importance to the entire Nation and it is for these reasons that I commend the gentleman for his efforts.

Mr. BROWN of Ohio. I thank the gentleman, and wish to return that commendation to him because, as I said to the gentleman from my State of Ohio (Mr. WYLIE), there is a great deal of the gentleman's amendment in this bill, and it was not in there when we came out of the House with the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ASHBROOK. Mr. Speaker, I rise

in opposition to this unwarranted attack on the American economic system. This Congress wisely defeated this irrational approach back in May. Only through arm twisting and some placating amendments was this proposal brought back from the dead and passed in July. The report we have before us may be an improvement over what this House voted on in May and in July, but the main concept of eliminating the market system in favor of a bunch of unknown bureaucrats is as insulting to America today as it was when it was defeated in May. While many of the good amendments I supported here in the House were accepted in conference. The net result is still a rationing bill.

I know many of my colleagues are concerned that shortages may occur this winter. A number of OPEC countries have announced production cutbacks and price increases. Today's news about Exxon profits adds additional concerns. However, I wish to remind my colleagues that every major development in energy began as a private initiative. This should make us pause before moving to scrap the only system that has provided goods and services in this Nation during peacetime. What has the Federal Government done for America regarding energy? It has dumped mountains of regulation and redtape on top of an already overburdened market sector. It has frustrated the development of coal and nuclear energy. It has spent more time placating special interests and bureaucrats than in solving our energy needs. This is the real issue we are voting on today. Do we, as a Congress, endorse the incompetence of the Federal Government or do we continue to put our faith in the hands of the one system of distribution that made this Nation the leading world power of the 20th century?

The American public is like a small town in the midst of a drought during the last century. In those earlier times rainmakers would tour drought regions with all sorts of cannons, smoke devices, and noise makers to put on a good show in trying to bring about a cloud burst. Sometimes these flim flam artists lucked out and a rain storm occurred, most of the time they collected their money and stole away in the middle of the night before the townspeople realized they had been taken. The rainmakers persisted in the face of their blatant fraud through the 1930's dust bowl for people never wanted to give up hope that they could pay for their salvation.

Today we have a new breed of rainmakers. These Government officials want us to disregard the natural forces of the marketplace in favor of the modern equivalents of the old noisemakers and smoke bombs. Every now and then an energy breakthrough occurs and these rainmakers are right there to take the undeserved credit in order to keep their shams alive. Energy has become a major issue, as well it should. But it has also become vogue to have every major official and politician become a rainmaker. Last week we saw how one major subsidy package after another was created with tax dollars to assist some new miracle cure for our energy woes. It is very easy

to tell voters that they have nothing to fear because this new pilot project or that new fuel resources will solve every need if given enough tax money and enough years to develop. It is more difficult to state that the entire system has been stacked against innovation and change and that only through removing restrictions and allowing the creative force of the market to hold sway will long-range solutions actually be achieved.

It is really frightening to think that the grantsmanship mentality is the only process most people understand. It seems that bidding for attention in the marketplace is disreputable, but wheeling and dealing for Federal contracts is honorable. The question is which is better for society, to have the private investor and consumer decide what is best for themselves, or to abdicate the responsibility to some mindless and faceless entity in the booming energy bureaucracy. It is the same thing with this rationing bill. Most people seem to better comprehend some special exemption or some revised deadline for Government action that is a small part of the bill than to understand the fundamental assault this proposal makes on our economic system and our system of government. As I have stated earlier, it is not a lack of government, but a lack of freedom that has been the root of our energy woes. While promoting more government through ill conceived rationing plans and sexy sounding pilot programs may make better news, advocating more freedom and placing our hopes on our ability to innovate makes better policy.

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

Mr. Speaker, I first want to say that all of us in the conference committee, on both sides of the aisle, would like to extend our appreciation and admiration to the gentleman from Michigan (Mr. DINGELL) for his leadership of this matter. He has served in the House much longer than many of us who accompanied him in the conference committee. Yet he was patient with us, and I think he did some educating and training along the way. I think the product is a good one.

Mr. Speaker, I also want to give special praise to the gentleman from Texas (Mr. GRAMM); although he was not a conferee per se, I think it is safe to say that his presence was felt in the conference committee room, because he had been a moving force in the development of this legislation. I think through the efforts of Mr. GRAMM and Mr. STOCKMAN and Mr. GILMAN and others on the Republican side, many of us who at one time talked rather casually about imposing rationing, came to the conclusion that indeed rationing should be a last resort, as the gentleman from Arkansas has so correctly stated.

This bill embodies that principle and that theme. While it changes somewhat the trigger mechanism itself, it certainly strengthens congressional involvement in a way that Mr. GILMAN and others have suggested.

A second important theme that is embodied in the conference report is that, although Congress must play a role, it

does not put Congress in the position of being an obstructionist force. It does give the proper respect and the proper degree of authority and responsibility to the Chief Executive. It is our hope, of course, that he will exercise that power in a prudent and effective, but not in an arbitrary manner. That is the same feeling that, of course, Mr. BROWN of Ohio expressed so articulately.

Third, the bill embodies the notion that we must have tough conservation. There is no escaping that fact, and I do appreciate the kind remarks of the gentleman from Arkansas with respect to my sticker plan that was debated for a great deal of time on the House floor.

□ 1340

In offering that proposal for a 1-day-of-the-week off-the-road-with-your-car sticker plan, it was my intention to spark debate and also to have the no-drive plan remain as an option for the States, and it remains as just such an option.

None of us want a situation where major inconveniences are imposed on the American public; but by the same token I do not think there is a person in this body who cannot envision a time when we might be forced to impose major inconveniences on the public. There is talk already of another gasoline shortage. The President may have to act, to determine that a severe shortage is imminent, set conservation targets, and urge and prod the individual States to achieve significant conservation.

In fact, I think it should be said today—and I hope that none of my colleagues would disagree with this—that it would be a good idea for the Governors to begin immediately determining how they would put their own plans together. In fact, the conference report itself on page 13 states:

Each State is encouraged to submit to the Secretary a State emergency conservation plan as soon as possible after the date of the enactment of this Act and in advance of such publication of any such target. The Secretary may tentatively approve such a plan in accordance with the provisions of this section.

It is my hope, and I am sure the hope of others here, that we would be in touch with our Governors and encourage them to take that first step, in trying to develop plans that could be submitted to the Department of Energy.

Hopefully, this will be the first in a series of steps toward achieving meaningful conservation. I think if we do enact this legislation—and we assume the President will sign it—we will be on the way to doing something that I think is important, and that is having a meaningful conservation component in our energy policy.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOFFETT. Mr. Speaker, I yield myself 2 additional minutes.

I think it is clear now that the decontrol debate in this Congress is all but over, and for that reason it is going to be important that we pay more than lip-service to conservation. Many who have said they are for decontrol have stated that we must have conservation as well. Now is the time to show that we mean what we say, and I think what the gen-

tleman from Ohio (Mr. BROWN) and the gentleman from Michigan (Mr. STOCKMAN) and others who have been decontrol advocates have indicated is that we need conservation.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Ohio. I thank the gentleman for yielding. I think the gentleman has stated it absolutely correctly and with a degree of challenge absolutely appropriate to the circumstances. I would agree that decontrol and the regulation of price is over. I think we will see the price go up, regrettably. No one is pleased with that. It will force people to conserve in a painful way. Nobody can argue with that. I think it is absolutely necessary for all of us to undertake that with a degree of patriotism, if that is not the wrong word to use. I think it is the right word to use because conservation, as the gentleman has pointed out in his arguments on the floor of the House, is a way to produce energy for us. In other words, the gallon of gasoline we save is a gallon of gasoline that we have to use later, that somebody has to use. Ultimately we are going to run out of all of these fossil fuels. We will have to find new methods, and we may have to take some tough steps in our traditional beliefs. I appreciate the gentleman's leadership in the conservation area. I appreciate his leadership in devising a plan. I think that was extremely helpful in this whole debate. Whether or not the plan is the right answer is not the point. The gentleman provided the leadership, and that is the point, because it is on that sort of tough arguments that we have in this body that we eventually come to some consensus that leads us, hopefully, to a resolution of the problem.

Mr. MOFFETT. I thank the gentleman for his kind words.

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

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

Mr. SHARP. I thank the gentleman for yielding.

Mr. Speaker, our country must be better prepared to deal with energy emergencies in the future. This bill will help us to do that. I believe that effective planning now by our State and local governments, by all sectors of our economy, can certainly help to minimize the problems that a cutback in future supplies can bring. It can also help us to see to it that all Americans are treated as fairly as is possible during a shortage. It is equally important, Mr. Speaker, for us to recognize that if the United States is able to quickly curb its energy appetite during a short-term crisis, we will be able to reduce the power of the OPEC cartel or of anyone else to dramatically push prices higher and higher during such a crisis. Mr. Speaker, it is critical we move forward on this issue. We clearly must have the kind of planning, the kind of preparation, that can make a difference for our future.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time. I

would like to take just 1 minute to compliment the gentleman from Michigan (Mr. DINGELL) who is the chairman of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, and also compliment the gentleman from Texas (Mr. GRAMM). As was noted, there is a good piece of thinking of the gentleman from Michigan (Mr. DINGELL) and his legislative approach in this piece of legislation. Had it not been for his insistence, the trigger mechanism of a 20-percent shortfall would not be in the legislative language of this bill. One need not compliment the gentleman from Michigan (Mr. DINGELL) too extensively because he has proven year after year, and in legislative accomplishment after legislative accomplishment, his ability to bring, sometimes with a little screaming and shouting, sometimes with tears, and sometimes with a bloody nose here and there, a consensus to this body and to the other body for the right result. I think in this case we have a good example of that. I must say that there were some tense moments as we fought this one out on the floor of the House, but now all of that is forgotten in the euphoria of other legislative accomplishment by the gentleman from Michigan. So with that compliment and with the kind words of the gentleman from Connecticut, perhaps we are ready for the vote.

● Mr. EDGAR. Mr. Speaker, I rise in support of the conference report on S. 1030, the Emergency Energy Conservation Act of 1979.

There are some aspects of the conference report which concern me, however. For instance, I have reservations about the provision which permits States or local governments to allow building owners to utilize alternative plans for saving the same amount of energy as would be conserved through thermostat restrictions. In my opinion, alternate conservation plans would be utilized together with, and not in place of, thermostat restrictions.

More significantly, I am concerned about the provisions which give Congress two opportunities to veto a gasoline rationing plan—once after the President submits the standby plan to Congress, and again when he announces his intention to implement it upon demonstrated need. In light of our record of decimating gasoline rationing plans because of self-interested bickering and special interest group pressures, I have some fear that this country may never have a standby rationing plan which can be quickly implemented during an emergency fuel shortage.

Notwithstanding these objections, I will vote to approve the Emergency Energy Conservation Act. I believe it is in the national interest to do so. It is my sincere hope that the President will submit to Congress a responsible and equitable rationing plan and that Congress will resist vetoing it. On balance, the legislation is a valuable and necessary tool for helping our country meet future energy crises.●

Mr. MOFFETT. Mr. Speaker, I have no further requests for time, and I move

the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

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

Mr. MOFFETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 301, nays 112, not voting 20, as follows:

[Roll No. 589]

YEAS—301

Addabbo	Drinan	Johnson, Calif.
Akaka	Duncan, Tenn.	Jones, N.C.
Albosta	Early	Jones, Okla.
Alexander	Eckhardt	Jones, Tenn.
Andrews, N.C.	Edgar	Kastenmeier
Annunzio	Edwards, Ala.	Kazen
Anthony	Edwards, Calif.	Kildee
Ashley	Emery	Kogovsek
Aspin	English	Kostmayer
AuCoin	Erlenborn	LaFalce
Balley	Ertel	Leach, Iowa
Baldus	Evans, Del.	Leath, Tex.
Barnard	Evans, Ga.	Lederer
Barnes	Fary	Lee
Beard, R.I.	Fascell	Lehman
Beard, Tenn.	Fazio	Lent
Bedell	Fenwick	Levitas
Bellenson	Ferraro	Livingston
Benjamin	Fish	Lloyd
Bennett	Fisher	Long, La.
Bereuter	Fithian	Lott
Bethune	Flippo	Lowry
Bevill	Florjo	Luken
Bingham	Foley	McClory
Blanchard	Ford, Mich.	McCloskey
Boggs	Ford, Tenn.	McCormack
Boland	Fountain	McDade
Bolling	Fowler	McEwen
Boner	Frost	McHugh
Bonior	Fuqua	McKinney
Bonker	Garcia	Maguire
Bouquard	Gephardt	Markey
Bowen	Gialmo	Marks
Brademas	Gibbons	Martin
Brinkley	Gilman	Mathis
Brodhead	Gingrich	Matsui
Brooks	Ginn	Mavroules
Broomfield	Glickman	Mazzoli
Brown, Calif.	Gonzalez	Mica
Brown, Ohio	Goodling	Mikulski
Broyhill	Gore	Miller, Calif.
Buchanan	Gramm	Mineta
Burlison	Hanley	Minish
Burton, Phillip	Harkin	Mitchell, Md.
Butler	Harris	Mitchell, N.Y.
Byron	Hawkins	Moakley
Carney	Heckler	Moffett
Carr	Hefner	Mollohan
Carter	Heftel	Montgomery
Cavanaugh	Hightower	Moorhead, Pa.
Chisholm	Hinson	Murphy, Ill.
Clay	Holland	Murphy, N.Y.
Clinger	Hollenbeck	Murphy, Pa.
Coleman	Holtzman	Murtha
Conable	Hopkins	Myers, Pa.
Conte	Howard	Natcher
Conyers	Hubbard	Neal
Corman	Hughes	Nedzi
Cotter	Hutto	Nelson
Coughlin	Hyde	Nichols
Courter	Ireland	Nolan
Danielson	Jeffords	Nowak
Daschle	Jenrette	Oakar
Davis, S.C.		Oberstar
Dellums		Obey
Derrick		Ottinger
Dicks		Panetta
Dingell		Patten
Dixon		Patterson
Dodd		Pease
Donnelly		Pepper
Dornan		Perkins
Dougherty		Petri
Downey		Peyster

Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Schulze
Seiberling
Shannon
Sharp
Shelby

Simon
Skelton
Slack
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Treen
Trible

Udall
Ullman
Van Deerin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, Tex.
Wirth
Wolf
Wolpe
Wright
Wyder
Wyllie
Yates
Young, Mo.
Zablocki
Zefteretti

NAYS—112

Abdnor	Gaydos	Myers, Ind.
Ambro	Goldwater	O'Brien
Anderson, Calif.	Gradison	Pashayan
Andrews, N. Dak.	Grassley	Paul
Applegate	Guyser	Quayle
Archer	Hagedorn	Rallsback
Ashbrook	Hansen	Rhodes
Atkinson	Harsha	Roberts
Badham	Hillis	Robinson
Bafalis	Holt	Rousselot
Bauman	Horton	Rudd
Breaux	Huckaby	Runnels
Burton, John	Ichord	Satterfield
Campbell	Jacobs	Sawyer
Chappell	Jeffries	Schroeder
Cheney	Johnson, Colo.	Sebellius
Collins, Ill.	Kelly	Sensenbrenner
Collins, Tex.	Kemp	Shumway
Corcoran	Kindness	Shuster
Crane, Daniel	Kramer	Smith, Iowa
Crane, Phillip	Lagomarsino	Smith, Nebr.
D'Amours	Latta	Spence
Daniel, Dan	Lewis	Stump
Daniel, R. W.	Loeffler	Symms
Dannemeyer	Long, Md.	Taylor
Davis, Mich.	Lujan	Thomas
de la Garza	Lungren	Vander Jagt
Deckard	McDonald	Walker
Derwinski	McKay	Whitehurst
Devine	Madigan	Whittaker
Dickinson	Marlenee	Williams, Mont.
Edwards, Okla.	Marriott	Williams, Ohio
Erdahl	Mattox	Wilson, Bob
Evans, Ind.	Michel	Wyatt
Findley	Miller, Ohio	Yatron
Forsythe	Moore	Young, Alaska
Frenzel	Moorhead, Calif.	Young, Fla.
	Motti	

NOT VOTING—20

Anderson, Ill.	Duncan, Oreg.	Royer
Biaggi	Flood	Santini
Burgener	Jenkins	Scheuer
Clausen	Leach, La.	Stark
Cleveland	Leland	Wilson, C. H.
Coelho	Lundine	Winn
Diggs	Rahall	

□ 1400

The Clerk announced the following pairs:

Mr. Biaggi with Mr. Anderson of Illinois.  
Mr. Rahall with Mr. Royer.  
Mr. Charles H. Wilson of California with Mr. Winn.  
Mr. Santini with Mr. Cleveland.  
Mr. Stark with Mr. Burgener.  
Mr. Duncan of Oregon with Mr. Clausen.  
Mr. Flood with Mr. Coelho.  
Mr. Lundine with Mr. Diggs.  
Mr. Jenkins with Mr. Scheuer.  
Mr. Leach of Louisiana with Mr. Leland.

Messrs. HINSON, LEACH of Iowa, and LIVINGSTON changed their votes from "nay" to "yea."

Mr. WHITEHURST and Mr. BREAUX changed their votes from "yea" to "nay."

So the conference report was agreed to. The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### CORRECTING THE ENROLLMENT OF S. 1030, EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 44) making technical and conforming changes in the enrollment of the Senate bill, S. 1030.

The Clerk read the title of the Senate concurrent resolution.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

##### S. CON. RES. 44

*Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, the Secretary of the Senate shall make the following corrections:*

In the table of contents insert, at the appropriate place, "Sec. 215. Reports".

In section 101 strike out "(a) FINDINGS.—"

In section 103(b)(1) strike out "42 U.S.C. 6361(e)" and insert in lieu thereof "42 U.S.C. 6261(e)".

In section 103(b)(2)(C) insert between the words "other" and "pursuant" the word "than".

In section 103(c)(1) strike out "42 U.S.C. 6361(f)" and insert in lieu thereof "42 U.S.C. 6261(f)".

In section 103(c)(2) strike out "42 U.S.C. 6361" and insert in lieu thereof "42 U.S.C. 6263".

In section 105(b)(1) strike out "42 U.S.C. 6261(d)(2)" and insert in lieu thereof "42 U.S.C. 6263(d)(2)".

In section 105(b)(2) strike out "42 U.S.C. 6261(d)(3)(A)" and insert in lieu thereof "42 U.S.C. 6263(d)(3)(A)".

In section 105(b)(3) strike out "42 U.S.C. 6261" and insert in lieu thereof "42 U.S.C. 6263".

In section 105(b)(4) strike out "42 U.S.C. 6261" and insert in lieu thereof "42 U.S.C. 6263".

In section 301 strike out "(a)".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

#### PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit tomorrow when the House is acting under the 5-minute rule.

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

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us why in the middle of the very important legislation that I under-

stand will be on the floor tomorrow that we need this permission?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, I do not believe we will be in session very long, but we are trying to finish action on the coal slurry legislation.

Mr. ROUSSELOT. The coal slurry legislation?

Mr. UDALL. Yes.

Mr. ROUSSELOT. The gentleman feels that members of that committee can be away from the House floor during all this important legislation we will have tomorrow?

Mr. UDALL. It looks like if we handle it right, there will be very little we will miss on the House floor.

Mr. ROUSSELOT. The gentleman is saying they just cannot get it all done before we meet?

Mr. UDALL. That is the picture I get.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman assure us no other legislation will be taken up?

Mr. UDALL. It is just this one bill that we are anxious to finish.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, our distinguished full committee chairman must appear I think it is before another committee, I believe the Committee on Rules, I am not certain. We have three bills, two of which were passed out of my subcommittee without dissent.

I gather I will be chairing deliberations of the full committee in the absence of our good colleague, the gentleman from Arizona. We anticipate the meeting will be quite brief.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for all those assurances.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona (Mr. UDALL)?

There was no objection.

#### INTERNATIONAL SUGAR STABILIZATION ACT OF 1979

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2172) to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes.

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

The motion was agreed to.

□ 1420

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the further consideration of the bill, H.R. 2172, with Mr. BURLISON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, October 19, 1979, all time for general debate on the bill had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate section 1.

Section 1 read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Sugar Stabilization Act of 1979".*

Mr. VANIK. Mr. Chairman, I have an amendment to title I.

The CHAIRMAN. The Chair will advise the gentleman from Ohio (Mr. VANIK) that we have not reached that point in the bill as yet.

Are there any amendments to section 1?

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the opening of consideration of this bill for amendment today, let me state that in the initial discussion of this bill there have been so many questions raised about this legislation, both during debate and during the long period this bill has had in coming through both the Committee on Ways and Means and the Committee on Agriculture, that frankly, I am surprised that we are really considering this bill today on the floor. But it is here, and we start with the section that many have termed as a unique bill to aid the Cuban Government and a sugar agreement that is of very questionable nature.

I know and the gentlemen who are members of the committee know that I have an amendment printed in the RECORD at this time to strike title I. The gentlewoman from Massachusetts (Mrs. HECKLER) has spoken very clearly on this issue concerning title I and her thoughts on it.

I would say at this time, Mr. Chairman, that as far as the efforts to amend this bill are concerned, while frankly I would like to separate the International Sugar Agreement from this bill by offering an amendment simply to strike it and let the International Sugar Agreement stand on its own rather than be tied to this bill, there have been indications that this might be misunderstood, and that if we offer this and improve the bill, that might enhance the bill itself, since there are also other amendments to be offered to the bill today that would enhance and make this bill a better bill if they were passed.

Obviously, one thing I do not want to do is to improve this bill. This being the only opportunity I have to talk to title I and the International Sugar Agreement,

I am taking this opportunity now to say that I object to the International Sugar Agreement.

PARLIAMENTARY INQUIRY

Mr. FOLEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FOLEY. Mr. Chairman, I will ask, have we reached title I of the bill yet? Are we now considering title I of the bill?

The CHAIRMAN. The Chair will state to the gentleman that we are now considering section 1.

Mr. FOLEY. We have not yet reached title I?

The CHAIRMAN. We have not yet reached title I.

Mr. FOLEY. Mr. Chairman, I would point out that the gentleman from New York (Mr. PEYSER) is directing himself to title I. I do not think we have yet reached that point.

The CHAIRMAN. The gentleman will proceed.

Mr. PEYSER. Mr. Chairman, I thank the committee chairman for calling that to my attention, but I am not offering an amendment, as I indicated, to title I at this time. However, I do think the entire question of title I and our ability to consider the International Sugar Agreement as a separate agreement, along with the other amendments that will be offered to this bill and that are being offered to "improve"—or so it is called—the bill, have to be considered by the membership very carefully so they will understand that if we overimprove the entire bill, we may then be reporting it out to the Senate, where the chairman of the Senate Finance Committee (Mr. LONG), the chairman of the Senate Foreign Affairs Committee (Mr. CHURCH), and Senator DOLE are all committed to put back the very things that are going to be suggested that we eliminate on the floor of this House.

So, Mr. Chairman, I am merely taking this opening time for the moment to caution the Members on each one of these amendments that come up to look at them carefully and decide what the overall impact will be on this legislation.

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

The CHAIRMAN. There being no amendments to section 1, the Clerk will designate section 2.

Section 2 reads as follows:

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and the term "entry" means the entry, or withdrawal from warehouse, for such consumption.

(2) The term "person" has the same meaning as is given to such term in section 1 of title 1 of the United States Code.

(3) The term "Secretary" means the Secretary of Agriculture.

(4) The term "TSUS" means the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

The CHAIRMAN. Are there any amendments to section 2?

There being none, the Clerk will designate title I.

Title I reads as follows:

TITLE I—INTERNATIONAL SUGAR AGREEMENT, 1977

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement.

SEC. 102. IMPLEMENTATION OF AGREEMENT.

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1982, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including, but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

SEC. 103. DELEGATION OF POWERS AND DUTIES.

The President may exercise any power or duty conferred on him by this title through such agencies or offices of the United States as he shall designate. Such agencies or offices shall issue such regulations as they determine are necessary to implement this title.

SEC. 104. CRIMINAL OFFENSES.

Any person who—

(1) knowingly fails to keep any information, or to submit any report, required under section 102;

(2) submits any report under section 102 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$1,000.

SEC. 105. REPORT TO CONGRESS.

The President shall submit to Congress, on or before April 1 of each year, a report on the operation and effect of the Agreement during the immediately preceding year. Unless otherwise published on a regular basis by an agency of the United States, the report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies, and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

AMENDMENTS OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. VANIK: Page 33, line 25, strike out "1982," and insert "1983."

Page 36, between lines 7 and 8 insert the following:

SEC. 106. PRESIDENTIAL FEE AUTHORITY ON SUGAR

The first paragraph of section 22(b) of the Agricultural Adjustment Act (7 U.S.C. 624 (b)) is amended by striking out the period at the end of the second proviso thereto and inserting in lieu thereof the following: "And provided further, That any fee imposed upon any sugar, syrup, or molasses provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States (19 U.S.C. 1202) shall not be subject to the 50 per centum ad valorem limitation."

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

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. VANIK. Mr. Chairman, these amendments were adopted by the Subcommittee on Trade of the Committee on Ways and Means and were reported out by the full committee.

The first amendment enables the United States to fulfill its obligations under the International Sugar Agreement for the year 1982, which is through the full life of the ISA.

The version of the Committee on Agriculture, on the other hand, terminates the executive branch's authority to implement the ISA at the end of 1981, a year before the ISA is due to expire. We believe we can more effectively support the ISA if we authorize implementation powers for the remaining life of the agreement.

The second amendment of the Committee on Ways and Means makes a permanent amendment to the section 22 program allowing the President greater flexibility in the setting of import duties on sugar.

Mr. Chairman, I urge the adoption of these amendments.

Mrs. HECKLER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-three Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1420

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. FOLEY. Mr. Chairman, I demand

a division of the question on the amendments.

The CHAIRMAN. The question will be divided.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, speaking for our side and the Committee on Agriculture, we would be happy to accept the first portion of the amendments as read.

The CHAIRMAN. The question is on the first part of the divided question.

The first part of the divided question was agreed to.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regrettably must take a different position with respect to the second portion of the question, which would eliminate the 50-percent ad valorem limit currently imposed by section 22. I would hope, however, that since the first part of the gentleman's amendment was accepted, he would agree that the second part could be reverently rejected by the committee.

Mr. VANIK. Mr. Chairman, I ask unanimous consent to strike the requisite number of words.

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

There was no objection.

Mr. VANIK. Mr. Chairman, I had originally proposed the elimination of the 50-percent ad valorem limitation, with the thought that I might offer an amendment providing for passage of just title I as a self-contained sugar bill. I no longer intend to offer that amendment, primarily because I do not want to give the other body a vehicle on which they could load up a lot of other sweetening amendments.

Second, the removal of the limitation is no longer necessary because of the change in the long-range sugar outlook and the rapid increase in world prices in the last 2 months.

Since the Committee on Agriculture objects to this amendment, I have no objection to its deletion.

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

Mr. VANIK. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, the minority on the Committee on Ways and Means has no objection to the withdrawal of the amendment if the gentleman chooses to do so.

Mr. VANIK. Mr. Chairman, I ask unanimous consent to withdraw the second part of the amendments.

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

There was no objection.

The CHAIRMAN. Are there further amendments to title I?

Mrs. HECKLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, although I do not intend to offer an amendment to this section or to this bill, because I think it should be defeated on both domestic and international grounds, I take this time to clarify some of the issues that have be-

come the center of focus in the debate and to clear up some obvious misconceptions affecting the discussion today.

First of all, I think it is important to realize that those of us who oppose the sugar subsidy legislation are not doing so exclusively because of the International Sugar Agreement. Our main objection to this bill is the consumer impact which we have spelled out consistently. We consider this bill to be a ripoff by giant domestic sugar producers—a ripoff of the American consumers—who are already on the ropes, thanks to other selfish interests bent on driving the consumers down.

I hope the House will recognize the bill for what it is: bad public policy. Bad for the present and worse for the future. Consumers would continue to bear the brunt of the bill. They are now paying \$2.6 billion annually in artificially high sugar prices. The Congress would be legislating inflation. And, with more than 75 percent of the sugar consumed in the United States annually found in processed foods rather than in the staple products, consumers would be prevented from venting their frustration by refusing to buy sugar.

However, beyond our consumer objection, many of us who are against this legislation also have grave misgivings about the International Sugar Agreement and the abdication of responsibility by the House in the legislative process on this bill.

In effect, title I of this bill is the incorporation by reference of the International Sugar Agreement.

□ 1430

But this agreement has not yet been ratified by the other body. In fact, the International Sugar Agreement was sent to the Senate on January 25, 1978. Almost two legislative sessions have expired without having this agreement handled, dispatched, or disposed of by the Senate.

Therefore, in passing the implementing phase of the Sugar Stabilization Act, we are busily painting the cabin of the vessel while the other body, at its own leisurely pace, may well move toward scuttling the keel.

This is not the right way to run the ship of state or legislate for it.

Voices are raised, saying that the question of the International Sugar Agreement and its obvious benefits to Communist countries, particularly Castro's Cuba, are not an issue that is in question.

The issue of the sugar agreement is called a "red herring" being dragged across the trail.

Well, if it is a herring, it is definitely a "red herring."

We should not ignore the vital and legitimate questions of what will result from the agreement, which has not yet been ratified, and which we are incorporating by reference into this bill.

We should not sweep the proposals and the issues under the rug; anyone familiar with housekeeping knows how hard it is to get spilled sugar out of the carpet.

Much is made of a letter from the

Assistant Secretary of State for Congressional Relations, J. Brian Atwood, to our distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN).

This letter hardly meets the objections that I and other Members have raised. It is just another depressing episode in the dreary sequence of the administration's failure to communicate directly and effectively with this Congress, if at all.

My own efforts to communicate with the Department of State on the subject of the International Sugar Agreement were either ignored or rebuffed.

This letter, which has been submitted to the record by the gentleman from Oregon (Mr. ULLMAN), is, in my judgment, another pat on the head for the Congress. The letter says, "We know best. Don't ask any questions, but if you must, we will give you nice, glib answers which simply restate as declaratory sentences the language of the questions themselves."

I say, thanks, but no thanks. These answers are brought to us by the same people who allowed the Soviet military presence in Cuba to turn into an international fiasco, making the United States look ridiculous in the eyes of the world.

In my opinion, the State Department is not doing any better on the subject of Cuban windfalls resulting from the International Sugar Agreement than it has done on the problem of Cuba becoming a Russian military base 90 miles off Florida.

It is not doing any better than it did on the question of how a small and economically troubled country can export violence and revolution throughout the Third World.

I think at this point the Foggy Bottom diplomats have had too many "Cuba Libres" with their afternoon tea.

The facts are that despite the careful selection of isolated and admitted facts in Mr. Atwood's letter, he does not refute the two basic propositions, first, that Cuba's benefit over the prevailing situation in the international sugar market is greater than that of any other country, and second, that Cuba's special arrangements with other Socialist countries will be permitted by the International Sugar Agreement to materially benefit Cuba and other Soviet bloc nations at the expense of the non-Communist world.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mrs. HECKLER) has expired.

(At the request of Mr. PEYSER and by unanimous consent Mrs. HECKLER was allowed to proceed for 2 additional minutes.)

Mrs. HECKLER. The State Department says that what is being done is a stabilization of sugar prices by the International Sugar Agreement. I think that what is being stabilized is business as usual at the State Department, the business of treating the Congress as a necessary nuisance to be tolerated and the American people as uninformed puppets to be talked down to.

Mr. Chairman, if we approve this legis-

lation it will not be just another sorry victory for special interests over the general welfare, but damaging evidence of the State Department's ignorance of the best interests of our country and of our friends.

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

Mrs. HECKLER. I yield to the gentleman from New York.

Mr. PEYSER. I want to thank the gentleman for very clearly bringing forth the issue on the International Sugar Agreement. I would certainly be most supportive of an effort to strike this agreement, but I also agree very much with the gentleman's decision to leave this agreement as part of the bill, because every effort to improve this bill may be an effort to pass the final bill, which we must defeat.

I thank the gentleman for her decision on this.

Mrs. HECKLER. I would like to say to the gentleman, I appreciate his kind words. He has shared with me the leadership in opposing this legislation. I am delighted we have also joined in opposing any amendment to strike title I.

I should also like to say the chart I have before all of us indicates in the blue bars the free market share of our allies: Brazil, Australia, and the Philippines. During the free-market period that this chart represents, the year 1977 in which the agreement was negotiated, the free-market countries were cut back in the amount of sugar they were allowed to export.

Cuba, despite its 1977 production of 1.5 million metric tons sold to the free market, got the lion's share of the free market export tonnage, as well as special arrangements to allowing unlimited exports to a block of Socialist countries, plus a guarantee of 650,000 tons to be sent to Albania, China, North Korea, Vietnam, and Yugoslavia, neither to be taken out of the market tonnage that Cuba was assigned for free market trade.

The other countries could ship their sugar to the Socialist countries or free world countries, but any exports would be taken out of their quota. With Cuba, whatever they shipped to Socialist countries was not to be subtracted from the total quota.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mrs. HECKLER) has again expired.

(At the request of Mr. HUCKABY and by unanimous consent, Mrs. HECKLER was allowed to proceed for 2 additional minutes.)

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

Mrs. HECKLER. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

I wanted to ask the gentleman if the gentleman is concerned with regard to these export quotas on the part of Cuba and Russia having something to do with this device enabling these Communist nations to receive hard currency that they might not otherwise be able to get, since about the only thing Cuba ex-

ports in any quantity at all is sugar, so that they can then be in better shape to enhance their ability to spread chaos and military intervention throughout the world? Is that the gentleman's concern.

Mrs. HECKLER. I definitely agree that the gentleman has raised one of the major concerns here, that this agreement allowed Cuba to have a lion's share of the free-market tonnage as well as special arrangements with the Socialist and Communist world which were not to be subtracted from her quotas. This situation gave Cuba a windfall which she could then use for her own domestic policies and for her military misadventures in other parts of the world.

Mr. HUCKABY. I thank the gentleman for the explanation.

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

Mrs. HECKLER. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

I do not dispute her figures. I would simply like to ask, absent the International Sugar Agreement, is there any limitation on the amount of sugar that Cuba can sell to the free world or Communist nations?

Mrs. HECKLER. Certainly not. There is no limitation on its sales to the black Socialist countries. The significance of this chart indicates that the United Nations and its subunit which negotiated the sugar agreement not only guaranteed to Cuba what was already available to her, but allowed as well the lion's share of export tonnage to the free nations of the world.

If the other nations had the same opportunity to export unlimited sugar to Socialist countries, the amount that they exported would have to be subtracted from the white bars, which was the free market export tonnage. Cuba got preferential treatment in every way.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mrs. HECKLER) has expired.

(At the request of Mr. MOORE and by unanimous consent, Mrs. HECKLER was allowed to proceed for 1 additional minute.)

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

Mrs. HECKLER. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

Does not the International Sugar Agreement provide limitations and obligations on Cuba, which it does not have now, such as restrictive export quota accumulation and release of special stocks, limit on market stocks, supply assurances and statistical recording requirements?

Mrs. HECKLER. I would agree with the gentleman that certain new requirements were imposed on Cuba as a result of the agreement, but these are fairly minor in comparison to the hundreds of millions of dollars Cuba was assured by its export tonnage quota in the International Sugar Agreement.

Cuba was limited in minor and bu-

reaucratic provisions, but at the same time she was given the opportunity to take the lion's share of the free market and an unlimited hold on exports to the Socialist block countries plus a special quota to Albania, China, North Korea, Vietnam, and Yugoslavia.

□ 1440

Mr. MOORE. Is the gentleman also aware that right now, without the International Sugar Agreement, that Cuban-refined sugar is coming into the United States at the present time?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. MOORE and by unanimous consent Mrs. HECKLER was allowed to proceed for 30 additional seconds.)

Mrs. HECKLER. I would like to say for the gentleman that, in fact, it is the feeling of many of those who were present at Geneva—and my information does not come from statistical bulletins alone but from expert eyewitnesses who were there that not only is Cuban sugar traveling all over the world, but this special arrangement with the Socialist countries is a means whereby Cuba is able to export more than her 2.5-million-metric-ton share to the free market without having any notice taken of the subject.

Mr. MOORE. If the gentleman will yield further, the point I am making is that Refined Syrups & Sugars Corp. of New York is bringing in Canadian sugar right now with no sugar agreement.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, unfortunately there has been introduced into this debate an extremely emotional and, I think, regrettable suggestion that this International Sugar Agreement, signed by some 57 countries, is in some strange way a covert form of assistance or special treatment for Cuba. Nothing could be further from the truth.

As the gentleman from Louisiana (Mr. MOORE) has just pointed out, Cuba has undertaken, by becoming a signatory to the International Sugar Agreement, the same restrictions on its exports as every other country that has signed that agreement.

The gentleman from Massachusetts has indicated that somehow Cuba has been given something over and above what other exporting countries have and that in order to provide this extra others have been disadvantaged. This is an interesting conclusion. The gentleman is suggesting that these countries have been negotiated out of some benefit that, as exporting countries, they would otherwise have. The fact of the matter is that they, and they alone, negotiated the agreements on export quotas. To assume that those other countries were denying their own ability to export in order to be generous to Cuba implies that they do not know or are incapable of defending their own interests. The gentleman from Massachusetts

apparently feels she and others know better what the interests of Brazil, Australia, and the Philippines are than they do themselves. That is a suggestion I have some difficulty in accepting.

All the major exporters accepted the quota of Cuba as fair. As a matter of fact, the Philippines voluntarily reduced its export level beyond what was necessary by awarding 100,000 tons of its own quota to Cuba.

The gentlewoman is suggesting that 1977 was the base year on which the Cuban and other quotas were determined. That is what the figures in her charts are based on. That, in fact, is not technically correct. The individual quotas were based on production and export performance over the 10-year period from 1966 to 1976. The 1977 figures she cites were not even available when the ISA was negotiated in 1977. Additionally, Cuba had an extraordinarily short year in 1977, which suits the purpose of suggesting that its quota is unusually high.

Another point I would like to make is that Cuba is by no means alone in having special arrangements beyond the ISA. In fact, many, many other nations have such special sugar arrangements, and they are neither large nor Socialist-camp countries. Barbados, Belize, Cuba, Jamaica, St. Kitts-Nevis-Anguilla, Trinidad and Tobago, Guyana, Malawi, Mauritius, Swaziland, and Fiji all have special arrangements recognized under the International Sugar Agreement. There is nothing unusual about that and there is nothing that the International Sugar Agreement or anything else can do to affect the bilateral trade that Cuba has with the Soviet Union.

Indeed, it is this bilateral trade with the Soviet Union rather than the ISA that provides special benefits for Cuba. The lion's share of Cuba's sugar exports are bartered with the Soviet Union for other goods such as oil. Converted to dollar values, this barter trade is equivalent to about 40 cents a pound that the Russians pay for Cuban sugar. That is where the subsidy is and it is totally independent of the International Sugar Agreement. Moreover, because Cuba ships such an insignificant amount in free trade, the fate of the ISA is inconsequential to it.

In addition, a further problem is created by the fact that the United States not only played a major part in bringing the agreement into being but is a signatory of the agreement itself and in doing so joined with 56 other countries who have either formally ratified the ISA or given notice of their agreement to proceed with its principal provisions. Many of these nations have been withholding excess exports from the market at great expense, as required, since January of 1978 in anticipation of U.S. ratification. And now the suggestion is here that we, the United States, should refuse to give the authorities necessary for our full participation, telling the other sovereign countries who undertook this cooperative effort with us in the best of faith, that we have decided that they are incapable of knowing their own interests, that their judgment is faulty, because

the agreement might somehow benefit Cuba. Nothing we could do would help Cuba more than that single action alone—telling those countries that we have decided that irrespective of how it may help them we are going to wreck the entire agreement because it might also help Cuba in the bargain. I think Cuba would be handed an incomparable propaganda tool that it could use throughout Central and South America and Africa to attack and ridicule the United States for signing an agreement in concert with these countries and then turning around, on the grounds of totally misinformed evidence of Cuban treatment, to reject the accord.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. I would hope that the question the gentlewoman from Massachusetts has already described herself as a red herring will not be allowed to divert the Committee of the Whole House from the real issues here. Title I deals with the International Sugar Agreement. It is a subject that I would hope we would not distort or belabor with emotional reactions against Cuba.

I am no friend of the Cuban Government, nor, I suppose, is anybody in this room. The truth of the matter is that there are no special benefits to Cuba. In fact, quite the contrary is true. There are restrictions and obligations that Cuba would not otherwise have. Additionally, to deny all of those other countries that have joined in this agreement the ability to share in its benefits would, indeed, be handing the Cubans a propaganda machine and an enormous propaganda tool with which to beat the United States all over Central, South America, and Africa. I devoutly hope that this committee will not allow that.

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

Mr. FOLEY. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I would just say that the term "red herring" came from the gentleman's earlier remarks, and I said if it is a herring, it is certainly a red one.

I think the point has to be made that special arrangements, which I mentioned, do exist for other countries. But in the case of the free market countries, the sugar that is exported under the special arrangements must be subtracted from the quota the country received under the agreement, whereas Cuba does not have that requirement upon her. It is an additional arrangement which allows her additional tonnage.

I would just like to ask the gentleman, it seems very strange to me that this legislation seeks to implement the International Sugar Agreement. Where the other body has not yet ratified the document. That, in my judgment, is putting the cart before the horse. If this agreement is so essential—and I personally think the bill should be defeated for domestic reasons, and have so stated many

times—but if this International Sugar Agreement is so desirable and essential, why is it that it has been languishing in the Senate Foreign Affairs Committee for over a year and one half, and why is it that the other body has not sensed the urgency of agreeing to this measure?

Mr. FOLEY. I will be glad to answer the gentlewoman's question. It is my understanding that the Members of the other body felt it essential that we have a united program, with both international and domestic aspects.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. FRENZEL and by unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

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

Mr. FOLEY. I yield to the gentleman.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Washington, the chairman of the Agriculture Committee, has stated the case exactly. Whether the United States is in or out of the International Sugar Agreement makes no difference at all to whatever arrangements Cuba has within that agreement. So not all of our tears can scarcely erase a single line of that particular agreement.

The International Sugar Agreement is good foreign policy, it is good agricultural policy. Despite the beauty of the gentlewoman's charts and the brilliance of her rhetoric, her point is irrelevant.

□ 1450

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding. I want to concur in his remarks. I think it should be pointed out that the chart is technically correct, but for this year it is incorrect in actual production by a half million tons on the amount of sugar Cuba is allowed to export. That is because the price remained below 14.5 cents.

The countries are entitled to larger production figures. The gentlewoman has given us the largest figures allowable, but as a practical matter, Cuba is allowed to export only 2 million tons this year.

Mr. FOLEY. I thank the gentleman. I would like to point out that these quotas are subject to review in March 1980, so that all participating exporter countries can decide whether adjustments are needed in their own tonnages and in Cuba's. This, again, is done by the exporting countries alone, who are obviously those with the greatest interest in the fairness that the gentlewoman from Massachusetts is so anxious to have recognized.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. JOHNSON of Colorado and by unanimous consent, Mr.

FOLEY was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Colorado. The mechanism under the ISA allows the exporting countries to readjust their quotas. They obviously intend to do that. I would like to point out that the gentleman, when she testified before the Rules Committee on July 31, was opposed to this present bill but she testified in favor of passing the International Sugar Agreement. What has occurred between July 31 and the present time to cause her to change her mind and attack the bill on the grounds of ISA I do not know, but that was her position on July 31.

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

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, a moment ago I just pointed out that the International Sugar Agreement does in fact place limitations on the amount of sugar Cuba can export. Without the agreement, is it not the chairman's agreement that there is absolutely no limitation on the amount of sugar Cuba can export?

Mr. FOLEY. That is correct.

Mr. MOORE. Furthermore, there is absolutely nothing in this bill or in the International Sugar Agreement that gives Cuba the right to export sugar to the United States?

Mr. FOLEY. Absolutely not.

Mr. MOORE. Right now, as a matter of fact, sugar is coming into the United States from Cuba via the back door, which we think this bill will help prevent.

Mr. FOLEY. The gentleman is correct.

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

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank the chairman of the committee.

I never did hear the chairman's answer with regard to the gentlewoman's question with regard to the extent of other countries that have special arrangements. Is not the amount that they ship out under these special arrangements deducted by the quota authorized them under the International Sugar Agreement?

Mr. FOLEY. To the best of my knowledge while the special agreements were looked at for all participating countries in setting export tonnages and are recognized by the ISA, they are in no case charged against any country's ISA export tonnage. The purpose of the ISA is only to stabilize prices on the free market, which is the market from which the United States and a number of other consuming nations buy their sugar.

Mr. KELLY. But the gentleman is not able to answer that directly?

Mr. FOLEY. I answer it, to the best of my knowledge the answer is "No."

Mr. KELLY. Then, does the size of these special arrangements with respect to any producing country in the world approach anything like the 4.4 million metric tons that is afforded Cuba?

Mr. FOLEY. Individually and in terms of overall tonnage, the answer is "No."

Cuba is the largest sugar exporter in the world.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. KELLY and by unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. In terms of special arrangement exports as a percentage of their total exports, however, the answer is yes.

Mr. KELLY. Will the gentleman yield for a further question?

Mr. FOLEY. Certainly.

Mr. KELLY. I understand that Russia is the largest producer of sugar in the world, and Cuba is the largest producer of cane sugar. Am I correct?

Mr. FOLEY. The gentleman is correct. What I said is that Cuba is the largest exporter of sugar, either cane or beet, in the world.

Mr. KELLY. I did not intend to dispute that, but I just wanted to put in that additional fact.

The situation is that Russia also is not an exporter, yet it has an export quota under the ISA arrangement. Is that true?

Mr. FOLEY. The Soviet Union has an extremely small export quota, yes. In addition, these exports go to Soviet bloc countries.

Mr. KELLY. So, although they do not have enough sugar, what they are going to be able to do is bring the Cuban sugar in the back door, send Russian sugar out the front door, still have what they need and be able to get hard currency from our markets. This has something to do with, when they hang us, they will use a rope sold by the free enterprise system.

Mr. FOLEY. I do not agree at all with either the gentleman's judgment on Russian intentions or what will occur. For example, the Soviet Union is usually the largest wheat producer in the world; yet, it is also one of the largest importers of wheat. It is a very large country, and very often they are not able to meet their own demands.

Mr. KELLY. Importing Cuban sugar will enable them to do that. In other words, the quotas are supposed to limit the growth of sugar, the quantity of sugar in the world market in order to avoid a complete collapse of prices, and by simply using this device Cuba can grow more.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. FOLEY. These countries have limited themselves in terms of both overall and individual exports as a means of collective effort at maintaining a price stability in a range from 11 to 21 cents.

Without the International Sugar Agreement, there is nothing to stop the Soviet Union from exporting all the sugar it wants to, then to increase its sugar imports from Cuba and dump it all over the world. There is no restriction on their activities.

Every country that signed the ISA has

undertaken, as the gentleman from Louisiana has pointed out again and again, certain obligations, certain responsibilities, and restrictions. In the absence of an agreement they would be totally free of such restraints. So, I cannot imagine how it is anything but an advantage to responsible international sugar marketing that all countries support the International Sugar Agreement.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield again?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. While we are dealing in this minutia, the Soviet Union is entitled to 500,000 tons of export, which is small compared to the 17.5 million tons traded in the free market.

The CHAIRMAN. There appearing to be no amendments to title I, the Clerk will designate title II.

Title II reads as follows:

#### TITLE II—IMPORT RESTRICTIONS ON SUGAR

##### SEC. 201. DEFINITIONS.

For purposes of this title—

(1) The term "assured return" means—  
(A) for the 1979 sugar supply year, 16.3 cents per pound, raw value; and

(B) for each sugar supply year beginning after September 30, 1979, the price objective for such sugar supply year plus .50 cents per pound, raw value.

(2) The term "average daily price for United States raw sugar imports" means the average of the daily market prices (excluding any special import duty imposed under this title) for sugar in pounds, raw value, as determined by the Secretary.

(3) The term "price objective" means the price set forth in, or determined under, section 202(a).

(4) The term "quantitative restriction" means the total quantity of any sugar or sugar-containing product produced in all foreign countries, territories, or areas that may be entered, without regard to source, in any sugar supply year or supply year quarter.

(5) The term "raw value" has the same meaning as is given to such term in headnote 1 to subpart A of part 10 of schedule 1 of the TSUS.

(6) The term "sugar" means any sugar, sirup, and molasses provided for in items 155.20 and 155.30 of the TSUS. The term "raw sugar" means sugar to be further refined or improved in quality. The term "refined sugar" means sugar not to be further refined or improved in quality.

(7) The term "sugar supply year" means the 12-month period beginning on October 1 of each calendar year with each such year being designated by the year in which the beginning date occurs, except that (other than as used in sections 202(a) (3) and (4)) the 1978 sugar supply year shall begin July 1, 1979, and end September 30, 1979.

(8) The term "supply year quarter" means any of the 3-month periods beginning on October 1, January 1, April 1, or July 1 of any sugar supply year.

##### SEC. 202. PRICE OBJECTIVES AND PAYMENTS TO ACHIEVE ASSURED RETURN.

(a) PRICE OBJECTIVES.—(1) The price objective for the 1978 sugar supply year is 15 cents per pound, raw value.

(2) The price objective for the 1979 sugar supply year is 15.8 cents per pound, raw value.

(3) The price objective for each sugar supply year beginning after September 30, 1980 (hereinafter in this paragraph referred to as the "computation year") is the price objec-

tive for the sugar supply year that immediately precedes the computation year adjusted (but not to a price that is more than 107 percent of the price objective of such immediately preceding sugar supply year) to reflect the percent change between the average farm cost of production for—

(A) the 2 sugar supply years immediately preceding the computation year, and

(B) the 2 sugar supply years immediately preceding the sugar supply year that immediately precedes the computation year.

(4) For purposes of paragraph (3), the average farm cost of production for each sugar supply year shall be determined by the Secretary on the basis of such information as the Secretary finds to be necessary or appropriate for the purposes, and shall be limited to the—

(A) variable cost,

(B) machinery ownership cost, and

(C) general farm overhead cost,

allocated to the crop involved on the basis of the proportion of the value of the total production derived from such crop.

(b) PAYMENTS.—(1) If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments (subject to the limitations set forth in this subsection) solely to domestic producers of sugarcane and sugar beets at the rate per pound, raw value (but not more than .50 cents per pound, raw value), equal to the amount by which the assured return for such year exceeds the greater of—

(A) the average daily price for United States raw sugar imports during such year; or

(B) the price objective for such year.

(2) Notwithstanding any other provision of this Act, the total amount which any person engaged in the production of sugarcane or sugar beets shall be entitled to receive as a result of payments made under this section shall not exceed \$50,000. The term "payments" shall not include loans or purchases. The term "person" as used in this paragraph shall have the same meaning as provided in regulations issued by the Secretary under section 101 of the Food and Agriculture Act of 1977, except as the Secretary may determine necessary to assure a fair and reasonable application of the limitation to persons engaged in the production of sugarcane and sugar beets.

(3) (A) This subsection shall take effect October 1, 1979. The Secretary shall make payments authorized under this subsection through the Commodity Credit Corporation.

(B) During sugar supply years 1978 through 1981, the Secretary may not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) or any other provision of law (other than this subsection) that authorizes payments by the Secretary to achieve price support levels for such commodities.

(c) TIME OF PRICE OBJECTIVE AND ASSURED RETURN DETERMINATIONS.—The Secretary shall determine the price objective under subsection (a), and the assured return, for each sugar supply year occurring after September 30, 1980, not later than July 31 of the year in which such sugar supply year begins and on the basis of the best information available at the time. The Secretary shall immediately announce each such determination and promptly thereafter publish it in the Federal Register, but may not thereafter adjust any such determination.

(d) AVERAGE DAILY PRICES.—(1) The Secretary shall determine on a continuing basis the average daily price for United States raw sugar imports and shall monitor the prices of sugar and sugar-containing products in the import trade of the United States.

(2) The Secretary shall publish the determinations made under paragraph (1) in the Federal Register on such periodic basis as he deems appropriate.

#### SEC. 203. SPECIAL IMPORT DUTIES.

(a) ON SUGAR.—(1) There is imposed on raw sugar entered during any supply year quarter a special import duty that shall be in the amount by which the average daily price for United States raw sugar imports during the 20 consecutive market days immediately preceding the 15th day of the month before the first month of such supply year quarter is less than the price objective that applies for such quarter. There is imposed on refined sugar entered during any supply year quarter such special import duty as the Secretary determines necessary to assure that the price objective for the year shall be achieved.

(2) The Secretary shall undertake a continuing review of the effects of the special import duties imposed under paragraph (1). The amount of such duty on raw sugar in effect for any supply year quarter shall be—

(A) decreased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(i) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter; and

(ii) the amount of such duty exceeds the price objective for that quarter by more than .50 cents; and

(B) increased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(i) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter; and

(ii) the amount of such duty is less than the price objective for that quarter by more than .50 cents.

The special import duty on refined sugar shall be adjusted at the time changes are made in the special import duty for raw sugar in such amount as necessary to assure that the price objective for the year is achieved.

(3) Notwithstanding the foregoing provisions of this section, if at any time during the sugar supply year the Secretary determines that the special import duties provided for under paragraphs (1) and (2) will not assure that the price objective will be achieved on the average during the supply year, the Secretary shall determine the amount of such adjustments in the special import duties as are necessary to achieve such result. The Secretary may provide for such adjustments in the special import duties determined for the 1978 sugar supply year as the Secretary determines necessary to provide an orderly transition to the program for the 1979 sugar supply year.

(4) (A) The Secretary shall determine and announce the amount of the special import duty imposed under paragraph (1) for each supply year quarter, and shall certify such amount to the President, before the close of the 11th day before the first day of that supply year quarter: *Provided*, That if the date of enactment of this Act is after June 15, 1979, the Secretary shall announce and certify any special import duty for the supply year quarter commencing on July 1, 1979, 5 days after the date of enactment of this Act to be effective on the date as provided in section 204.

(B) The Secretary shall announce any special import duty adjustment required to be made under paragraph (2), and shall certify such adjustment to the President, before the close of the 3d market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(C) The Secretary shall announce any special import duty adjustment required to be made under paragraph (3), and shall certify such adjustment to the President before the close of the 3d market day after determining its amount.

(5) This subsection shall apply with respect to the supply year quarter that begins July 1, 1979, and to each supply year quarter thereafter.

(b) ON SUGAR-CONTAINING PRODUCTS.—(1) The President may—

(A) after receiving a recommendation from the Secretary under paragraph (2), and subject to subsection (c), impose a special import duty on the sugar content of such sugar-containing products and in such amounts, as the President considers to be necessary to assure that the price objective for such sugar supply year will be achieved; and

(B) after receiving a recommendation from the Secretary under paragraph (3), make such adjustments with respect to any special import duty imposed under subparagraph (A) that the President considers necessary to achieve the price objective for the sugar supply year concerned.

(2) If at any time during any sugar supply year after September 30, 1979, the Secretary considers that the imposition of a special import duty on the sugar content of any sugar-containing product is necessary to assure that the average daily price for United States raw sugar imports will result in the price objective for such sugar supply year being achieved, the Secretary shall recommend to the President that the President impose such special import duties under paragraph (1)(A) on the entry of such sugar-containing products as the Secretary deems appropriate.

(3) The Secretary shall review, on a supply year quarter basis, the effect of all special import duties imposed under paragraph (1)(A). On the basis of such review, the Secretary may recommend to the President such adjustments with respect to the amount of any such duty, or with respect to sugar-containing products to which any such duty should be extended or removed, as the Secretary determines to be necessary to achieve the price objective for the sugar supply year concerned.

(4) Each recommendation made by the Secretary to the President under this subsection shall be promptly published by the Secretary in the Federal Register.

(c) SPECIAL RULES FOR SUGAR-CONTAINING PRODUCTS.—If the President has reason to believe that the sugar-containing product, to which any recommendation made by the Secretary under subsection (b)(2) applies, will adversely affect, or is adversely affecting, the achievement of the price objective during the sugar supply year concerned, the President may not impose any special import duty under subsection (b)(1)(A) on the sugar content of such product before—

(1) requesting the United States International Trade Commission to undertake an investigation to determine whether, and to what extent, the entry of such product is adversely affecting the achievement of the price objective; and

(2) taking into consideration the results of such investigation;

except that, if the Secretary in any recommendation made under subsection (b)(2) also advises the President that a condition exists with respect to the sugar-containing product concerned that requires emergency treatment, the President may immediately impose a special import duty under subsection (b)(1)(A) pending the receipt and consideration by him of the results of the investigation requested under paragraph (1). The United States International Trade Commission shall submit to the President a report on any investigation requested by him

under this subsection within 60 days after the date of such request.

**SEC. 204. PROCLAIMING OF SPECIAL IMPORT DUTIES.**

(a) **AUTHORITY.**—The President shall proclaim, under the authority of the headnotes to subpart A of part 10 of schedule 1 of the TSUS, the special import duties, and the adjustments thereto, that are required to be imposed, or that may be imposed at his discretion, under section 203.

(b) **SPECIAL PROVISIONS RELATING TO PROCLAMATIONS.**—(1) The special import duty certified to the President under section 203 (a) (1) shall be proclaimed by the President not later than the 5th day before the first day of the supply year quarter in which such duty applies: Provided, That if the date of enactment of this Act is after June 15, 1979, the President shall proclaim any special import duty certified under section 203(a) (1) for the supply year quarter commencing on July 1, 1979, not later than the 5th market day after the date of enactment of this Act to be effective on the date of proclamation or July 1, 1979, whichever is later.

(2) Any special import duty adjustment certified to the President under section 203 (a) (2) shall be proclaimed by the President not later than the close of the 5th market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(3) Any special import duty adjustment certified to the President under section 203 (a) (3) shall be proclaimed by the President not later than the close of the 5th market day after the adjustment determination is made by the Secretary.

**SEC. 205. QUANTITATIVE RESTRICTIONS ON IMPORTED SUGAR AND SUGAR-CONTAINING PRODUCTS.**

(a) **IMPOSITION.**—At the end of the first 6 months of each sugar supply year beginning with the 1979 sugar supply year, the Secretary shall determine whether the price objective for that year will be achieved on an average basis by the special import duties in effect during that year and publish such determination in the Federal Register, together with a statement of factors which entered into the determination. If the Secretary determines that the price objective for that year will not be achieved on an average basis by the special import duties in effect during that year, the Secretary shall certify to the President such quantitative restrictions on the total amount of sugar and sugar-containing products which may be entered during the balance of that sugar supply year as the Secretary determines to be necessary to achieve, in conjunction with the special import duties imposed during the supply year concerned, the price objective for the year on an average basis. Any quantitative restrictions certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the determination of the Secretary.

(b) **REVIEW.**—If any quantitative restrictions are in effect under this section, the Secretary shall review, from time to time, the effect of such restrictions and shall certify to the President such adjustments in the restrictions as the Secretary determines are required to achieve the relevant annual market price objective. The President shall proclaim the adjustments in quantitative restrictions as certified by the Secretary, not later than the close of the 5th market day after the determination of the Secretary, with a statement of the factors which entered into such determination.

(c) **GLOBAL RESTRICTION.**—Any quantitative restriction imposed under subsection (a) shall be administered as a global quantitative restriction imposed in terms of raw values.

**SEC. 206. PROHIBITED ACTS.**

(a) **CERTAIN IMPORTS AND EXPORTS.**—No person may—

(1) bring or import into the Virgin Islands in any sugar supply year for consumption in such islands, any sugar in excess of 100 pounds if such sugar was produced from sugarcane or sugar beets grown outside the United States; or

(2) export to any foreign country any sugar entered under any quantitative restriction imposed under section 205.

(b) **CIVIL PENALTY.**—Any person who knowingly violates, knowingly attempts to violate, or knowingly participates or aids in the violation of subsection (a) shall forfeit to the United States the sum equal to three times the market value of the time of the commission of any such act, of that quantity of sugar involved in the violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

**SEC. 207. EXEMPT ARTICLES OF SUGAR.**

(a) **DESCRIPTION OF ARTICLES.**—This title does not apply with respect to any sugar or sugar-containing product—

(1) of any aggregate value not exceeding \$25 in any one shipment, if entered as samples for the taking of orders, for the personal use of the importer, or for research;

(2) entered for the production of alcohol other than any alcohol or resulting byproduct for human food consumption;

(3) entered for the production of yeast, citric acid, or monosodium glutamate; or

(4) any sugar entered for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar as a sweetener in human food consumption.

(b) **RULES AND REGULATIONS.**—The Secretary of the Treasury shall issue such rules and regulations as may be appropriate to implement this section.

**SEC. 208. CERTAIN EXPORTATIONS OF SUGAR.**

Sugar entered under a bond, established under rules promulgated by the Secretary of the Treasury, for the purpose of subsequently exporting an equivalent quantity of sugar as such, or in manufactured articles, shall not be considered to be sugar entering the United States for purposes of section 205. Sugar exported under the provisions of sections 309 and 313 of the Tariff Act of 1930 (19 U.S.C. 1309 and 1313) shall be considered to be an exportation within the meaning of this section.

**SEC. 209. SUSPENSION OF TITLE.**

If the President finds that a national economic or other emergency exists with respect to sugar, the President may by proclamation suspend the operation of this title, and headnote 2(b) to subpart A of part 10 of schedule 1 of the TSUS to the extent that it applies with respect to this title, until such time as the President finds and proclaims that such emergency no longer exists. The Secretary shall make such investigations, and prepare such reports, as the President may require for purposes of carrying out this section.

**SEC. 210. REGULATIONS.**

The Secretary shall issue such rules and regulations as he determines to be appropriate to carry out his functions and duties under this title. The knowing violation of any rule or regulation issued by the Secretary under this section upon conviction is punishable by a fine of not more than \$1,000 for each such violation.

**SEC. 211. AMENDMENTS TO TSUS.**

The headnotes to subpart A of part 10 of schedule 1 of the TSUS are amended—

(1) by amending headnote 1 to read as follows:

"1. For the purposes of this subpart—  
“(1) the term ‘degree’, as used in the

‘Rates of Duty’ columns of this subpart, means sugar degree as determined by polariscopic test;

“(11) the term ‘total sugars’ means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugars, sirups, and molasses; and

“(111) the term ‘raw value’ means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by polariscopes as determined in accordance with regulations issued by the Secretary of the Treasury. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

“(A) For sugar described in item 155.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

“(B) For sugar described in item 155.30, by multiplying the number of pounds of the total sugars thereof by 1.07.

“(C) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provisions.”

(2) by amending headnote 2 by inserting “(a)” immediately after “2.”, and by adding at the end thereof the following:

“(b) In addition to the authority of the President under section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) to proclaim modifications of the rates of duty and quotas on imports of sugars, sirups, and molasses provided for in items 155.20 and 155.30, the President shall, for purposes of carrying out, and subject to, title II of the International Sugar Stabilization Act of 1979, proclaim special import duties on—  
“(i) imports of any such sugars, sirups, and molasses; and  
“(ii) the content of any such sugars, sirups, and molasses in imported products containing such sugars, sirups, and molasses.

Any special import duty proclaimed under this subdivision on the entry of any article is deemed to have given due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, shall be in addition to any other duty imposed by law on such entry and may not be made the subject of any preferential concession under any law or international obligation of the United States.”; and

(3) by amending headnote 3 by striking out “For purposes of this headnote,” and all that follows thereafter.

**SEC. 212. TERMINATION OF AUTHORITY UNDER TITLE.**

No special import duty or quantitative restriction may be imposed, and no direct payment may be made, under this title with respect to any sugar supply year after the 1981 sugar supply year.

**AMENDMENTS OFFERED BY MR. VANIK**

Mr. VANIK. Mr. Chairman, on behalf of the Ways and Means Committee, I offer technical amendments.

The Clerk read as follows:

Amendments offered by Mr. VANIK: Page 37, line 18, strike out “occurs,” and all that follows thereafter down through line 21 and insert “occurs.”

Page 38, strike out lines 4, 5, and 6 and insert the following:  
the 1979 sugar supply year is 15.8 cents per pound, raw value.

Page 38, line 7, strike out “(3)” and insert “(2)”.

Page 38, line 20, strike out "(4)" and insert "(3)".

Page 43, line 1, strike out "The Secretary" and all that follows thereafter down through line 5.

Page 44, line 2, strike out "July 1, 1979," and insert "October 1, 1979."

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

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

There was no objection.

Mr. VANIK. Mr. Chairman, basically, the first bloc of amendments simply makes changes in printing style and phraseology, which we believe will help make the title a little easier to administer.

The second bloc of amendments is one which was successfully offered by the gentleman from Minnesota (Mr. FRENZEL) in the committee and which dropped references to the 1978 sugar supply year. Since this sugar supply year terminated at the end of September, it is obviously not a factor in this legislation, and the deletion of references to it simply eliminates some obsolete language. Other technical amendments included in this package provide that if the bill is enacted after the start of a new sugar supply year quarter—that is after October 1—which is now the case—then the various duty levels, and so forth, will be effective 5 days after enactment.

I urge adoption of this package of technical amendments.

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

Mr. VANIK. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, we have examined these technical amendments on this side. As far as the Committee on Agriculture is concerned, we have no objection to the amendments.

Mr. VANIK. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, we have no objection to the technical amendments.

Mr. VANIK. I thank the gentleman.

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

The amendments were agreed to.

Mr. McCORMACK. Mr. Chairman, I move to strike the last word.

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

Mr. McCORMACK. I will be happy to yield to the gentleman from Minnesota.

#### PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRENZEL. Mr. Chairman, is the Vanik amendment now pending?

The CHAIRMAN. The Vanik amendment has been agreed to.

□ 1500

Mr. McCORMACK. Mr. Chairman, I rise in support of H.R. 2172, the sugar bill. I would describe it as a consumer protection act. I want to congratulate the chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY) and the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN) for bringing this bill before the House.

Those Members who do not know much about the Fourth Congressional District of Washington State may wonder why I am interested in sugar or sugar legislation, but the fact is that the largest sugar refinery in the world is located near Moses Lake in the Fourth Congressional District of eastern Washington, an area which I represent. In addition to that, another large sugar refinery is located in Toppenish, Wash., in the Fourth Congressional District. The largest sugar refinery in the world is closed, Mr. Chairman. It is not operating because it cannot be operated at a profit with the present price of sugar in this country. The sugar beets for these refineries are provided by hundreds of farmers operating modest size irrigated farms in the Columbia Basin and the Yakima Valley, and the farmers who have been producing beets to make sugar for the people of the United States are now forced to turn to other crops; and the people of the United States are the losers.

Of course, I have been troubled by the fact that these sugar refineries are closed; not only because it presents an economic problem for the people of the Columbia Basin and the Yakima Valley, but also because it makes the consumers of this country vulnerable to the international sugar market. I had intended, Mr. Chairman, to offer an amendment to increase both the market price objective and the direct payment to guarantee an assured return to the farmers, to increase the market price objective of this bill from 15.8 cents a pound and the direct payment from one-half cent a pound. However, I have been persuaded not to offer my amendment. Accordingly, I take this time to emphasize to my colleagues that this legislation, setting these market price objectives, is necessary to keep our domestic sugar beet farmers in operation. Indeed, the prices in the bill may be too low already, and the allowable inflationary rate is probably too low already. So make no mistake about it, this legislation is not dealing in the abstract. The fact is that the refineries are closed in this country because we do not have a sugar program. Every single consumer in the United States, is vulnerable to the vagaries of the international sugar market because we are not producing enough of our own sugar. H.R. 2172 is a consumer protection bill which would stabilize the sugar market and the sugar economy in this country, and I urge my colleagues to support the legislation.

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

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

One point that the gentleman overlooks that it seems to me is important in this total picture is, I have just gotten some figures from the Reclamation Bureau records, and it turns out that seven western States in the last 5 years with beet growers—and this is dealing with western beet sugar producers—have received \$200 million, in this last 5-year period, of Federal support in irrigation, watering of their land to produce beet sugar. I think that this is a worthwhile and admirable thing that we are doing; however I do want to make the point that an average of \$40 million a year has been spent on water irrigation—Federal money—for beet growers, including the State of Washington.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McCORMACK was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. I thank the gentleman for his comments. I should like to point out that the irrigation programs of the West are, of course, among the best investments of any Federal dollars that we spend, and that these desert areas of the West, which were totally unproductive in the past where one generation of farmers after another broke their backs and went completely bankrupt; these irrigated farms are now among the most beautiful productive areas for healthy American families that we have in this country. They are not only producing sugar beets; they are producing corn and hay and beans and potatoes and cattle and row crops and wheat and many other crops for the benefit of the people of this country. The amount of money we have spent to irrigate these areas of the West is a pittance compared to what is being returned to the Treasury from these areas, and I can assure the gentleman that there is a tremendous benefit to the people of this country from these irrigation programs.

Mr. PEYSER. Will the gentleman yield further?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. PEYSER. I think it is important that the gentleman recognize I did not say I oppose the moneys that were being spent here because I do support them, but I think it is important that we know that the beet sugar producers have received this kind of Federal support and are receiving it, and I support it. But I think we should not let the public be under the impression that these are people who have been isolated from the Federal Government support programs, because they have not.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from New York (Mr. PEYSER) has the greatest ability to bring into debate extraneous material that is totally irrelevant. The reclamation projects in the West are

paid back by the users over a 50-year period, and the projects which the Federal Government has financed have been used for such a wide variety in addition to what the gentleman has already stated that this has nothing to do with the question of whether or not this bill should be passed.

I concur with what the gentleman said about the closing of mills. I would also like to point out that sugar mills have closed in Colorado, Idaho, Utah, and Louisiana in addition to the State of Washington.

Mr. McCORMACK. I thank the gentleman for his comments, and I agree with him. In conclusion, I should observe that the investment in the irrigation of the West is the best way we could possibly invest our money, and this legislative program for our sugar producers will benefit all consumers in this country.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 39, strike out line 15 and all that follows thereafter down through line 2 on page 40 and insert the following:

(2) (A) Notwithstanding any other provision of this Act, the total amount which any person engaged in the production of sugarcane or sugar beets shall be entitled to receive as a result of payments made under this section shall not exceed \$50,000.

(B) As used in this paragraph—

(1) The term "payments" does not include loans or purchases.

(2) The term "person" has the same meaning as provided in regulations issued by the Secretary under section 101 of the Food and Agriculture Act of 1977, except as the Secretary may determine necessary to assure a fair and reasonable application of the limitation under subparagraph (A) to persons engaged in the production of sugarcane and sugar beets.

Page 41, line 7, after "(1)" insert "(A)".

Page 41, strike out line 14 and insert the following:

(B) There is imposed on refined sugar entered during any supply

Page 41, strike out lines 18, 19, and 20 and insert the following:

(C) The Secretary shall undertake a continuing review of the effects of the special import duties imposed under this paragraph.

(2) (A) The amount of the special import duty imposed under paragraph (1) (A) on raw sugar in effect

Page 42, lines 1 and 10, strike out the semicolon and insert a comma.

Page 42, lines 3 and 12, insert a comma after "duty".

Page 42, strike out lines 15 through 18, inclusive, and insert the following:

(B) The special import duty imposed under paragraph (1) (B) on refined sugar shall be adjusted, at the time adjustments are made under subparagraph (A) to the special import duty on raw sugar, in such amount as is necessary to assure that the price objective for the year is achieved.

Page 43, line 7, strike out "duty" and insert "duties".

Page 43, line 9, strike out "amount" and insert "amounts".

Page 43, line 10, strike out ": Provided," and all that follows thereafter down through line 15 and insert "; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which this subsection applies, the Secretary shall announce and certify any special import duty for that quarter before the close of the fifth day after such date of enactment."

Page 46, lines 24 and 25, strike out "The special import duty certified to the President under section 203(a) (1)" and insert "Any special import duty under section 203(a) (1) that is certified to the President".

Page 47, line 2, strike out ": Provided," and all that follows down through line 8 and insert "; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which such section applies, the President shall proclaim any special import duty certified under such section for such quarter not later than the fifth market day after such date of enactment."

Page 47, lines 9 and 10, strike out "certified to the President under section 203(a) (2)" and insert "under section 203(a) (2) that is certified to the President".

Page 47, lines 14 and 15, strike out "certified to the President under section 203(a) (3)" and insert "under section 203(a) (3) that is certified to the President".

Page 54, line 8, insert "the" before "purposes".

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

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. VANIK. Mr. Chairman, I would like to advise my colleagues that this amendment provides for better phraseology and eliminates obsolete referrals to the 1978 sugar year which expired last September 30. I urge adoption of the amendment.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. VANIK

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. VANIK: In lieu of the matter proposed to be stricken and the new language to be inserted as offered by Mr. VANIK with respect to section 202(b), strike out line 4 on page 39 and all that follows through line 12 on page 40 and insert the following:

(b) PROHIBITION ON PAYMENTS.—During the supply years 1979 through 1981, the Secretary shall not make payments to, or on behalf of, producers and processors of sugar cane or sugar beets under section 301 of the Agriculture Act of 1949 (7 USC 1447) or any other provision of law that authorizes payments by the Secretary to achieve price support levels for such commodities.

Page 36, strike out line 11 through line 17, inclusive.

Renumber the succeeding paragraphs of section 201 accordingly.

Mr. FRENZEL. Mr. Chairman, my amendment would prohibit direct payments from being used in any way to achieve price support levels for sugar during the period of time the price support program established in H.R. 2172 is in effect.

Members of this Committee will remember that last year the House on two different occasions expressed its opposition to direct payments. As a matter of fact, when the conference report came back from the Senate, the House rejected the conference report for the principal reason that it contained a direct payment to sugar producers.

In my judgment, it will be very difficult to pass a bill again this year with a direct payment in it. Therefore, I offer this amendment to eliminate the pay-

ments, and, perhaps, to make it easier to pass the bill.

The use of direct payments would advance sugar into the growing ranks of agricultural commodities subject to every sort of government involvement. As we are all aware, the record of the Federal Government in such matters has been a dismal one, indeed.

Direct payments are a direct subsidy to the sugar industry. Many of us in this body have consistently fought such a subsidization because it protects inefficiency. It hides the cost of sugar from the consumer. It promotes a noncompetitive atmosphere in both domestic and world markets, and it causes trade and other market distortions that in the long run are detrimental to everyone concerned.

□ 1510

We have a recent example of a direct payments program for the 1977 crop year. That record was more dismal than usual and Congress was sufficiently disillusioned so that it replaced that interim program with a system of loans and purchases now in effect.

In March of this year GAO released a report on questionable payments which concluded:

The administration of the sugar price-support program has resulted in . . . questionable payments of about \$26.9 million.

Those questionable payments resulted from methods of calculating regional market prices, from payments made on ineligible sugar, and to a variety of problems in the promulgation and administration of the payment program regulations.

Especially in the cases of payments made for ineligible sugar, both administrative laxity and maneuverings by the industry to make ineligible sugar appear to be eligible contributed to the overpayments.

In addition, people who can sell their sugar at a high price under this bill can legally qualify for the full amount of the direct payment even though the total amount received by the producer is above the assured return in this bill.

Even without the direct payments, even if my amendment is successful, the bill now before us will be more generous than the bill we considered and passed last year. Even though inflation has undoubtedly caused the figures which would have been effective under that bill to rise somewhat, they would not be above the price objectives, even after the effect of my amendment as projected for H.R. 2172.

Also, unlike last year's bill, this bill continues wide range of support features. It continues the loan and purchase program with interest forgiveness in addition to the special fees, backup quotas, and direct payments. All in all, H.R. 2172 is considerably more generous than the sugar bill approved last year, not approved, incidentally, by an overwhelming margin.

As I mentioned in my general remarks last week, I further object to the use of direct payments because they destroy what few normal market forces remain when a price-support program is established for a commodity like sugar. Direct payments are not reflected in the

marketplace, they are hidden in the tax system. As a consequence, consumers lose an important pressure point on prices: The ability to decide when the price of sugar is too high and when to go to competitive forms and substitutes.

Since 1974 sugar substitutes have become more and more competitive. Direct payments, however, tend to equalize the price of sugar and sugar substitutes, with the consumers paying, through their taxes, for the artificially improved competitive position of raw sugar.

Direct payments are an ineffective and market-distorting method of supporting the price of sugar or of any commodity. We should not include it in this legislation. I urge my colleagues to support my amendment.

Mr. Chairman, I would conclude by saying there would be some who would like to get the bill passed who will want to vote against this amendment. In my judgment, that is likely to be a mistake because if this amendment is not adopted I think there is a fair chance that the bill itself will fail.

My amendment is supported by a wide range of consumer groups and unions, unusual bedfellows for me, but whose support is gratefully accepted.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ALBOSTA and by unanimous consent, Mr. FRENZEL was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. I yield to the gentleman from Michigan.

Mr. ALBOSTA. Mr. Chairman, I would like to ask the gentleman if he thinks the American farmer is going to produce sugar, continue to produce it without an incentive program or the incentive part of this bill.

Mr. FRENZEL. In my judgment, the direct payment is the principal offending element of this bill. Without direct payments, there are other supports for the farmer which I think he needs.

I would remind the gentleman I voted for this bill in subcommittee, I voted for it in committee, I would like to see a sugar program. I think all sugar programs are distorted, but we have to have one. I agree that the gentleman's constituents need some protection. I do not agree they need direct payments.

I yield to the gentleman.

Mr. ALBOSTA. If the farmer does not get that protection and he does not grow the sugar beets or does not grow the sugar cane, then the factories cannot operate. Would that not be so? The incentive program is put into this bill to encourage the farmer to stay in the sugar business in the interim period of the next 3, 4, or 5 years until the Philippine Islands, Brazil, all the other countries that are world exporters are into the alcohol business and using their own sugar at which time there will be a depletion in the amount of sugar that will be distributed around the world. Certainly that is going to bring the price up. If we do not do something to keep them in business now, how are you going to get them back in business then?

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution but I

must say I have told the gentleman before I do not object to protection. I do object to direct payments, particularly when they are laid upon another range of protective devices which ought to be satisfactory or, if they are not, they should be increased. It is the direct payment to which I object, not the support which the gentleman seeks to have for his producers.

I yield to the gentleman from Michigan.

Mr. ALBOSTA. I want to go on record and say I am in favor of these direct payments simply because I believe we have a perishable commodity in sugar beets. We cannot store them as beets as such, you have to process them into sugar, and that it would be in the best interests of the consumer and the country to have them there to continue the sugar production.

Mr. PEYSER. Mr. Chairman, I make a point of order a quorum is not present.

The CHAIRMAN. The gentleman from New York is advised that his point of order is not in order at this time.

Mr. MOORE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I urge my colleagues to vote down the Frenzel amendment as we did in the Subcommittee on Trade and the full Committee on Ways and Means. If we are against direct payments on a philosophical basis, as evidently the gentleman from Minnesota who offered this amendment is, that is a good philosophical point, but this is not the time to debate it. We are talking about whether or not the sugar industry is to remain a viable agricultural industry in this country. We have direct payments now in the 1977 general farm bill for almost every commodity you can name. We should debate the philosophical merits and demerits of payments when all the farm programs are up for consideration in 1981, not now concerning only one.

The interesting thing is, with the exception of corn, the amount of the direct payment, the total amount that comes from the Treasury and the rate of the direct payment is higher for every one of those other commodities than what we propose here for sugar. We are talking about only up to a half-cent-a-pound direct payment that might cost the Treasury somewhere between \$40 million and \$50 million a year. For such commodities as wheat you are talking about a much higher direct payment of eighty-seven hundredths of a cent instead of a half cent and \$617 million a year. All others are higher than sugar as well.

Mr. Chairman, the philosophical argument is one we really should not consider at this point. The sugar industry cannot basically stay in business without this half-cent direct payment. The farmers do not want it. They did not come in here and ask for it. What they asked for was a 16.3-cent-per-pound price support as we are proposing in this bill, one-half cent of which turns out to be a direct payment. They did not want the half-cent direct payment. They wanted it all to come out of the marketplace. The administration imposed that upon us by telling us that, if the direct payment is not in the bill, they would

veto a 16.3-cent price support. The farmers had no choice and we do not now.

Now, Mr. Chairman, it is unfair to take out this half-cent payment and give the sugar farmers less price support than they need to stay in business. Without the Frenzel amendment, I point out that sugar has less price support as a percent of parity of any commodity that gets any kind of price support or any kind of protection today in our law.

At 16.3 cents per pound which includes the half-cent direct payment, that amounts to 53.5 percent of parity, the lowest for any commodity. Milk is the highest with 80 percent and the rest range somewhere in between. If we accept the Frenzel amendment and we reduce this amount of price support to American sugar from 16.3 cents—take away the half cent—down to 15.8-cents per pound, you are then at 51.8 percent of parity. Almost 2 full percentage points below what is anticipated in the bill and 4 full percentage points below what we give for the lowest other commodity, rice, and there is no reason for that. The sugar industry is in trouble, the sugar industry needs help. In Louisiana, the 16.3-cents a pound will not keep anyone but the most efficient in business, as our cost of production runs somewhere between 17.5 and 18 cents a pound.

□ 1520

It is just simply not fair to take away this price support on this commodity at this time when we give it for so many other commodities in a greater amount and at a greater rate.

Now, one last thing of interest about price supports and direct payments. The fact is that the other commodities that we give direct price support payments from the Treasury do not do anything to put money in the Treasury. In this case, this bill, by virtue of duties and tariffs on foreign imported sugar will raise a minimum of about \$217 million a year, four times the amount that will be paid out of the Treasury in terms of price support for sugar.

Now, all the other commodities are getting price support. They are getting it in a higher amount, at a higher rate and a higher charge to the Treasury and they contribute nothing to the Treasury.

In this bill, sugar is producing more money than it pays out and getting less back in terms of price support than any commodity on the books.

Sugar deserves this. Sugar is going to go out of business without it.

While I respect the arguments of my colleague, the gentleman from Minnesota, this is no time for a philosophical argument. We are talking about the realities of staying in business and being at least on a subpar support basis with the other agricultural commodities.

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

Mr. MOORE. I certainly yield to my colleague, the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman for his efforts in the Committee on Ways and Means in bringing this legislation to the floor.

I particularly want to underscore one of the points that the gentleman makes and that is that the sugar farmers and producers did not want this payment, this half-cent payment. What they really wanted, of course, years ago, was a continuation of the Sugar Act which had given us price stability for many, many years. What they want today is to control the flow of imported sugar, so that we can achieve a decent price. The half-cent payment was a concession, in effect, to the administration in order to get the bill through.

I can tell you that the producers in my district definitely did not want that particular approach, but we must have it. The amendment, of course, must be defeated.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. MOORE) has expired.

(At the request of Mr. FRENZEL, and by unanimous consent, Mr. MOORE was allowed to proceed for 2 additional minutes.)

Mr. MOORE. Mr. Chairman, I thank the gentleman for securing this time for me and I do intend to yield to the gentleman.

I first want to thank my colleague, the gentleman from Louisiana (Mr. TREEN) for his comments. There has been no one in the Congress who has fought longer and harder and been in this battle more times than the gentleman has and the gentleman's support for sugar is something I think that is well noted in the CONGRESSIONAL RECORD of this body.

I would also point out one additional factor that is in this bill and that is there is built in it the highest minimum wage in Federal law, something that is not there for any other agricultural commodity. Nobody is complaining about that. We want to see people who work in the sugarcane fields to be well paid or better paid than other industries, if at all possible; but it is awfully cruel to take sugarcane farmers that are losing money and take away the half-cent direct payment which this amendment does, but leaves in the bill these labor provisions which nobody else in the country is saddled with, but we have saddled sugar production with. That is something else that ought to be noted in the debate on this amendment.

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

Mr. MOORE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

I myself yield to no one in my affection and admiration of the two gentlemen from Louisiana. However, the gentleman in the well indicated that this program was going to pay for itself on fees. Is it not true that those fees are added to the cost of sugar and, in fact, paid for by the consumers who buy the sugar?

Mr. MOORE. Yes, it is, and I submit that that is where the price support ought to be paid, as opposed to from the Treasury. Any price support, I think, ought to be paid for by the users of that commodity.

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield further, I agree with the gentleman. Price support ought to be paid by users, not by general taxpayers. But the money does not come from foreigners or from God. It comes out of the pockets of consumers. I just wanted to set that straight in the record.

Mr. MOORE. As any duty or any tariff does, that is correct.

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

Mr. TREEN. Mr. Chairman, will the gentleman yield further?

Mr. MOORE. I yield to my colleague from Louisiana.

Mr. TREEN. Of course, it will be paid for by the consumer. All costs are paid for by the consumer; but if we want to protect the consumers of this country against spiraling high prices, we will see to it that we keep at least a domestic production that will provide us with 50 percent of our needs, and that is what this bill is all about.

Mr. NOLAN. Mr. Chairman, I move to strike the requisite number of words.

I want to rise in opposition to the Frenzel amendment. As the gentleman from Minnesota (Mr. FRENZEL) knows, we have a cooperative of some 300 sugar beet producers in our own State of Minnesota that has been teetering between bankruptcy and survival for almost 3 years now because of the severely depressed sugar prices. This kind of support is going to be vital if they are going to have an opportunity to survive.

Now, for those who are not familiar with this issue and watching the debate in their offices on television, it should be known that this payment program represents a substantial change in the payment program: In the past there was absolutely no payment limitations. Under this payment program, there is a \$50,000 payment limitation and also a stipulation that the payments go directly to the producers.

Under the old programs, payments used to go to some of the largest corporations in America, large sugar corporations, in amounts of tens of millions of dollars.

Under this program the way it is written by the committee, those big corporations will be subject to the same \$50,000 payment limitation as one of the family farm sugar beet producers out in Minnesota. Of course, they do not like that. That is one of the reasons why those large corporations would like to see the Frenzel amendment passed, because this is an attempt to give aid directly to the smaller family farmers, without at the same time giving huge windfalls to the very, very large corporations.

While I have the floor, I want also to make it clear so that everybody understands that the domestic sugar industry is in very, very serious trouble and without the kind of support that is contained in this bill, more and more sugar beet producers are going to go out of sugar beet production and that means more and more of their processing plants and cooperatives are going to go out of business. We will then become more and more dependent upon imported sugar, which, yes, at this point in time is very,

very cheap; but I ask everyone in this Chamber, particularly my liberal colleagues whom I have worked with on so many projects here over the years to recognize that sugar coming into this country from the Third World is cheap for a very, very specific reason. It is paid for out of the hunger and the malnutrition and the starvation of the people in those countries. The sugar that is grown in the developing world is more often than not owned by very wealthy families or government corporations or a combination of the two. They take the most valuable and productive land in those countries, and instead of growing fresh fruits and vegetables and grains and cereals to feed the starving and the hungry masses in those countries, they are growing sugar to export to the United States. If we want sugar in this country, that is fine; but we ought to have the decency and the good sense to be willing to pay for it ourselves and not ask little children and hungry, starving people around the world to pay for it. That is the least that we can do.

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

Mr. NOLAN. Yes, I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the sugar industry and the processors that are teetering on the edge of bankruptcy are in Minnesota, as I understood the gentleman; and if that then be the case, was it not the same gentleman that added the labor provision that is going to add to the cost of operation and production in terms of millions of dollars that will be passed on to the consumer that are also suffering, and if the industry was in such bad shape why would we run up the cost of production, as a part of trying to save the industry?

Mr. NOLAN. Mr. Chairman, the gentleman raises a good question. The fact is that the plants are already in bankruptcy or are nearing bankruptcy or have already gone out of business because of bankruptcy, not just in Minnesota, but in the far West, the far South, the Southwest, the Southeast, and all over the country.

I point out Minnesota only because it is probably one of the most modern and most efficient plants, one of the newest plants anywhere in the world. The plant is owned and supported by some of the most efficient producers anywhere in the world and they are having trouble surviving because they cannot compete with countries that produce sugar while paying their people \$1 and \$2 a day to produce that sugar.

Yes, I was an author and a sponsor and a worker on that committee for the highest wage and the best labor provisions that we could possibly get; but you know what, it does not hurt the Minnesota producers one bit. Do you know why? Because they have a tradition of paying their labor decent wages and giving them good salaries and good benefits. Unfortunately, there are some sections of the country that do not have that kind of tradition; so those people suffer, and that is why we come in here and fight for good labor provisions.

□ 1530

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. NOLAN) has expired.

(On request of Mr. KELLY, and by unanimous consent, Mr. NOLAN was allowed to proceed for 2 additional minutes.)

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

Mr. NOLAN. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I find myself in a strange agreement with the gentleman for entirely different reasons. I also hope that the Frenzel amendment is defeated.

But on the point concerning labor, on which I think the gentleman is absolutely correct, there are parts of this country where we have had slave labor. I am on the Subcommittee on Trade of the Committee on Ways and Means, and we have heard from people who work in the fields, in many instances very young people, at extremely low labor rates. There is just no question about that.

I am not really concerned about driving up the cost of labor because if driving up the cost means we are going to pay someone who works their tail off in cane fields a living wage, that should be one of the costs we have to pass on to consumers.

What I want to focus on is one of the gentleman's functional points, and that is that the price of sugar is supported by the slave labor rates paid in other countries, and that unless we have a domestic market, we will somehow be dependent upon foreign sources of sugar as we are for oil and for other strategic materials.

I want to ask the gentleman this—and the gentleman and I are close friends—and I want the gentleman to honestly tell me the answer: Under this bill, do we not really support the price and are we really paying to have an inefficient domestic sugar industry?

Not only is the world price of sugar less, but the fact is that we are dependent as a Nation on other countries for bananas and cocoa, although we do not feel that a banana cartel is growing to prevent the United States from getting bananas. There are at least 100 countries in the world that produce sugar.

Mr. Chairman, will the gentleman respond on those points?

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

Mr. NOLAN. Mr. Chairman, I will respond to the question of the gentleman from New York (Mr. DOWNEY) first.

The fact is that we are not supporting an inefficient industry. That is why I used the Minnesota example. It has some of the most modern and most efficient plants anywhere in the world. Perhaps the major difference is that they pay decent wages to their employees.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. NOLAN) has again expired.

(On request of Mr. DOWNEY, and by unanimous consent, Mr. NOLAN was allowed to proceed for 2 additional minutes.)

Mr. NOLAN. Mr. Chairman, if I may proceed, let me say that instead of pay-

ing a dollar a day for labor, in Minnesota, producers are paying in the neighborhood of \$6 an hour. So the so-called economists say that it is relatively inefficient compared to the sugar producer in other countries because they can produce it for 3 or 4 cents cheaper. But the reason why we are considered inefficient is because we are paying decent salaries to our laborers.

The other point that is raised about the foreign producers, a point that I did not raise here yet, is the fact that because foreign sugar is controlled and in the hands of such a few people and a few governments, it is very, very volatile and easily manipulated. There is nothing to guarantee anybody here in this country that if we phase out our domestic industry, as we are doing, to take advantage of this cheap sugar, that we will have an adequate sugar supply, and there is nothing to protect us against those very, very few people deciding to withhold their sugar and raise their prices to some of the unbelievable levels that they did reach immediately after we did away with the last sugar act.

So, Mr. Chairman, we could easily be looking at sugar priced at a dollar a pound.

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

Mr. NOLAN. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, my concern, I will state to my friend, the gentleman from Minnesota, is that what we are talking about here is a theory of comparative economic advantage.

It is a little tough to go in front of Minnesota farmers or cane producers in the South and say to them, "It is pretty clear to us that we are just not going to be able to compete, with certain exceptions, with other countries in international sugar prices."

This is the question we have to ask ourselves, those of us from the Northeast who are paying the prices. I will tell the gentleman that I wanted Alfred Kahn to come before the committee and talk about the inflationary aspects of this issue, but he refused to do it. He refused to do it because he knew it was inflationary.

We will just have to stand four square and confront the fact that producing as much sugar as we do in this country is no longer economically feasible without a big raid on the Treasury. We should let the marketplace dictate the price.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sure that I must not have understood, but I thought I heard the gentleman from New York say that he did not care that the American people are suffering due to inflation, and that it is all right for this Congress, in order to win favor with the workers and to buy votes, to just mandate an increase in wages.

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

Mr. KELLY. I will yield in just a moment.

Mr. Chairman, the incongruity of this is that the American people are suffer-

ing because of inflation, and this Congress should care.

Then, in addition to that, the argument is that we should try to do something to help save the jobs of the American sugar workers. Well, it seems a little strange that the American sugar workers are losing these jobs because the industry is not competitive, and so what we are going to do now is increase the cost of production at the expense of the consumer and then be treated to a suggestion by a Member of this Congress that he really does not care about the consumer—never mind the mule, just load the wagon; just heap it on the American people. I think that they have had about enough of this good stuff and would like to see an end to it.

Mr. Chairman, I would be happy to yield to the gentleman because I think this is the same gentleman I was talking about.

Mr. DOWNEY. Mr. Chairman, one would never know that from what the gentleman from Florida said.

I would just tell the gentleman that he was right the first time: he did not understand.

Mr. KELLY. Good. Well, I think the record will speak for itself. I have not seen anything to indicate that the gentleman had any concern except for labor.

It is all just labor, just up the ante on labor, adjust the cost of labor, and then we have industry after industry in the United States that is becoming noncompetitive because this Congress is taking this very kind of attitude.

So, Mr. Chairman, I say right now that there is no salvation for the United States or for its industry except for the people in the United States to be competitive in the world, and this is no time to be heaping inflation on the American people.

We have all got troubles; it is not just the workers in the cane fields, it is every American. Our basic security and our ability to compete in the world are threatened by inflation, and it is this very kind of inflationary action that is causing it—this contempt for the security and the welfare of the United States.

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

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Frenzel amendment.

Mr. Chairman, I support the amendment to strike the direct payment provision.

I oppose the half cent direct payment program, which will cost the Treasury about \$50 million per year. As the GAO notes, this type of program is hard to administer and subject to overpayments and errors. In addition, the half cent payment, on top of the price objective, is far too generous.

The assured return of 16.3 cents, which will probably be escalated about 7 percent per year, is unnecessarily high and should be reduced. No one knows for sure what the cost of producing sugar is, but we do know that estimates of the cost of producing sugar—which were generally about 15 cents last year and

must be about 16 cents this year—includes a value for land.

For example, the average cost of sugar production for the just completed 1978 crop year is considered to be 15 to 15.2 cents. According to the Agriculture Department, this estimate "implicitly assumes that everyone just recently bought their land and paid a high interest on it. \* \* \* The USDA testified:

If the acquisition cost is used in calculating cost of production, it would lower the cost of production at least a cent a pound, maybe a cent and a half.

The assured return figure is set too high. It guarantees many producers an unreasonable profit on land that in many cases has long been paid—and this charge for land severely and unnecessarily inflates the support level.

The 16.3 cent figure, which by 1981 will probably have risen to 18.6 cents, becomes a guarantee figure. For all too many producers, this figure will include some guarantee of profit, management contribution, or return to land. Yet there are no requirements in this bill that domestic producers limit production. Our other farm programs are not designed to insure or guarantee a profit regardless of production—and yet this one does.

The sugar industry is a cyclical industry. Everyone in it knows that there will be lean years, such as the last several. But there will also be years of enormous profit.

In 1974, when the world price of sugar went up to about 60 cents, the domestic producers raised their price to the same levels. The existence of a domestic industry did not provide any consumer protection—an argument which is often claimed by the proponents of this bill. And when prices rose to 60 percent producers made fantastic profits. The International Trade Commission has calculated that in Hawaii, for example, in 1973, the industry's profits were about \$42 million. In 1974, however, they skyrocketed to \$428 million. In 1975, they were still high at \$83 million. While the last 3 years have been lean years, the cycle is now turning and they will again make millions in profits on high-priced sugar. But why are they—and the rest of the efficient sugar producers around the Nation—being guaranteed a minimum—and profitable—price now, when the consumer is never given maximum price protection in years of shortages? It is a sweet one-way street for the grower. It is only fair to demand that supports be set at a lower level in recognition of the highly profitable years available to this industry.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. VANIK) has expired.

(By unanimous consent, Mr. VANIK was allowed to proceed for 2 additional minutes.)

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

Mr. VANIK. I yield to the gentleman from Michigan.

Mr. ALBOSTA. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to the gentleman that the chart

closest to him only goes to 1972, but the chart further over goes back during the period of time of the sugar program, the old sugar program. It goes back to 1948. Look at the stable sugar prices we had during that entire period of time until we removed the old sugar program in 1974. We had no program any more. That is when the prices skyrocketed because the sugar industry in this country and everyone in the world felt—the market companies felt that way also—that they could withhold sugar, and it would destroy our domestic sugar industry.

Mr. VANIK. The point still stands that in this period when sugar prices escalated the sugar bill did not help the consumer one iota.

Mr. ALBOSTA. If the gentleman will yield on that point, I would like to point out that sugar during that period of time did maintain positive, stable prices for the domestic sugar in this country, and that chart shows it.

Mr. Chairman, I brought some charts in here today that are probably the biggest charts this House has seen, at least since I have been here.

The reason that they are here is very obvious. We must look back through history to find out what happened 5 years ago when we did not have a sugar program and when the world supply of sugar dropped off.

Let us take a look at this orange line right here. That orange line shows us that in 1973 sugar supplies started to be depleted and sugar prices started climbing. If this chart was big enough to reach up, it would have to go three times higher than it is right now, because the price only goes to 22 cents a pound. That was during the period when there was a shortfall in the supply of sugar in the United States and in the rest of the world.

Who had to pay that bill? The American consumers had to pay the bill. They are the ones who had to pay the cost of having a short supply in the world, simply because we import 50 percent of the sugar that we use here domestically. It does not make any sense to lose our industry in this country, knowing that the same thing is happening right now.

Let us take a look at what is happening. In fact, I called in today to find out what the sugar market is for the No. 12 and No. 11 contracts. The No. 12 contract, which is the quoted contract used here in this country, is up over 16 cents a pound. I remind the Members that that is more than the figure that is in this bill. This bill has a 15.8-cent-a-pound price in it, and the market is already above that.

What is happening to the rest of the sugar in the world? It was at 8 cents, first it was at 7 cents, then 8 cents, and then it was 9 cents. Where is it now?

I checked on that figure just a few hours ago, and right now it is 14.32 cents a pound. That is from Merrill Lynch, and I am sure that it is quite accurate.

□ 1540

The same exact thing that happened back in 1973 is now happening again. So

for 50 percent of our sugar we are going to have to pay more money.

What happened with the price of products, those things that we use for sugar? The pop companies raised their price, the bakeries raised their price. All of them went up. How many of them came back down? Simply when this sugar went to 65 cents a pound, they had to have more money in order to put the sugar in that particular product, and so they raised the price of that product way up. I think it is very evident that it has not come down. Today you can go to buy a bottle of pop, and pay as much as 50 cents for it. It used to be 10 cents. Back in 1973 you could buy it for 10 cents, but that company had to raise that price simply because it cost more for sugar and this product went way up.

I want to talk a little bit more about what is happening in the rest of the world. I read an article just last week that the Philippine Islands intend to use sugar for the production of alcohol. I think the gentlewoman from Massachusetts pointed out in her charts that the Philippine Islands was one of the countries that was importing huge amounts of sugar in the world market. The gentlewoman was right. But what happens when they start using that product at home? What happens when you lose 10 percent of the total production in the world market of sugar? It goes up 50 or 60 percent in price. And what happens when Brazil, another big country and huge exporter of sugar, starts using all of that sugar at home? It simply means that the world supply of sugar is going to go down and we are going back to the same situation.

My question to the Members is: Should not the United States also be making alcohol out of sugar, and should we not be encouraging our sugar industry in this country to be producing more sugar and not going out of business, because it is one of the best raw products that there is for the production of alcohol?

This bill also has the production-of-alcohol clause in it that would lend money that would create a whole cycle of expenditures of \$250 million for that production.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. ALBOSTA) has expired.

(By unanimous consent, Mr. ALBOSTA was allowed to proceed for 1 additional minute.)

Mr. ALBOSTA. Mr. Chairman, just to summarize this, I think that I would want to point out to every Member that it makes just good commonsense to keep a viable domestic sugar industry in this country. If we do not do that, we are going to be in the same situation that we are in with the cartel of the OPEC countries that controls the price of our oil. The small amount of money that we are talking about in this bill would be almost nil compared to what the cost is to the consumer when that price went up to 65 cents a pound. I think it is the responsibility of the Government to do that.

□ 1550

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I would be happy to yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I appreciate the gentleman's yielding, because the figures I have show the cost of sugar on the international market in 1974, and it was very stable, from 21 cents to 23 cents, up until June when the Sugar Act failed. Following the failure of the act in June, it went to 25 cents in July; in August, 31 cents; September, 34 cents; October, 39 cents; and November, 57 cents.

The gentleman from Michigan is correct. The prices were stable up until the time that the act actually failed, and at that point the prices went up.

Mr. VANIK. The act will not save the consumer anything or protect him.

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

I think almost all of the subject matter has or will be covered, but I think that it is important that we ask ourselves where will the \$50 million go that leaves the Treasury in terms of payments directly to producers? Will it in fact go to the benefit of the consumer? The answer is no.

Seventy percent of the sugar production ends up in industrial production such as Coca-Cola, Pepsi-Cola, 7-Up, and baked goods. We do not have to kid ourselves and think there is a chance that the price of those products to the consumer will go down if the cost of sugar goes down.

We simply cannot benefit the consumer by using the direct-payment approach, be it a half cent, be it a quarter of a cent, or be it a nickel.

The best way to benefit the consumer is to maintain a stable price for sugar, to maintain a domestic industry.

It is unfortunate that the President has determined that 16.3 is what the price should be, but that he wants a half-cent payment inherent within it. I do not think that we have to abide by that judgment. I think we can let the bill go if we want the 16.3 and let the President veto if he wants to; but a Coca-Cola bill does not make any sense at this time for the benefit of the people or the President, as a matter of fact.

I would hope that we would support and pass the Frenzel amendment and then determine whatever the price, whether it should be 15.8, 16, or 16.3, as the case may be.

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

Mr. HEFTEL. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

My colleagues comes from Hawaii, which is a very strong sugar-producing State. We have discussed this bill in the past.

Would the gentleman agree basically the industrial users, the people who are using imported sugar, really do not care if this bill passes or not and probably would prefer it not pass so they could buy foreign sugar at a cheaper price and not have to worry with buying domestic sugar at a supported price at 15.8 or 16.3?

Mr. HEFTEL. I think the best thing we

can do is allow the marketplace to bring that price to maintain domestic industry.

Mr. MOORE. I am talking about the industrial users the gentleman mentioned a moment ago.

Mr. HEFTEL. If they have to pay a combination of 16.3 or 15.8, as the case may be, because of the half cent they would rather have the 15.8. If they are buying on the foreign market at a lower price, then, of course, they will prefer that; but we can control that through our own tariff system.

Mr. MOORE. I agree that they would probably like the cheaper price of foreign sugar, and they have shown an affinity for that in the past, and opposition to this bill as late as the last time they testified before one of our committees.

Mr. HEFTEL. The industrial users would be willing to let the foreign market take over if the price of sugar gave them a higher profit.

Mr. MOORE. In debate on this bill, I believe the gentleman debated in debate and made the point that the direct payment was a thing particularly onerous, or I think the gentleman's colleague from Hawaii (Mr. AKAKA) did, particularly onerous to the Hawaiian sugar industry, that the payment limitation is the problem.

Would the direct payment be acceptable to the gentleman if there was no payment limitation on it?

Mr. HEFTEL. I could not be inconsistent in good judgment and good legislation and say I am opposed to the payment with a cap but I support it without. I have to oppose it in principle with or without the cap.

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

Mr. HEFTEL. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. The gentleman is to be commended for taking that position. I want to concur completely with the gentleman's position in that, if the 16.3 cents per pound for sugar production is adequate as reasoned by the President, then the consumer ought to pay that cost and not the American taxpayers, and the perverse logic that this administration has that anything more than 15.8 cents in the way of a market price support and then subsidizes the rest by the taxpayers is ludicrous.

So I also have to rise in support of the Frenzel amendment to strike the half-cent payment. I would join my friend from Hawaii in supporting a half-cent higher price market objective to be paid for by the consumer. That is the only reasonable way to proceed with this legislation.

Mr. STOCKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if some of the Members of the House are confused on this amendment, let me suggest a simple formula to resolve their doubt.

Flip a coin on the Frenzel amendment and then vote "no" on final passage, regardless of the outcome; because the fact is this amendment involves nothing more than an intramural debate about which pocket to fleece, the tax pocket via direct payments; and the gentleman from Min-

nesota (Mr. FRENZEL), is against that, and I commend him for it; or the consumer expense pocket via higher price supports and tariff levels.

I would suggest to the House that the important matter here is that in the final analysis it really does not matter which pocket you fleece, because either way, the American economy and the consumer taxpayers will end up paying up to \$4 billion extra for sugar over the next 4 or 5 years and for absolutely no good reason.

Now, the simple, unvarnished purpose of this bill is to prevent low-cost foreign imported sugar from gaining a larger share of the U.S. market and thereby assure that every last acre, every plow, every harvesting machine and every processing plant now devoted to domestic sugar production remains profitable and competitive under the artificial protection of a high-tariff umbrella. Thus, the fundamental issue that this legislation poses to the House is very simple.

What does the American economy, or what do the great bulk of American consumers get from this billion-dollar insurance program designed to prop up the domestic sugar industry?

The answer, the only one that I can detect as I read the propaganda for this bill, is that in the spirit of the Halloween season upon us, the American consumer will get some protection from various international hobgoblins that are said to lurk in the world sugar market.

Of course, the most ferocious of these hobgoblins is an OPEC sugar cartel, something which we are told will spring up sphinx-like if the U.S. production base erodes even marginally.

The problem is that cartels can fix artificially high prices if, and only if, they can drastically curtail production or control production. The odds of that happening in the world sugar market are about of the same order as of eradicating ragweed.

Sugar is grown in 83 countries. It is exported by 47. It is produced in regions from Norway to Australia. It can be grown in practically every climate, topography and soil imaginable, and more importantly, since we are referencing the argument to OPEC, unlike the case of oil, in which it took mother nature 100 million years to lay down 60 percent of the world's reserves in a narrow strip of sand around the Persian Gulf, sugar production can be increased dramatically in a matter of 1, 2, or 3 years in dozens of regions around the world.

In response to these high prices that we have heard about in 1974 and 1975, for instance, U.S. acreage of sugar acreage alone expanded 27 percent within the course of less than two growing seasons.

□ 1600

In short, the point is a sugar cartel cannot be created because there are too many producers to begin with and artificially high prices cannot be sustained for any reasonable period of time because the production response is too elastic.

The second benefit we are supposed to get, the consumer, the American economy is supposed to get for this very high insurance premium we are being asked to pay, is protection from an unstable

market and, as we heard a moment ago, from the threat that without a sugar program prices might skyrocket through the ceiling and reach 60 cents a pound again or even \$1 a pound.

I think the point here is very simple. Beware of price fixers bearing gifts of market stability and consumer protection. As a matter of fact, I would suggest we amend that old story about the three greatest lies to include: First, "My check is in the mail"; second, "This will only hurt a second"; and third, "My plan will protect you from high prices."

The fact is all price fixing, all market rigging schemes are designed to stabilize the price, of course. Even Mr. Yamani says he is ravaging our economy today to spare us from an even worse fate tomorrow.

But these price fixing, stabilizing schemes are not designed to minimize costs to consumers. They are not designed to maximize production efficiency.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. STOCKMAN was allowed to proceed for 4 additional minutes.)

Mr. STOCKMAN. No, they are designed to protect market shares, profits, and lessen competitive discipline in the industry involved.

Let me refer to this 60-cent price we had in 1975 and we have been warned will happen again if we do not have a sugar program. The main thing to say about that is that it lasted for a grand total of 5 weeks, and that is the honest to goodness fact.

In the entire last decade the world price of sugar exceeded 60 cents a pound for the grand total of 35 days. As a matter of fact, during the entire last decade the price of world sugar exceeded 30 cents a pound for only 7 months.

The point I am trying to make here very simply is yes, you had a very short period of instability in the market when the futures price was bid up, when Congress refused to extend the old program, but the underlying fundamentals of the industry and the world market are such that there is endemic excess production capacity or potential for sugar production in the world and that is going to hold the sugar price in the future much closer to the 12 or 15 cents per pound level that it is at today than the 16 to 20 cents provided for in this bill, and most certainly than the horror stories of 60 cents or \$1 per pound sugar that is being warned about by its backers.

I want to talk about the third consumer benefit that we are supposed to get from this bill; namely, protection of our economy and our consumers from the stupidity of foreign producers who insist on dumping sugar on our market below the cost of production. Since dumping is a form of income transfer of what we call foreign aid, I am wondering just who the countries are, what foreign principalities really engage in this over a sustained period of time. The fact is there has not been any evidence presented to show that.

We keep hearing about how the price in France or Denmark or Japan is 40 or 50 cents a pound but those are net

importers, not exporters. The reason the price is so high internally is they support their domestic industry at that very high level. If we want to talk about dumping we have to look at the net exporters, the Philippines, Brazil, Mexico, South Africa. Their internal prices are the same as the world price. They sell both on the spot market and long-term contract market. The long-term contracts, for the most part, except for the convention, are tied to the future price and spot market price of sugar. The fact is there is a workable world sugar market out there that is not subject to the influence of all these hobgoblins we hear about.

What we have before us is a proposal that merely is aimed at a few thousand marginal producers, a very small slice of American agriculture, that do not want to have to adjust or move acreage into some other productive endeavor.

I would just remind the committee in the last 4 years, and this is an astounding figure, but in the last 4 years we have seen an expansion of the production of sunflowers from 400,000 acres to 4 million acres which came out of something that was being produced there before that was not as profitable. That expansion in 4 years is twice all of the acreage we have in sugar in the entire country.

So what the choice here today really is is not between pro-producer or anti-consumer, the choice really is find a progressive economic policy that recognizes that our resources are our acreage, our capital, our labor has to shift as market conditions change, or a reactionary policy that is going to freeze in every acre, every investment in labor and capital that we have in the economy today, and drive up barriers to foreign imports in order to allegedly help the national economy and the consumers.

Mr. MOORE. Will the gentleman yield?

Mr. STOCKMAN. I will be happy to yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman from Michigan for yielding. He makes a very eloquent argument and I have great respect for the position he takes and his argument.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. MOORE and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. MOORE. If the gentleman will yield further, although the argument is tailored toward sugar, would not the gentleman make the same argument toward any price support program for agricultural commodities he is making now?

Mr. STOCKMAN. Yes; and I have in the past.

Mr. MOORE. And would it not also be fair to say that essentially the gentleman sees no redeeming quality, assuming the debate has been accurate, that sugar farmers cannot exist at the 10- or 11-cent world price in the United States, assuming they cannot produce for that, the gentleman sees no redeem-

ing quality in maintaining them in business when we can, in fact, buy that sugar from a foreign market at 10 or 11 cents?

Mr. STOCKMAN. I think we should buy it at the lowest cost, whether domestic or foreign. The fact is the world market is now up to 15 cents. I think there is a substantial part of our industry that can produce and compete and make a profit over the cycle at that level. But we do have some in very high cost production areas or regions who cannot. But the fact is we have a constant process of adjustment, of acreage and of crops and of investment in our economy, and we have to encourage that, we cannot freeze in every acre that is planted to sugar today. If we did that, we would not have half the prosperity, efficiency, or level of wealth in our agricultural economy we have today.

Mr. MOORE. I understand that, but my question is, for those who cannot compete, at that point the gentleman sees no redeeming quality, economically speaking, in maintaining them in production by virtue of a price support program such as this?

Mr. STOCKMAN. I think it is a disservice to them and obviously a disservice to the entire economy.

Let me just add one point. I would say to the gentleman I grew up in a county that planted strawberries from hedgerow to hedgerow 20 years ago and if you go back there today you cannot find a strawberry sundae. But that does not mean our area is an economic wasteland. We are growing grapes and soybeans and lots of other crops, and the farmers are better off today than they ever were growing strawberries 20 years ago.

Mr. MOORE. Will the gentleman yield further?

Mr. STOCKMAN. I yield to the gentleman.

Mr. MOORE. I think the gentleman has been very honest and I think his economic arguments are always based on solid economic theory as far as he understands it, and facts, but I think the point ought to be made, and I think he just answered the question very honestly: First, he is against farm programs; and second, he sees no redeeming grace in saving the American sugar industry.

I think we ought to realize that is implicit in the gentleman's argument.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. DOWNEY and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

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

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. DOWNEY. The gentleman realizes we do not always agree on issues. But I want to congratulate the gentleman on one of the most succinct and carefully argued presentations that I have had the privilege to hear on this floor. The gentleman is right, it is not pleasant to hear because it rubs politically the wrong way, both in his party and my party; but the fact is that there is a world market, and the sooner we recognize it and let the

marketplace come to bear, the better off we will be as taxpayers and also as consumers. I thank the gentleman for a fine statement.

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

Mr. STOCKMAN. I am happy to yield.

Mr. KELLY. I want to commend the gentleman for a very fine statement and presentation, and I want to ask him is it not also a truth that the ability of American agriculture to produce sweeteners from corn is a very important factor in the equation that was not mentioned by the gentleman; that the American consumer can continue on a lot better now than he could a few years ago if sugar supplies are reduced because of the advances that have been made in the corn sweetener industry?

Mr. STOCKMAN. I think the gentleman is precisely right. I do not think we have to worry about a dollar per pound or 60 cents per pound sugar.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. FRENZEL and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. Will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman.

Mr. FRENZEL. I would say to the gentleman he has been discoursing on the proposition for over 10 minutes. I wonder if he has flipped his coin yet.

Mr. STOCKMAN. I am going to support the gentleman's amendment.

Mr. FRENZEL. I thank the gentleman.

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

Mr. STOCKMAN. I am happy to yield.

Mr. MOFFETT. Mr. Chairman, I would like to associate myself with the gentleman's remarks and say that we have worked together a great deal on energy problems. There is some analogy and the gentleman brought in the cartel argument and I think devastated that argument, which should be done.

I am not nearly as concerned about high sugar prices as I am high oil prices, but I think we are both concerned about inflation, and I have heard an awful lot today from Members who are sincerely interested in seeing the sugar bill passed, that, yet, it will be inflationary, but only for a little while.

All of us do have our inflationary votes. There is not a Member in the House that does not cast a vote that is inflationary from time to time, but for those who have voted for oil price decontrol and who will vote for the sugar bill, and so on and so forth, it is a big dose of inflation that we simply cannot turn away from.

□ 1610

I congratulate the gentleman for his opposition to the bill and join him in that effort. I regret not being able to be with some of my friends who are for the bill.

Mr. STOCKMAN. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to join in

congratulating the gentleman from Michigan on a very eloquent statement, but I think, as Mr. MOORE of Louisiana pointed out, the gentleman from Michigan believes that there should be no farm price support programs of any kind. His attack on the sugar program is no different than the attack he would make on corn or wheat or milk or any other product.

I find it interesting that some of my friends who are now congratulating him, accept his very succinct and classic economic theory that the Government should not interfere in any respect in any economic matters to protect jobs or protect industries or protect commodities. The gentleman believes the free market ought to make these determinations, and in the long run I think the gentleman believes that actually jobs that are lost here or there or elsewhere, in the infinite wisdom of the marketplace, will be picked up and replaced later. It is a classic and honorable and objective—within its framework—but I would not hesitate a moment to point out to some of my friends who do not seem to approve of Government intervention in sugar, that they found such Government intervention not a difficult shoe to wear—if I may make a pun—when it comes to their own regions of the country.

It is also surprising to me that some of the people here who are nodding in approval are, in fact, very much concerned with a particular segment of the sugar industry, the refining of imported sugar. For let us be honest about it, the cane refiners are one of the major opponents of this legislation. What they appear to overlook, however, is that if we carry the gentleman's thoughts and philosophy to their logical conclusion and put them into practice, we should not have any protection against the importation of unlimited quantities of refined sugar either. If our object here it to let the market work its will and to pursue the cheapest sources of sugar for our consumers, why stop at merely abandoning our domestic sugar growers, those who work in the fields, and in the processing of U.S.-produced sugar in favor of their foreign competitors? Why make a point of going to countries who pay their workers slave-labor wages in search of cut-rate raw sugar only to turn around and pay U.S. wages for refining it? Why not just bring in cheap refined sugar from abroad and kill off the thousands of workers who refine foreign sugar while we are about it?

This question of payments, which the gentleman diverted us from with his interesting approach to foreign trade interests, is something I would like to return to. We have in the bill provision for a payment of up to one-half cent per pound to make up the difference between the price objective and the assured return of 16.3 cents a pound. Is that an unreasonable payment? Well, in the first place, as Mr. Moore and others have pointed out, we have used the same approach in farm bill after farm bill to provide some income security to farmers without demanding that it all come from the marketplace.

One can argue endlessly as to whether

it is better to have a 16.3-cent price objective or a 15.8-cent price objective with a half-cent payment. I for one would be perfectly happy to have the entire 16.3 cents or higher from the market because I believe that it is both reasonable and justified. Yet, in the interest of limiting consumer impact, the bill provides for a market price objective of 15.8 cents. Last year, it was the Department of Agriculture's best guess, based on outdated information, that it cost on average at least 15.2 cents a pound to produce sugar in the United States. During the intervening year, moreover, production costs have escalated by 11 to 14 percent or better. Unless one wants to join with the gentleman from Michigan in wiping out that industry, one cannot help but acknowledge that we must have some kind of price support for sugar that at least begins to approach the true cost of production.

The gentleman from Ohio (Mr. VANIK) suggests that that figure is inflated because it deals with land at current values. As a matter of fact, it deals with land on the basis of cash rents, share rents, and current values figuring capitalization of that land at a 7-percent interest rate. Obviously we have a 7-percent interest rate today. We all know just how inflationary and inflated that 7-percent figure is. If we were to even begin to approach the current rate, the actual cost of production figures would be much higher.

Second, the Department's estimate of production costs treats machinery in terms of depreciation or acquisition value rather than replacement costs. Thus, in point of fact, the formula used to compute the cost of production is too low. If we were to take 15.2 cents and adjust it by the real rate of inflation over the past year, we would certainly get a figure substantially above 16.3 cents as the average cost of producing a pound of sugar in this country; and, thus, this payment is well justified. If anything, it is inadequate. Yet, it is what the administration will support and, for that very reason, what we strongly urge here today.

Although one can come out on either side of the issue of payments as a concept, I do not believe that anyone can justly oppose this particular provision on the grounds that it is excessive. Furthermore, as has already been stated, payments to any one grower can neither exceed one-half cent per pound nor a total of \$50,000; and the total cost of this provision for all growers will not exceed \$50 million.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. We are estimating revenues from duties and fees to be somewhere between \$250 and \$500 million a year in the period from 1980 to 1983. Consequently, it is a question of whether the revenues are to be 5 or 10 times the amount of the total payments. I know that I need not remind any of my colleagues that it is very seldom that the Government has any program that returns 5 to 10 percent more to the Treasury than it pays out, let alone 5 to 10 times more.

I hope that Members who have some doubts about this bill will take another fact into consideration; that is, sugar operations are dying around the country. In Washington, Colorado, Louisiana, and many other States' sugar plants in impressive numbers have already closed or are in the process of closing. They are not doing this for demonstration purposes to focus attention on what they want, but because they cannot afford to process sugar at the current rates.

It has been suggested by the gentleman from Michigan that those who want to see this bill passed would have us believe in the imaginary threat of some sugar OPEC. Nothing in my remarks has suggested any such thing. Editorials such as the New York Times' recent offering have made the assertion, which I cannot fault, that sugar will always be available to us. Unfortunately, what they blithely fail to address is at what price. I am convinced that prices will be substantially higher.

If the United States, which now imports one-third of all the world's sugar available for free trade, is forced through the loss of substantial domestic production into even greater dependence on the already small world market, the result is inevitable. We will see sugar prices increase faster and soar higher than they otherwise would in times of normal to short supply because the restriction of the market will occur earlier.

In talking about consumer costs, it must be remembered that in just 1 year, 1974-75, consumers paid billions of additional dollars for the sugar they use. While prices were not long in the 60-cent range, but, rather, at 50 cents, 40 cents, or lower for much of the time, the average price of sugar in that 1-year period was nevertheless 30 cents per pound. That is a price variation between 1973-74 and 1974-75 of 20 cents per pound. Moreover, the 30-cent average price for 1974-75 is about twice what we are asking in this bill. H.R. 2172 would have to operate for 15 years, or until crop year 1993-94, to reach a price objective that is 20 cents above present levels.

It is maintained by some that, in essence, what we are dealing with here is a consumer issue. Interestingly enough, however, the facts do not appear to bear this out. The landed price of sugar in this country is now about 13 cents a pound, exclusive of duties or fees. Additionally, headnote duties take this price to around 16 cents. Under the circumstances and in line with the administration's current commitment to support the price of raw sugar at 15 cents, all import fees have been dropped. Furthermore, there are indications that with or without this bill, the price will be supported at 15.8 cents a pound. As a consequence, there is no evidence that the passage of H.R. 2172 will add so much as one-tenth of a cent to the cost of sugar in the United States over and above what the existing program and prevailing market conditions provide.

Finally, as sugar prices move up, and there is every indication that they will, we will probably see a situation in which

not even the payments are made because under the provisions of the bill, as prices climb above 15.8 cents, payments are reduced accordingly.

□ 1620

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding. I do not want to prolong the debate; I think we have been on this subject for quite some time now. But I would like to endorse what the chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), has said. The cost of production in most places runs a little bit higher than 17 cents, and the 16.3 cent assured return in this bill is inadequate at best. Those who have heard the testimony from around the country know that is the case. Twenty-five percent of our domestic processing capacity has been dismantled in the last few years. About that much of production has been dismantled and gone to other areas. If this half-cent payment is stricken, we are just adding the coup de grace to a dying industry as it is.

I thank the gentleman for yielding, and I hope his position prevails.

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

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. I appreciate the gentleman's yielding. I would simply add that maybe the gentleman from Michigan is correct that maybe there will never be an OPEC in sugar. I can think back 15 or 16 years ago there were some 15 or 16 oil countries operating in those countries. Nobody ever thought we would have the situation we have today. We had American companies operating there, and we felt secure. Now we know that is not the case and we are paying the price every day for that mistake. We are learning in the Trade Subcommittee of the Committee on Ways and Means there is now a Bogata group forming a cartel of coffee producers trying to jack up their prices. We are trying to deal with that now.

In 1975 the OPEC oil companies tried to form an OPEC in sugar and failed. I hope that they continue to fail, as the gentleman from Michigan assures us they will. But somehow or other, I am not just so sure we are not going to enter into an era of no cartels in the future, when we see them coming.

Mr. FOLEY. It is very difficult to predict what might happen in commodities in the future. We do not need to presume an OPEC in sugar to justify this legislation.

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

Mr. FOLEY. I yield to the gentleman from Michigan.

Mr. STOCKMAN. I thank the gentleman for yielding. I appreciate the difficult task the gentleman has juggling all of these commodity groups trying to be fair about everything. I certainly commend him, because we could get some far greater excesses than we have. But the gentleman stated there is not going to be even a half-cent increase in the domestic price if this program is not adopted. Why is there, then, this frenetic effort to adopt it if it is not going to lead to any different outcome in terms of the market price in terms of this country?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOLEY. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington (Mr. FOLEY)?

Mr. FRENZEL. Reserving the right to object, Mr. Chairman, I shall not object, but I did simply want to observe that we seem to be getting down near the end, and I hope the debate will not go on forever.

I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington (Mr. FOLEY)?

There was no objection.

Mr. FOLEY. I share the gentleman's concern. The reason why the bill is important is that it provides for the implementation of the International Sugar Agreement, for special labor rates, guarantees and protections, and for additional mechanisms to maintain prices in the event we have another crisis which causes world sugar prices to drop drastically. Passage of this bill, through the signals it gives the domestic industry and through participation in the ISA, would help to limit the increases expected in world sugar prices over the next 2 to 3 years. The latter is something I think the gentleman would favor.

Mr. PEYSER. I move to strike the requisite number of words, Mr. Chairman.

Mr. Chairman, I will try to stay within the scope of the gentleman's amendment. There are many other things I would like to say on the sugar bill. Many of them have been said by Members on both sides. We are faced with a very unusual situation with the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) at this time. My friend, the gentleman from Michigan, indicated it was a flip of the coin and then vote against the sugar bill at the end of the whole debate. While I certainly support voting against the sugar bill at the end of the debate regardless of what happens, we are faced with a situation where many of us obviously say that anything that cuts away this kind of really wasteful expenditures for the sugar producer of today, such as this half-cent-per-pound payment, certainly ought to be out of this bill.

On the other hand, if we make that step and say it is going to go, we just made a very substantial improvement in this bill. It is a concern of many of us that if we do this, some who were sitting on the fence might say, we have knocked the half-cent a pound out; therefore let us pass the bill. It is for this reason I am going to oppose my friend, the gentleman from Minnesota (Mr. FRENZEL), on this particular vote and vote against his amendment in the hope that many other Members who have the same concern will also vote against this amendment. I gathered, as I listened to the chairman of the committee and the ranking minority Member talk, that they are both going to vote against this amendment also, perhaps for different reasons than I would approach it, but, nevertheless, they are going to vote against it, as are many other Members. I think it is essential because of the claims that sugar growers need this to survive that I quote from an excerpt from a speech by a gentleman, Mr. Gravelles, who is the President of the American Sugar Cane League, on September 28, 1979:

We have had some loss of acreage in Louisiana. Some of it has been lost to other crops, but some has been to commercial and industrial development. However, I think that we can survive whether we have legislation or not. I think we proved that by staying in business for the past five years.

Regardless of what President Carter, or the Congress of the United States does, I know that these people in Louisiana have the fortitude and the determination to stay in the Louisiana sugar business. Louisiana sugar is going to stay here for a long, long time.

I think he is absolutely correct. We have been listening to the threats for years about how everybody was going to collapse and the sugar business was going to fold.

I also want to remind the Members that a large majority of the sugar is handled—and this is not only in the refining but in the ownership of land—by companies like the U.S. Sugar Corp., Holly Sugar, Great Western Sugar, Spreckles Sugar, Florida Cane, Gulf & Western, Sterling, Alexander & Baldwin, AM-FAC, Castle & Cook, I.U. International, Dole, Michigan, and many other corporate entities who are today making money in the sugar business, and they own or lease sugar land as well as refine. Why should we enhance this gift of a half a cent a pound? We probably should not. Why should we have the sugar bill? We should not have the sugar bill.

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

Mr. PEYSER. I yield to the gentleman from Massachusetts.

Mrs. HECKLER. I thank the gentleman for yielding. I would just like to state to my distinguished colleague that not only do I thoroughly agree with his opinion on the bill and with his strategy on the amendment, but I think there are inherent deficiencies in the bill. The question is whether this bill is going to be a burden to the consumer as well as to the taxpayer. In any case, I think we are going to see the price of sugar increase. It is a total misnomer to say that this is

a sugar stabilization act. I personally feel if we in this House make any improvement in sweetening the pot for the other body and the legislation is then passed, then we will see a really astronomical sugar bill returned to us in the form of a conference report. Consequently, for that reason and because the amendment might improve the bill and make it more acceptable to the other body, I believe that the gentleman's strategy is the correct one.

Mr. PEYSER. I thank the gentleman.

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

Mr. PEYSER. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding. Regardless of the gentleman's motive, I appreciate his indication of a vote on this amendment. I simply take issue with him on the comment that this bill will help the corporate farms. If I understand the gentleman's argument, the corporate farms do not need the bill; they are making money now. It is the noncorporate farms who need this bill. Seventy-five percent of the sugar is produced by noncorporate farms, and that is why we are trying to help.

Mr. PEYSER. The largest producers and owners of sugar land and of productive sugar land are the corporate farmers today. One of the things I would like to mention to the gentleman is that one of the major sugar corporations today has entered into leasing arrangements with individual farmers, so we have the individual farm that may have 400 or 500 acres that is under contract to the sugar corporations, and we are one way or the other supporting the corporate producer with this kind of legislation, and I do not think it is necessary.

Mr. MOORE. Will the gentleman yield further?

Mr. PEYSER. I yield to the gentleman from Louisiana.

Mr. MOORE. According to the USDA, I have to differ with the gentleman's comments. Seventy-five percent of the sugar produced by tonnage is produced by noncorporate farms. We can go down any State the gentleman would like. We have the figures for each and every State. The biggest corporate producers are Gulf & Western, which has 20 percent of Florida, and U.S. Sugar, which has 30 percent of Florida, and the rest are all independents.

Mr. PEYSER. Mr. Chairman, I trust we will defeat the Frenzel amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) to the amendment offered by the gentleman from Ohio (Mr. VANIK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic de-

vice, and there were—ayes 200, noes 212, answered "present" 1, not voting 20, as follows:

[Roll No. 590]

AYES—200

Addabbo	Fisher	Mazzoli
Akaka	Fithian	Michel
Ambro	Florio	Mikulski
Applegate	Ford, Mich.	Miller, Calif.
Archer	Forsythe	Miller, Ohio
Ashbrook	Fowler	Mitchell, Md.
Aspin	Frenzel	Moffett
Atkinson	Gaydos	Moorhead,
Barnard	Gephardt	Calif.
Barnes	Gibbons	Mottl
Bauman	Gilman	Myers, Ind.
Beard, R.I.	Gingrich	Nedzi
Bedell	Ginn	Nowak
Benjamin	Glickman	O'Brien
Bennett	Goldwater	Oakar
Bethune	Goodling	Ottinger
Bingham	Gore	Patterson
Boner	Gradison	Paul
Bouquard	Grassley	Pease
Brademas	Green	Petri
Brinkley	Grisham	Quayle
Brodhead	Guyer	Rallsback
Broomfield	Hagedorn	Ratchford
Brown, Ohio	Hamilton	Regula
Broyhill	Hammer-	Reuss
Buchanan	schmidt	Ritter
Burton, John	Harris	Roe
Burton, Phillip	Harsha	Rosenthal
Byron	Hefner	Roth
Campbell	Heftel	Royer
Carney	Hillis	Runnels
Carter	Hinson	Russo
Clay	Hollenbeck	Santini
Clinger	Holt	Selberling
Collins, Ill.	Holtzman	Sensenbrenner
Collins, Tex.	Hopkins	Sharp
Conable	Horton	Smith, Iowa
Conyers	Hughes	Snowe
Corcoran	Ichord	Snyder
Cotter	Jacobs	Solarz
Coughlin	Jeffords	Solomon
Courter	Jeffries	Stack
Crane, Daniel	Kastenmeier	Stanton
Crane, Phillip	Kelly	Stark
D'Amours	Kemp	Stockman
Daniel, R. W.	Kindness	Stokes
Dannemeyer	Kostmayer	Stratton
Davis, S.C.	LaFalce	Synar
Deckard	Lagomarsino	Tauke
Dellums	Leach, Iowa	Thompson
Derwinski	Lee	Tribble
Devine	Lehman	Udall
Dixon	Leland	Vanik
Dornan	Lent	Walgren
Duncan, Tenn.	Long, Md.	Walker
Early	Lujan	Waxman
Edgar	Luken	Weaver
Edwards, Ala.	Lungren	Wilson, C. H.
Edwards, Okla.	McClory	Wolff
Emery	McCloskey	Wyatt
Erlenborn	McDonald	Wydler
Evans, Del.	McEwen	Wyllie
Evans, Ind.	McHugh	Yates
Fascell	McKinney	Young, Fla.
Fenwick	Madigan	Young, Mo.
Ferraro	Maguire	Zefaretti
Findley	Marks	
Fish	Mattox	

NOES—212

Abdnor	Boggs	Davis, Mich.
Albosta	Boland	de la Garza
Alexander	Bolling	Derrick
Anderson,	Bonior	Dickinson
Calif.	Bowen	Dicks
Andrews, N.C.	Breaux	Dingell
Andrews,	Brooks	Dodd
N. Dak.	Brown, Calif.	Donnelly
Annunzio	Burlison	Dougherty
Anthony	Butler	Downey
Ashley	Carr	Drinan
AuCoin	Cavanaugh	Eckhardt
Badham	Chappell	Edwards, Calif.
Bafalis	Cheney	English
Bailey	Chisholm	Erdahl
Baldus	Coelho	Ertel
Beard, Tenn.	Coleman	Evans, Ga.
Beilenson	Conte	Fary
Bereuter	Corman	Fazio
Bevill	Daniel, Dan	Flippo
Blaggi	Danielson	Foley
Blanchard	Daschle	Ford, Tenn.

Fountain	Marlenee	Satterfield
Frost	Marriott	Sawyer
Fuqua	Mathis	Schroeder
Garcia	Matsui	Sebelius
Giaino	Mavroules	Shannon
Gonzalez	Mica	Shelby
Gramm	Mineta	Shumway
Gray	Minish	Shuster
Guarini	Mitchell, N.Y.	Simon
Gudger	Moakley	Skelton
Hall, Ohio	Mollohan	Slack
Hall, Tex.	Montgomery	Smith, Nebr.
Hance	Moore	Spellman
Hanley	Moorhead, Pa.	Spence
Hansen	Murphy, Ill.	Stangeland
Harkin	Murphy, N.Y.	Steed
Hawkins	Murphy, Pa.	Stenholm
Heckler	Murtha	Stewart
Hightower	Myers, Pa.	Studds
Holland	Natcher	Stump
Howard	Neal	Swift
Hubbard	Nelson	Symms
Huckaby	Nichols	Taylor
Hutto	Nolan	Thomas
Ireland	Oberstar	Traxler
Jennette	Obey	Treen
Johnson, Calif.	Panetta	Ullman
Johnson, Colo.	Pashayan	Van Deerlin
Jones, N.C.	Patten	Vander Jagt
Jones, Okla.	Pepper	Vento
Jones, Tenn.	Perkins	Volkmer
Kazen	Peyster	Wampler
Kildee	Pickle	Watkins
Kogovsek	Preyer	Weiss
Kramer	Price	White
Latta	Pritchard	Whitehurst
Leath, Tex.	Pursell	Whitley
Lederer	Quillen	Whittaker
Levitas	Rangel	Whitten
Lewis	Richmond	Williams, Mont.
Livingston	Rinaldo	Wilson, Bob
Lloyd	Roberts	Wilson, Tex.
Loeffler	Robinson	Wirth
Long, La.	Rodino	Wolpe
Lott	Rose	Wright
Lowry	Rostenkowski	Yatron
McCormack	Rousselot	Young, Alaska
McDade	Roybal	Zablocki
McKay	Rudd	
Markey	Sabo	

## ANSWERED "PRESENT"—1

St Germain

## NOT VOTING—20

Anderson, Ill.	Flood	Rhodes
Bonker	Hyde	Scheuer
Burgener	Jenkins	Schulze
Clausen	Leach, La.	Staggers
Cleveland	Lundine	Williams, Ohio
Diggs	Martin	Winn
Duncan, Oreg.	Rahall	

□ 1640

Ms. MIKULSKI, Messrs. OTTINGER, NEDZI, WEAVER, WAXMAN, CONYERS, RUSSO, WALGREN, AND BUCHANAN changed their votes from "no" to "aye"

Messrs. SAWYER, LATTA, OTTINGER, AND RICHMOND changed their votes from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1650

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. VANIK

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

Mr. FRENZEL. Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

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

There was no objection.

The amendment to the amendment reads as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. VANIK: In addition to the matter proposed to be inserted with respect to 202(b), on page 39 strike out lines 4 through 14, inclusive, and insert the following:

(b) PAYMENTS.—(1) If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments under, but subject to the limitations set forth in, this subsection solely to domestic producers of sugarcane and sugar beets. Payment under this subsection to any such producer shall be made only at the rate per pound, raw value (but not more than 0.50 cents per pound, raw value) that is equal to the amount by which the assured return for the sugar supply year exceeds the greater of—

(A) the average related processor price for such year; or

(B) the price objective for such year.

For purposes of applying this paragraph with respect to any producer of sugarcane or sugar beets for any sugar supply year, the term "average related processor price" means the average price, as determined by the Secretary, in pounds, raw value, that is paid for all sugarcane or sugar beets that are purchased during such year by the commercial processors to whom such producer sells sugarcane or sugar beets during such year. No producer of sugarcane or sugar beets is eligible for payment under this subsection for any sugar supply year during which the average price in pounds, raw value, received by such producer for his crop is equal to, or more than, the assured return for such year.

Mr. FRENZEL. Mr. Chairman, the previous amendment has been defeated, and the committee has preferred to retain direct payments as a part of the remedy for achieving an assured return in sugar. I am offering this amendment, which will prevent payments from being made above the assured return level.

In other words, this amendment that I have offered would limit the amount of the direct payment so that the sum of the direct payment and the actual selling price of sugar does not exceed the support level, that is, the assured return.

Mr. Chairman, under the 1977 payment program, many payments were made above the support level. The sponsors of this bill have told us that it is not their intention to provide any more than the assured rate of return. This amendment would provide that they could not, through the direct payment, pay more than the assured rate of return, and I believe that is the intention of this bill.

The bill's language provides that when the average daily price of sugar equals the assured return, no payments will be made, and implicit in that language is the intention of the price support program to support the price of sugar up to the specified level. However, administrative practice under the 1977 interim program dictates that payments above the assured rate of return can and will be made under the provisions of this bill.

In 1977, 38 of the 77 participants in the payments program received payments above the support price. Those payments amounted to nearly \$21 million. In the case of 10 of these firms the

sugar was sold at a price higher than the support level, and yet the direct payments were made anyway.

Mr. Chairman, I have only 5 minutes to make my speech. The members of the committee have 5 minutes to listen, but apparently they have finished their job long before I have.

Mr. Chairman, I am trying to describe the 1977 experience in which payments were made over the support level to 38 of the 77 participants. In addition to money derived from the firms' marketing efforts at what was the support level or higher, 10 of these firms received \$3.6 million in additional Federal payments which they really did not need under the program. The payments above the support level are some kind of a reward paid out of the Treasury by the taxpayers to producers for doing only what they should be doing out of self-interest and sound policy. I believe that any amount of money involved that is received by the growers above the assured return should be the result of marketing initiatives and not the result of a payment by the Government.

The General Accounting Office recommended this kind of an amendment in its report of 1979. It said, and I quote: "Payments should be limited such that the sum of the Government payment and the selling price received in any particular period does not exceed the support level."

Mr. Chairman, that is all this amendment tries to do. I would hope that it would be supported enthusiastically. However, it failed in committee because the Department of Agriculture said it was inconvenient, it somehow places an administrative burden on the Department; and they felt obliged to give away the taxpayers' money, even though the support level had already been achieved. I would hope the House would help to straighten out both the bill and the Department of Agriculture.

Mr. Chairman, to sum up, I think my amendment simply does what the authors of the bill intended. As nearly as I can figure, the only opposition to it is by the Department on administrative grounds.

I think we ought to have a little more respect for the taxpayers, and I would hope that the Members would support the amendment, which would prevent payments resulting in a total return to the producers above the assured price.

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

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

Mr. FINDLEY. Mr. Chairman, I must say to my good friend, the gentleman from Minnesota, that I have not the slightest idea of the effect of his amendment. The noise in the Chamber has been such that none of us could really hear the gentleman.

Could the gentleman give us in a succinct sentence the effect of the amendment?

Mr. FRENZEL. Yes. Mr. Chairman, in previous sugar programs, particularly in

1977, there has been a situation where we had an assured price, the producer sold at that price, and the producer still got a direct payment on top of it. This amendment would say that the combination of the price that he got and the direct payment will never exceed the assured price; that is, if he sells his sugar in the marketplace at the assured price, then he will not get the direct payment.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

(On request of Mr. FINDLEY, and by unanimous consent, Mr. FRENZEL was allowed to proceed for 1 additional minute.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

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

Mr. FINDLEY. Mr. Chairman, I am impressed with the gentleman's amendment. It seems to me to be a very sensible idea.

Can the gentleman state whether the administration has had a look at the amendment. Is it administratively feasible?

Mr. FRENZEL. Mr. Chairman, in the committee the Department of Agriculture said that they would have great difficulty with it, and that is the reason the committee rejected the amendment.

I have tried to give the Department of Agriculture as much flexibility as anybody, except perhaps in relation to what the Chrysler Corp. would need, and if the Department of Agriculture cannot administer my amendment, perhaps we need a new Agriculture Department.

□ 1700

The Agriculture Department still objects to my amendment on administrative grounds. I believe that their objections are unfounded. I would hope that the gentleman would not be influenced by it.

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

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

Mr. FINDLEY. Mr. Chairman, I support the gentleman's amendment, notwithstanding the testimony of the Agriculture Department and, surely, they can find a way to see to it that undeserving companies do not benefit from the system.

Mr. FRENZEL. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the difficulty that this amendment presents is one that I know is compounded by the fact that it is extraordinarily technical.

Without disrespect to the distinguished gentleman who offered it, I would suggest that it is an elaborate cure for a relatively minor problem, which will create so many administrative, supervisory, and bureaucratic reporting requirements that the costs of Government enforcement alone will be far beyond any conceivable monetary benefit to be gained. Rather than saving the taxpayers money, it would add greatly to the costs of the program. In addition, because of technical problems

in the sugar market, it may actually lead to higher direct payments than would otherwise occur.

Every farm program payment, be it for wheat, corn, rice, cotton, or whatever, is based upon average market prices rather than requiring a determination of what each individual producer actually sold his product for. It has worked out well in the existing farm programs.

Far from simplifying or correcting the problems of the earlier sugar payments program put into place by the administration, as the gentleman suggests, it would in all likelihood have quite the opposite effect.

A number of producers are also sugar processors. These processor/producers will be eligible to receive payments under the act on their own production. Adoption of this amendment may invite and/or encourage collusion and fraud between sellers and buyers of sugar. Under the current language of H.R. 2172, a payment would be made to all producers equal to the difference between the assured return and the average market price for raw sugar. If this amendment were to be adopted, there could be a strong disincentive to individual processor/producers to obtain a high market price on their entire production, inasmuch as the processor would know that even if he sells for a lower price the payment would help make him whole.

Adoption of this amendment would require the Department to establish an extensive reporting system in order to obtain the average related processor price. Although payments under the Department's interim 1977 crop payment program were based on the average price received by all processors nationwide as opposed to the average related processor price, considerable difficulties were experienced in developing and utilizing such data. For example, conversion of the price received for refined beet sugar to a raw sugar price equivalent is quite nebulous and controversial. It would be much simpler to use the New York quoted price for raw sugar as the basis for all payments made under this act. To base payments on the average related processor price would require another needless and burdensome report to be filled out and mailed to Washington. It would increase the Department's administrative costs greatly.

Further, adoption of this amendment would not be in the best interest of the Government. The domestic market price quoted by the New York Coffee and Sugar Exchange is believed to be a reliable indication of the price of both foreign and domestic raw sugar. The price for domestic raw sugar is rarely, if ever, higher than the New York price. In many cases, the New York price is discounted to domestic processors for stevedoring or other allowances. Therefore, in all likelihood, the payment rate to producers would be higher if payments are based on the average related processor price. The system currently contained in section 202(b) will surely reduce Treasury outlays associated with the proposed sugar program.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I concur in what the gentleman says, and I would just like to add that you are imposing a tremendous burden on the average producer. The average farmer would have to go through a reporting process that I do not think any Member would want. This is a mischievous amendment and it should be defeated.

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

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I would also point out that this amendment was offered and defeated in the Subcommittee on Trade, and at that time the U.S. Department of Agriculture testified that it would be an administrative nightmare, they did not know how in the world they would handle this and, as the gentleman said, they have handled every other commodity the way we do sugar in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) to the amendment offered by the gentleman from Ohio (Mr. VANIK).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 18, noes 62.

So the amendment to the amendment was rejected.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Vanik amendment, it should be noted, is a technical amendment on which there is no objection, and at least speaking for this side, we hope that it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title II? If not, the Clerk will designate title III.

Title III reads as follows:

#### TITLE III—FARM LABOR PROVISIONS

##### SEC. 301. WAGE STANDARDS.

(a) IN GENERAL.—Every producer of sugar beets and sugarcane for sugar shall pay to each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane wages as follows:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

(A) In all areas, except Hawaii and Puerto Rico, \$3 for work performed during the 1978 sugar supply year beginning 30 days after the date of enactment of this Act, \$3.30 for the 1979 sugar supply year, and in each of the 1980 and 1981 sugar supply years the rate for the sugar supply year previous to the year for which the determination is made increased by an amount directly proportional to the amount by which the assured return determined under title II of this Act for the year for which the wage determination is made exceeds the assured return for the last previous sugar supply year. Rates for field equipment operators in counties or parishes where at least 25 percent of the acreage devoted to the production of agricultural commodities is planted to

sugarcane or sugar beets shall be not less than 10 percent more than the above rates.

(B) In Hawaii and Puerto Rico, as required by labor union agreement or Federal or local law.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased each sugar supply year beginning October 1979 in the same proportion as the hourly rates are increased under paragraph (1) of this subsection.

(b) VIOLATION OF WAGE STANDARDS.—Any producer who fails to pay the wages provided for in subsection (a) of this section shall be liable to the employee or employees affected in the amount of their unpaid wages and in an additional equal amount as liquidated damages. An action to recover such liability may be maintained against any producer in any Federal or State court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff in any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to any plaintiff, allow a reasonable attorney's fee to be paid by the defendant, and costs of such action.

(c) ADMINISTRATION.—(1) The Secretary is authorized to supervise the payment of the unpaid wages owing to any employee or employees under this section, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid wages and an additional amount as liquidated damages. Any hearing on a claim for unpaid wages shall be conducted by an attorney designated by the General Counsel of the Department of Agriculture from among the attorneys employed in the Office of the General Counsel of that Department, and the decision of such attorney shall be issued promptly thereafter, to the extent possible within 30 days after the conclusion of the hearing. Within 30 days after the issuance of such decision, any person who is adversely affected by such decision may obtain a review of such decision by filing a petition with the judicial officer appointed by the Secretary pursuant to section 3105 of title 5, United States Code. Any person who is adversely affected by a decision of the judicial officer hereunder may obtain judicial review of such decision by filing a complaint, within 30 days after such decision, with the United States district court for the district in which such person resides. Upon the filing of the complaint, the court shall have jurisdiction to affirm, set aside, or modify the decision of the judicial officer, and the findings of the judicial officer as to the facts, if supported by substantial evidence, shall be final and conclusive.

(2) The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid wages and an equal amount as liquidated damages and to restrain further delay in the payment of unpaid wages owing to an employee. The right provided by subsection (b) to bring an action by or on behalf of any employee and of any employee to become a party plaintiff to any such action shall terminate upon the filing of a complaint by the Secretary in an action under this paragraph, unless such action is dismissed without prejudice on motion of the Secretary. Any sums thus recovered by the Secretary on behalf of an employee pursuant to this subsection shall be held in a special deposit account and shall be paid, on order of the Secretary to the employee or employees affected. Any such sums not paid to an employee because of inability

to do so within a period of 3 years shall be covered into the Treasury of the United States as miscellaneous receipts.

(d) STATUTE OF LIMITATIONS.—Any action commenced to enforce any cause of action for unpaid wages, or liquidated damages, may be commenced within 2 years after the cause of action accrued, and every such action shall be forever barred unless commenced within 2 years after the cause of action accrued, except that a cause of action arising from a willful violation may be commenced within 3 years after the cause of action accrued.

(e) EMPLOYEE PROTECTION.—(1) No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(A) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(B) testified or is about to testify in any such proceeding; or

(C) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(2) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of paragraph (1) may, within 180 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(3) (A) Upon receipt of a complaint filed under paragraph (2), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragraph (2), the Secretary determines that a violation of paragraph (1) has occurred, the Secretary shall order the person who committed such violation to (i) take affirmative action to abate the violation, and (ii) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, and the Secretary may order such person to provide compensatory damages to the complainant. If an order is issued under this paragraph, the Secretary, at the request of the complainant shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expense (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(4) (A) Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the

United States district court for the district in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(B) An order of the Secretary with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

(5) Whenever a person has failed to comply with an order issued under paragraph (3), the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(6) (A) Any person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(B) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(7) Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28 of the United States Code.

(f) EXCESSIVE CHARGES PROHIBITED.—All producers of sugar beets and sugarcane are hereby prohibited from charging, or permitting to be charged, directly or indirectly, persons employed on the farm in the production, cultivation, or harvesting of sugar beets and sugarcane during the period beginning 30 days after the date of enactment of this Act until the end of the 1981 sugar supply year, any amount in excess of the reasonable cost for the furnishing to any such person of goods, services, board, lodging, or other facilities customarily furnished to employees engaged in the production, cultivation, or harvesting of sugar beets or sugarcane in the area. The Secretary may determine the reasonable cost of such goods, services, board, lodging, or other facilities for defined classes of employees and in defined areas, based on the average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value.

(g) COMPENSATION INSURANCE.—The Secretary shall issue such regulations as the Secretary deems necessary to assure that the producer shall furnish each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane workmen's compensation insurance during the time so employed in the period beginning 30 days after the date of enactment of this Act until the end of the 1981 sugar supply year. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(h) INVESTIGATIONS.—Investigations of possible violations of provisions of this section shall be conducted by the Office of the Inspector General of the Department of Agriculture. The Inspector General may enter and

inspect such places and such records, question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this title or which may aid in the enforcement of the provisions of this title. Every producer subject to the provisions of this title shall keep and preserve such records of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him for such periods of time and shall make such reports as the Secretary may prescribe by regulation as necessary or appropriate for the enforcement of this title.

(1) **CIVIL PENALTY.**—Any person who violates the provisions of subsection (f), (g), or (h), or any regulation with respect thereto, shall be subject to a civil penalty of not to exceed \$1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

(1) deducted from any sums owing by the United States to the person charged; or

(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within 15 days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5, and regulations promulgated by the Secretary. Sums collected as penalties pursuant to this section shall be applied toward reimbursement of the costs of determining the violations and assessing and collecting such penalties.

(j) **RULES AND REGULATIONS.**—The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title. Any person who knowingly violates any such rule or regulation is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$1,000.

#### AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 54, strike out line 15 and all that follows thereafter down through line 8 of page 65 and insert the following:

#### TITLE III—FARM LABOR PROVISIONS

##### SEC. 301. DEFINITIONS.

For purposes of this title—

(1) The phrase "effective period of this title" means the period beginning on the 30th day after the date of the enactment of this Act and ending at the close of the 1981 sugar supply year.

(2) The term "FLSA" means the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

(3) The term "producer" means a producer of sugar beets or sugarcane for sugar.

(4) The term "Secretary" means the Secretary of Labor.

(5) The term "sugar supply year" has the same meaning as is given to such term in section 201(8).

##### SEC. 302. WAGE STANDARDS.

(a) **RATES.**—There shall be paid to persons employed on the farm in the production, cultivation, or harvesting of sugar beets for sugar and sugarcane wages at the following rates:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

(A) In all areas, except Hawaii and Puerto Rico—

(i) \$3.30 for the 1979 sugar supply year; and

(ii) in each of the 1980 and 1981 sugar supply years, the minimum rate required to be paid under this paragraph during the immediately preceding sugar supply year increased by an amount directly proportional to the amount by which the assured return determined under title II for the year for which the rate is being determined under this clause exceeds the assured return for the immediately preceding sugar supply year.

The rates for field equipment operators in counties or parishes where at least 25 percent of the acreage devoted to the production of agricultural commodities is planted to sugarcane or sugar beets shall be not less than 10 percent more than the rate referred to in the preceding sentence for the sugar supply year concerned.

(B) In Hawaii and Puerto Rico, the rates required by labor union agreement or Federal or local law.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased for each sugar supply year beginning after September 30, 1979, in the same proportion as the hourly rates are increased under paragraph (1) of this subsection.

(b) **VIOLATIONS.**—Any violation of this section, or of any rule or regulation issued to carry out this section, is a violation of section 6 of the FLSA and of paragraph (1) or (2), as applicable, of section 15(a) of the FLSA. In applying this section, the statute of limitations for actions brought under section 6 of the FLSA shall apply to actions brought with respect to violations that are deemed under this subsection to be violations of such section 6.

##### SEC. 303. EXCESSIVE CHARGES PROHIBITED.

(a) **PROHIBITIONS.**—No producer may charge, or permit to be charged, directly or indirectly, to any person employed during the effective period of this title on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane any amount in excess of the reasonable cost, as determined by the Secretary, for the furnishing to such person any goods, services, board, lodging, or other facilities customarily furnished to employees engaged in the production, cultivation, or harvesting of sugar beets or sugarcane in the area concerned. The Secretary may determine the fair value of such goods, services, board, lodging, or other facilities for defined classes of employees and in defined areas, based on the average cost to the producer or to groups of producers similarly situated, the average value to groups of employees, or any other appropriate measure of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of the actual measure of cost in determining whether excessive charges have been made.

(b) **REASONABLE COST AND FAIR VALUE.**—For purposes of this section, the terms "reasonable cost" and "fair value" shall have the same respective meanings as are applied with respect to such terms by the Secretary for purposes of administering section 3(m) of the FLSA.

(c) **VIOLATIONS.**—For violations of this section and penalties, see section 309.

##### SEC. 304. CHILD LABOR.

(a) **LIMITATIONS ON EMPLOYMENT.**—(1) During the effective period of this title, no individual who is under 14 years of age may be employed or permitted to work on the farm, whether for gain to such individual or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or

sugarcane; unless that individual is a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed.

(2) During the effective period of this title, no individual who has attained age 14 but has not attained age 16 may be employed or permitted to do work described in paragraph (1), whether for gain to such individual or any other person, for a period of more than eight hours in any one day; unless that individual is a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed.

(b) **VIOLATIONS.**—Any violation of this section, or any rule or regulation issued to carry out this section, is a violation of sections 12 and 15(a)(4) of the FLSA.

##### SEC. 305. EMPLOYEE PROTECTION.

(a) **IN GENERAL.**—No person may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or the Secretary or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced, a proceeding seeking compliance with any provision of this title;

(2) testified, or is about to testify, in any such proceeding; or

(3) assisted or participated, or is about to assist or participate, in any manner in any such proceeding or in any other action to carry out the purposes of this title.

(b) **COMPLAINTS.**—(1) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) may, within 180 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2) (A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragraph (1), the Secretary determines that a violation of subsection (a) has occurred, the Secretary—

(i) shall order the person who committed such violation to (I) take affirmative action to abate the violation, and (II) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment; and

(ii) may order such person to provide compensatory damages to the complainant.

If an order is issued under this paragraph, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expense (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(c) **REVIEW OF ORDERS.**—(1) Any person adversely affected or aggrieved by an order issued under subsection (b)(2) may obtain review of the order in the United States district court for the district in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall be in conformity with chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(2) An order of the Secretary with respect to which review could have been obtained under paragraph (1) shall not be subject to judicial review in any criminal or other civil proceeding.

(d) **COMPLIANCE.**—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(2) Any person on whose behalf an order was issued under subsection (b)(2) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(3) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(e) **VIOLATIONS.**—Any violation of this section, or any rule or regulation issued to carry out this section, is a violation of section 15 (a)(3) of the FLSA.

(f) **EXCLUSIVENESS OF REMEDIES.**—The remedies provided for in this section shall apply in lieu of any remedy provided for in section 16(b) or 17 of the FLSA.

#### SEC. 306. COMPENSATION INSURANCE.

(a) **REQUIRED INSURANCE.**—Producers shall furnish workers' compensation insurance to persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane during the time so employed during the effective period of this title. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(b) **VIOLATIONS.**—For violations of this section and penalties, see section 309.

#### SEC. 307. REMEDIES AND ENFORCEMENT.

(a) **FOR FLSA VIOLATIONS.**—Except as provided in section 305(f), all powers, remedies, and procedures under the FLSA available to the Secretary or to any aggrieved employee, as the case may be, are available with respect to any act the commission of which is deemed under this title to be a violation of the FLSA.

(b) **RESTRAINT OF CERTAIN VIOLATIONS.**—The Secretary may seek to restrain, pursuant to section 17 of the FLSA, any violation of sections 303 and 306, and for such purpose the jurisdiction of the United States district courts under section 17 is hereby extended to include any such violation.

(c) **ENFORCEMENT POWERS.**—For purposes of enforcing the provisions of this title, the Secretary may utilize the powers specified in—

(1) section 9 of the FLSA to compel the attendance of witnesses and the production of books, papers, and documents at hearings and investigations necessary for the enforcement of this title;

(2) section 11(a) of the FLSA to carry out investigations, gather data, and make entries, inspections, and inquiries regarding wages, hours, and other conditions and practices of employment engaged in by any employer subject to this title or to any order issued by the Secretary under this title; and

(3) section 11(b) of the FLSA to use the services of State and local agencies in carrying out the Secretary's duties under this title.

#### SEC. 308. RECORDS.

(a) **IN GENERAL.**—Each producer subject to this title shall—

(1) make, keep, and preserve such records of persons employed, and of the wages, hours, and other conditions and practices of employment maintained;

(2) preserve the records referred to in paragraph (1) for such time; and

(3) make available to the Secretary such reports based on such records;

as the Secretary shall by regulation require as being necessary or appropriate for the enforcement of this title.

(b) **VIOLATIONS.**—Any violation of this section, or of any rule or regulation issued to carry out this section, is a violation of sections 11(c) and 15(a)(5) of the FLSA.

#### SEC. 309. VIOLATIONS OF SECTIONS 303 AND 306 AND PENALTIES.

(a) **CIVIL PENALTIES.**—Any person who violates section 303 or 306, or any rule or regulation issued to carry out either of such sections, is liable to the United States for a civil penalty of not to exceed \$1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

(1) deducted from any sums owing by the United States to the person charged; or

(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within 15 days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5 of the United States Code and regulations issued by the Secretary.

(b) **CRIMINAL PENALTIES.**—(1) Except as provided in paragraph (2), any person who willfully violates section 303 or 306, or any rule or regulation issued to carry out either of such sections, is guilty of an offense and upon conviction thereof is punishable by a fine or not more than \$10,000, or imprisonment for not more than 6 months, or both.

(2) No person may be imprisoned under paragraph (1) except for the violation of either section 303 or 306, or any rule or regulation issued to carry out such section,

committed after the conviction of such person for a prior offense under paragraph (1).

#### SEC. 310. REGULATIONS.

The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title.

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

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

There was no objection.

Mr. VANIK. Mr. Chairman, while this amendment appears to be a substantial rewrite of the Agriculture Committee bill, I believe that, in its economic impact on sugar workers and its obligation on producers, it is equivalent to the Agriculture Committee version, with one exception.

Also, this is not the identical version of the amendment adopted by the Ways and Means Committee, but it is a technical rewriting of that version developed by the staffs of our two committees and the Department of Labor. It is nearly identical to the Ways and Means version contained on pages 96 to 106 of H.R. 2172, but it makes certain corrections and clarifications.

Mr. Chairman, the Agriculture Committee version of title III is basically a melding of the special labor provisions of the old labor sugar acts, along with some of the enforcement provisions contained in the Fair Labor Standards Act of 1938, as amended.

The Agriculture Committee version provides for the administration by the Department of Agriculture. The administration urged, however, that the bill be amended to provide for the enforcement of title III by the Department of Labor. The Ways and Means Committee considered this request and adopted that proposal as an amendment by the gentleman from New York (Mr. Downey). As a part of the change in administering agency, it was made clear that the provisions of the FLSA would be used to enforce the title.

Second, the administration requested that the child labor provisions be included in the bill identical to those which were in the old Sugar Act.

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

Mr. VANIK. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the amendment offered by the gentleman from Ohio essentially incorporates the Ways and Means Committee version of the labor provisions of this act. The principal differences, I believe, are that under the Ways and Means Committee version the administration of the act would be in the Department of Labor rather than in the Department of Agriculture, and that certain slightly more stringent rules against the use of child labor would be involved; is that correct?

Mr. VANIK. That is correct.

Mr. FOLEY. Mr. Chairman, speaking at least for myself, if for no others, I would have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title III?

AMENDMENT OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair will inquire of the gentleman, to what title does the gentleman's amendment apply?

Mr. KELLY. Title III.

The CHAIRMAN. Title III?

Mr. KELLY. Yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLY: On page 54, commencing with line 15, strike out all that follows through page 65, line 8.

The CHAIRMAN. The Chair will advise the gentleman from Florida (Mr. KELLY) that, having adopted an amendment striking title III and inserting new language, the gentleman's amendment to strike the title is not in order.

Mr. KELLY. Mr. Chairman, would the Chair repeat the ruling? I was not able to hear it.

The CHAIRMAN. The Vanik amendment rewrote title III in its entirety and was adopted. In view of that, the gentleman's amendment to title III to strike the title is not in order.

Mr. KELLY. Mr. Chairman, my amendment is aimed at the substitute title because other than the administration of it, the substance is the same. For that reason, I ask unanimous consent that my amendment be permitted to be directed to the Vanik amendment.

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

Mr. HUCKABY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will designate title IV.

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The CHAIRMAN. The Clerk will designate title IV.

Title IV reads as follows:

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. DEFINITION.

As used in this title, the term "sugar" has the same meaning as is given to such term in section 201(6).

SEC. 402. JURISDICTION OF COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant thereto including, among other things, the restraint of withholding payments of minimum wages found by the court to be due employees under title III of this Act. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees, and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 403. INFORMATION, SURVEYS, INVESTIGATIONS, ETC.

(a) INFORMATION TO SECRETARY.—All persons engaged in the manufacturing, marketing, transportation or industrial use of sugar and other sweeteners, including those not derived from sugar beets or sugarcane, and having information which the Secretary deems necessary to enable him to administer titles I and II, shall, upon the request of the Secretary, furnish him with such information.

(b) SURVEYS, INVESTIGATIONS, AND RESEARCH.—The Secretary from time to time shall conduct such surveys, investigations, and research as the Secretary deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners.

(c) COST OF PRODUCTION STUDIES.—The Secretary shall conduct such studies on the cost of producing sugarcane, sugar beets, sugar, and other sweeteners as are deemed necessary by the Secretary.

(d) SUBPENAS.—The Secretary may subpoena the production of such records, books, papers, and other documents that he determines to be necessary to carry out this section.

(e) CONFIDENTIALITY.—All information that is required to be furnished to the Secretary under this section and that relates to the separate operations of the person providing the information shall be kept confidential by all officers and employees of the Department of Agriculture: *Provided*, That such information shall be made available by the Secretary, upon request, to the Comptroller General or his delegates or employees who shall keep such information confidential.

(f) CRIMINAL PENALTY.—Any person who willfully fails or refuses to furnish the Secretary with information requested by him for purposes of carrying out this section, or furnishes false information in response to such request knowing the information to be false, is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$2,000.

SEC. 404. INVESTMENTS BY OFFICIALS PROHIBITED.

No person may, while acting in any official capacity in the administration of this Act, invest or speculate in sugar, contracts relating thereto, or the stock or membership interest of any association or corporation engaged in the production or manufacturing of sugar. Any person who violates this section is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$10,000 or imprisonment of not more than 2 years, or both.

SEC. 405. PRICE SUPPORT PROGRAM FOR SUGAR BEETS AND SUGARCANE.

(a) PRICE SUPPORT UNTIL SEPTEMBER 30, 1979.—Nothing contained in this Act shall affect (1) the application of section 201(f) of the Agricultural Act of 1949 with respect to the 1978 crop of sugar beets and sugarcane nor, (2) except as provided in section 202(b) (3) of this Act, the authority of the Secretary to provide price support under title III of the Agricultural Act of 1949 on the 1979 crop of sugar beets and sugarcane after the date of enactment of this Act until September 30, 1979.

(b) PRICE SUPPORT BEGINNING OCTOBER 1, 1979.—Effective beginning October 1, 1979, with respect to the 1979 through 1981 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949, as amended, is amended by—

(1) striking out in the first sentence "honey, and milk" and inserting in lieu thereof the following: "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection (g) as follows:

"(g) In order to assist in achieving the objectives of the International Sugar Stabilization Act of 1979, the price of each of the 1979 through 1981 crops of sugar beets and sugarcane, respectively, shall be supported through loans on or purchases of the processed products thereof at such level, not less than 89 percent of the price objective for sugar for the applicable sugar supply year determined under that Act, as the Secretary determines will meet such objectives."

(c) WAIVER OF INTEREST ON 1977 AND 1978 CROP PRICE SUPPORT LOANS.—Notwithstanding any other provision of law, the Secretary may waive a portion of the interest due on outstanding loans obtained from the Commodity Credit Corporation with respect to sugar produced from the 1977 and 1978 crops of sugar beets and sugarcane at such times and in such amounts as the Secretary determines necessary to encourage the repayment of such loans; except that such waiver authority shall be exercised in such a manner as not to affect unduly the market prices for sugar.

SEC. 406. COMMODITY CREDIT CORPORATION.

The authority vested in the Secretary under this Act shall be administered through the Commodity Credit Corporation.

SEC. 407. LOAN GUARANTEES FOR CONSTRUCTION, CONVERSION, OR MODIFICATION OF FACILITIES FOR INDUSTRIAL HYDROCARBON AND ALCOHOLS PRODUCTION.

The Commodity Credit Corporation may provide loan guarantees for construction, conversion, or modification of facilities for the production and marketing of industrial hydrocarbons and alcohols derived at least in part from sugarcane, sugar beets, or any byproduct derived therefrom, corn or any byproduct derived therefrom, or any other commodities covered under this Act, from a guarantee fund of up to \$25,000,000 during the 2 fiscal years beginning October 1, 1979, but not to exceed the amount of special import duties collected under authority of this Act in such period.

That this Act may be cited as the "International Sugar Stabilization Act of 1979".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and the term "entry" means the entry, or withdrawal from warehouse, for such consumption.

(2) The term "person" has the same meaning as is given to such term in section 1 of title 1 of the United States Code.

(3) The terms "TSUS" means the Tariff Schedules of the United States (19 U.S.C. 1202).

(4) The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

TITLE I—INTERNATIONAL SUGAR AGREEMENT, 1977

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement.

SEC. 102. IMPLEMENTATION OF AGREEMENT.

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1983, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including, but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

#### SEC. 103. DELEGATION OF POWERS AND DUTIES.

The President may exercise any power or duty conferred on him by this title through such agencies or offices of the United States as he shall designate. Such agencies or offices shall issue such regulations as they determine are necessary to implement this title.

#### SEC. 104. CRIMINAL OFFENSES.

Any person who—

(1) knowingly fails to keep any information, or to submit any report, required under section 102;

(2) submits any report under section 102 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$1,000.

#### SEC. 105. REPORT TO CONGRESS.

The President shall submit to Congress, on or before April 1 of each year, a report on the operation and effect of the Agreement during the immediately preceding year. Unless otherwise published on a regular basis by an agency of the United States, the report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies, and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

#### SEC. 106. PRESIDENTIAL FEE AUTHORITY ON SUGAR.

The first paragraph of section 22(b) of the Agricultural Adjustment Act (7 U.S.C. 624(b)) is amended by striking out the period at the end of the second proviso thereto and inserting in lieu thereof the following: "And provided further, That any fee imposed upon any sugar, sirup, or molasses provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States (19 U.S.C. 1202) shall not be subject to the 50 per centum ad valorem limitation."

#### TITLE II—IMPORT RESTRICTIONS ON SUGAR

##### SEC. 201. DEFINITIONS.

For purposes of this title—

(1) The term "assured return" means—  
(A) for the 1979 sugar supply year, 16.3 cents per pound, raw value; and

(B) for each sugar supply year beginning after September 30, 1980, the price objective for such sugar supply year plus .50 cents per pound raw value.

(2) The term "average daily price for United States raw sugar imports" means the average of the daily market prices (excluding any special import duty imposed under this title) for sugar in pounds, raw value, as determined by the Secretary.

(3) The term "price objective" means the price set forth in, or determined under, section 202(a).

(4) The term "quantitative restriction" means the total quantity of any sugar or sugar-containing product produced in all foreign countries, territories, or areas that may be entered, without regard to source, in any sugar supply year or supply year quarter.

(5) The term "raw value" has the same meaning as is given to such term in headnote 1 to subpart A of part 10 schedule 1 of the TSUS.

(6) The term "Secretary" means the Secretary of Agriculture.

(7) The term "sugar" means any sugar, sirup, and molasses provided for in items 155.20 and 155.30 of the TSUS. The term "raw sugar" means sugar to be further refined or improved in quality. The term "refined sugar" means sugar not to be further refined or improved in quality.

(8) The term "sugar supply year" means the 12-month period beginning on October 1 of each calendar year with each such year being designated by the year in which the beginning date occurs.

(9) The term "supply year quarter" means any of the 3-month periods beginning on October 1, January 1, April 1, or July 1 of any sugar supply year.

##### SEC. 202. PRICE OBJECTIVES AND PAYMENTS TO ACHIEVE ASSURED RETURN.

(a) PRICE OBJECTIVES.—(1) The price objective for the 1979 sugar supply year is 15.8 cents per pound, raw value.

(2) The price objective for each sugar supply year beginning after September 30, 1980 (hereinafter in this paragraph referred to as the "computation year") is the price objective for the sugar supply year that immediately precedes the computation year adjusted (but not to a price that is more than 107 percent of the price objective of such immediately preceding sugar supply year) to reflect the percent change between the average farm cost of production for—

(A) the 2 sugar supply years immediately preceding the computation year, and

(B) the 2 sugar supply years immediately preceding the sugar supply year that immediately precedes the computation year.

(3) For purposes of paragraph (2), the average farm cost of production for each sugar supply year shall be determined by the Secretary on the basis of such information as the Secretary finds to be necessary or appropriate for the purpose, and shall be limited to the—

(A) variable cost,

(B) machinery ownership cost, and

(C) general farm overhead cost, allocated to the crop involved on the basis of the proportion of the value of the total production derived from such crop.

(b) PAYMENTS.—If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments (subject to the limitations set forth in this subsection) solely to domestic producers of sugarcane and sugar beets at the rate per pound, raw value (but not more than .50 cents per pound, raw value), equal to the amount by which the assured return for such year exceeds the greater of—

(A) the average daily price for United States raw sugar imports during such year; or

(B) the price objective for such year.

(2) (A) Notwithstanding any other provision of this Act, the total amount which any person engaged in the production of sugar-

cane or sugar beets shall be entitled to receive as a result of payments made under this section shall not exceed \$50,000.

(B) As used in this paragraph—

(i) The term "payments" does not include loans or purchases.

(ii) The term "person" has the same meaning as provided in regulations issued by the Secretary under section 101 of the Food and Agriculture Act of 1977, except as the Secretary may determine necessary to assure a fair and reasonable application of the limitation under subparagraph (A) to persons engaged in the production of sugarcane and sugar beets.

(3) (A) This subsection shall take effect October 1, 1979. The Secretary shall make payments authorized under this subsection through the Commodity Credit Corporation.

(B) During sugar supply years 1978 through 1981, the Secretary may not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) or any other provision of law (other than this subsection) that authorizes payments by the Secretary to achieve price support levels for such commodities.

(c) TIME OF PRICE OBJECTIVE AND ASSURED RETURN DETERMINATIONS.—The Secretary shall determine the price objective under subsection (a), and the assured return, for each sugar supply year occurring after September 30, 1980, not later than July 31 of the year in which such sugar supply year begins and on the basis of the best information available at the time. The Secretary shall immediately announce each such determination and promptly thereafter publish it in the Federal Register, but may not thereafter adjust any such determination.

(d) AVERAGE DAILY PRICES.—(1) The Secretary shall determine on a continuing basis the average daily price for United States raw sugar imports and shall monitor the prices of sugar and sugar-containing products in the import trade of the United States.

(2) The Secretary shall publish the determinations made under paragraph (1) on such periodic basis as he deems appropriate.

##### SEC. 203. SPECIAL IMPORT DUTIES

(a) ON SUGAR.—(1) (A) There is imposed on raw sugar entered during any supply year quarter a special import duty that shall be in the amount by which the average daily price for United States raw sugar imports during the 20 consecutive market days immediately preceding the 15th day of the month before the first month of such supply year quarter is less than the price objective that applies for such quarter.

(B) There is imposed on refined sugar entered during any supply year quarter such special import duty as the Secretary determines necessary to assure that the price objective for the year shall be achieved.

(C) The Secretary shall undertake a continuing review of the effects of the special import duties imposed under this paragraph.

(2) (A) The amount of the special import duty imposed under paragraph (1) (A) on raw sugar in effect for any supply year quarter shall be—

(i) decreased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(I) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter, and

(II) the amount of such duty, exceeds the price objective for that quarter by more than .50 cents; and

(ii) increased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(I) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter, and

(II) the amount of such duty, is less than the price objective for that quarter by more than .50 cents.

(B) The special import duty imposed under paragraph (1)(B) on refined sugar shall be adjusted, at the time adjustments are made under subparagraph (A) to the special import duty on raw sugar, in such amount as is necessary to assure that the price objective for the year is achieved.

(3) Notwithstanding the foregoing provisions of this section, if at any time during the sugar supply year the Secretary determines that either or both of the special import duties provided for under paragraph (1) (whether adjusted under paragraph (2)) will not assure that the price objective will be achieved on the average during the supply year, the Secretary shall determine the amount of such adjustment in either or both of such duties as is necessary to achieve such result.

(4)(A) The Secretary shall determine and announce the amount of the special import duties imposed under paragraph (1) for each supply year quarter, and shall certify such amounts to the President, before the close of the 11th day before the first day of that supply year quarter; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which this subsection applies, the Secretary shall announce and certify any special import duty for that quarter before the close of the 5th day after such date of enactment.

(B) The Secretary shall announce any special import duty adjustment required to be made under paragraph (2), and shall certify such adjustment to the President, before the close of the third market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(C) The Secretary shall announce any special import duty adjustment required to be made under paragraph (3), and shall certify such adjustment to the President before the close of the third market day after determining its amount.

(5) This subsection shall apply with respect to the supply year quarter that begins October 1, 1979, and to each supply year quarter thereafter.

(b) ON SUGAR-CONTAINING PRODUCTS.—(1) The President may—

(A) after receiving a recommendation from the Secretary under paragraph (2), and subject to subsection (c), impose a special import duty on the sugar content of such sugar-containing products and in such amounts, as the President considers to be necessary to assure that the price objective for such sugar supply year will be achieved; and

(B) after receiving a recommendation from the Secretary under paragraph (3), make such adjustments with respect to any special import duty imposed under subparagraph (A) that the President considers necessary to achieve the price objective for the sugar supply year concerned.

(2) If at any time during any sugar supply year after September 30, 1979, the Secretary considers that the imposition of a special import duty on the sugar content of any sugar-containing product is necessary to assure that the average daily price for United States raw sugar imports will result in the price objective for such sugar supply year being achieved, the Secretary shall recommend to the President that the President impose such special import duties under paragraph (1)(A) on the entry of such sugar-containing products as the Secretary deems appropriate.

(3) The Secretary shall review, on a supply year quarter basis, the effect of all special import duties imposed under paragraph (1)(A). On the basis of such review, the Secretary may recommend to the President

such adjustments with respect to the amount of any such duty, or with respect to sugar-containing products to which any such duty should be extended or removed, as the Secretary determines to be necessary to achieve the price objective for the sugar supply year concerned.

(4) Each recommendation made by the Secretary to the President under this subsection shall be promptly published by the Secretary in the Federal Register.

(c) SPECIAL RULES FOR SUGAR-CONTAINING PRODUCTS.—If the President has reason to believe that the sugar-containing product, to which any recommendation made by the Secretary under subsection (b)(2) applies, will adversely affect, or is adversely affecting, the achievement of the price objective during the sugar supply year concerned, the President may not impose any special import duty under subsection (b)(1)(A) on the sugar content of such product before—

(1) requesting the United States International Trade Commission to undertake an investigation to determine whether, and to what extent, the entry of such product is adversely affecting the achievement of the price objective; and

(2) taking into consideration the results of such investigation;

except that, if the Secretary in any recommendation made under subsection (b)(2) also advises the President that a condition exists with respect to the sugar-containing product concerned that requires emergency treatment, the President may immediately impose a special import duty under subsection (b)(1)(A) pending the receipt and consideration by him of the results of the investigation requested under paragraph (1). The United States International Trade Commission shall submit to the President a report on any investigation requested by him under this subsection within 60 days after the date of such request.

#### SEC. 204. PROCLAIMING OF SPECIAL IMPORT DUTIES

(a) AUTHORITY.—The President shall proclaim, under the authority of the headnotes to subpart A of part 10 of schedule 1 of the TSUS, the special import duties, and the adjustments thereto, that are required to be imposed, or that may be imposed at his discretion, under section 203.

(b) SPECIAL PROVISIONS RELATING TO PROCLAMATIONS.—(1) Any special import duty under section 203(a)(1) certified to the President shall be proclaimed by the President not later than the 5th day before the first day of the supply year quarter in which such duty applies; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which such section applies, the Secretary shall proclaim any special import duty certified under such section for such quarter not later than the 5th market day after such date of enactment.

(2) Any special import duty adjustment under section 203(a)(2) certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(3) Any special import duty adjustment under section 203(a)(3) certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the adjustment determination is made by the Secretary.

#### SEC. 205. QUANTITATIVE RESTRICTIONS ON IMPORTED SUGAR AND SUGAR-CONTAINING PRODUCTS.

(a) IMPOSITIONS.—At the end of the first 6 months of each sugar supply year beginning with the 1979 sugar supply year, the Secretary shall determine whether the price objective for that year will be achieved on an

average basis by the special import duties in effect during that year and publish such determination in the Federal Register, together with a statement of factors which entered into the determination. If the Secretary determines that the price objective for that year will not be achieved on an average basis by the special import duties in effect during that year, the Secretary shall certify to the President such quantitative restrictions on the total amount of sugar and sugar-containing products which may be entered during the balance of that sugar supply year as the Secretary determines to be necessary to achieve, in conjunction with the special import duties imposed during the supply year concerned, the price objective for the year on an average basis. Any quantitative restrictions certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the determination of the Secretary.

(b) REVIEW.—If any quantitative restrictions are in effect under this section, the Secretary shall review, from time to time, the effect of such restrictions and shall certify to the President such adjustments in the restrictions as the Secretary determines are required to achieve the relevant annual market price objective. The President shall proclaim the adjustments in quantitative restrictions as certified by the Secretary, not later than the close of the 5th market day after the determination of the Secretary, with a statement of the factors which entered into such determination.

(c) GLOBAL RESTRICTION.—Any quantitative restriction imposed under subsection (a) shall be administered as a global quantitative restriction imposed in terms of raw values.

#### SEC. 206. PROHIBITED ACTS.

(a) CERTAIN IMPORTS AND EXPORTS.—No person may—

(1) bring or import into the Virgin Islands in any sugar supply year for consumption in such islands, any sugar in excess of 100 pounds if such sugar was produced from sugarcane or sugar beets grown outside the United States; or

(2) export to any foreign country any sugar entered under any quantitative restriction imposed under section 205.

(b) CIVIL PENALTY.—Any person who knowingly violates, knowingly attempts to violate, or knowingly participates or aids in the violation of subsection (a) shall forfeit to the United States the sum equal to three times the market value at the time of the commission of any such act, of that quantity of sugar involved in the violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

#### SEC. 207. EXEMPT ARTICLES OF SUGAR.

(a) DESCRIPTION OF ARTICLES.—This title does not apply with respect to any sugar or sugar-containing product—

(1) of any aggregate value not exceeding \$25 in any one shipment, if entered as samples for the taking of orders, for the personal use of the importer, or for research;

(2) entered for the production of alcohol other than any alcohol or resulting byproduct for human food consumption;

(3) entered for the production of yeast, citric acid, or monosodium glutamate; or

(4) any sugar entered for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar as a sweetener in human food consumption.

(b) RULES AND REGULATIONS.—The Secretary of the Treasury shall issue such rules and regulations as may be appropriate to implement this section.

#### SEC. 208. CERTAIN EXPORTATIONS OF SUGAR.

Sugar entered under a bond, established under rules promulgated by the Secretary of the Treasury, for the purpose of subsequently exporting an equivalent quantity of sugar as

such, or in manufactured articles, shall not be considered to be sugar entering the United States for purposes of section 205. Sugar exported under the provisions of sections 309 and 313 of the Tariff Act of 1930 (19 U.S.C. 1309 and 1313) shall be considered to be an exportation within the meaning of this section.

#### SEC. 209. SUSPENSION OF TITLE.

If the President finds that a national economic or other emergency exists with respect to sugar, the President may by proclamation suspend the operation of this title, and headnote 2(b) to subpart A of part 10 of schedule 1 of the TSUS to the extent that it applies with respect to this title, until such time as the President finds and proclaims that such emergency no longer exists. The Secretary shall make such investigations, and prepare such reports, as the President may require for purposes of carrying out this section.

#### SEC. 210. REGULATIONS.

The Secretary shall issue such rules and regulations as he determines to be appropriate to carry out his functions and duties under this title. The knowing violation of any rule or regulation issued by the Secretary under this section upon conviction is punishable by a fine of not more than \$1,000 for each such violation.

#### SEC. 211. AMENDMENTS TO TSUS.

The headnotes to subpart A of part 10 of schedule 1 of the TSUS are amended—

(1) by amending headnote 1 to read as follows: "1. For the purposes of this subpart—

"(i) the term 'degree', as used in the 'Rates of Duty' columns of this subpart, means sugar degree as determined by polariscopic test;

"(ii) the term 'total sugars' means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugars, sirups, and molasses; and

"(iii) the term 'raw value' means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by the polariscopic as determined in accordance with regulations issued by the Secretary of the Treasury. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

"(A) For sugar described in item 115.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

"(B) For sugar described in item 155.30, by multiplying the number of pounds of the total sugars thereof by 1.07.

"(C) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provisions."

(2) by amending headnote 2 by inserting "(a)" immediately after "2.", and by adding at the end thereof the following:

"(b) In addition to the authority of the President under section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) to proclaim modifications of the rates of duty and quotas on imports of sugars, sirups, and molasses provided for in items 155.20 and 155.30, the President shall, for purposes of carrying out, and subject to, title II of the International Sugar Stabilization Act of 1979, proclaim special import duties on—

"(i) imports of any such sugars, sirups, and molasses; and

"(ii) the content of any such sugars, sirups, and molasses in imported products containing such sugars, sirups, and molasses. Any special import duty proclaimed under this subdivision on the entry of any article is deemed to have given due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General

Agreement on Tariffs and Trade, shall be in addition to any other duty imposed by law on such entry and may not be made the subject of any preferential concession under any law or international obligation of the United States."; and

(3) by amending headnote 3 by striking out "For the purposes of this headnote," and all that follows thereafter.

#### SEC. 212. TERMINATION OF AUTHORITY UNDER TITLE.

No special import duty or quantitative restriction may be imposed, and no direct payment may be made, under this title with respect to any sugar supply year after the 1981 sugar supply year.

#### TITLE III—FARM LABOR PROVISIONS

##### SEC. 301. WAGE STANDARDS.

(a) IN GENERAL.—Every producer of sugar beets and sugarcane for sugar shall pay to each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane wages as follows:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

(A) In all areas, except Hawaii and Puerto Rico, \$3 for work performed during the 1978 sugar supply year beginning 30 days after the date of enactment of this act, \$3.30 for the 1979 sugar supply year, and in each of the 1980 and 1981 sugar supply years the rate for the sugar supply year previous to the year for which the determination is made increased by an amount directly proportional to the amount by which the assured return determined under title II of this act for the year for which the wage determination is made exceeds the assured return for the last previous sugar supply year. Rates for field equipment operators in counties or parishes where at least 25 percent of the acreage devoted to the production of agricultural commodities is planted to sugarcane or sugar beets shall be not less than 10 percent more than the above rates.

(B) In Hawaii and Puerto Rico, as required by labor union agreement or Federal or local law.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased each sugar supply year beginning October 1979 in the same proportion as the hourly rates are increased under paragraph (1) of this subsection.

(b) VIOLATION OF WAGE STANDARDS.—The Secretary of Labor (hereinafter in this section referred to as the "Secretary") or an aggrieved employee may seek compliance with this section in accordance with the powers, remedies, and procedures provided for in sections 9, 11, 15 (except subsection (a) (3) thereof), 16, and 17 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209, 211, 215, 216, and 217). Amounts owing to a person as a result of a violation of subsection (a) shall be deemed to be unpaid minimum wages or unpaid overtime compensation for purposes of sections 16 and 17 of such act of 1938.

(c) STATUTE OF LIMITATIONS.—Any action commenced to enforce any cause of action for unpaid wages, or liquidated damages may be commenced within 2 years after the cause of action accrued, and every such action shall be forever barred unless commenced within two years after the cause of action accrued, except that a cause of action arising from a willful violation may be commenced within three years after the cause of action accrued.

(d) EMPLOYEE PROTECTION.—(1) No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or the Secretary or any person acting pursuant to a request of the employee) has—

(A) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding seeking compliance with subsection (a);

(B) testified or is about to testify in any such proceeding; or

(C) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this section.

(2) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of paragraph (1) may, within 180 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(3) (A) Upon receipt of a complaint filed under paragraph (2), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragraph (2), the Secretary determines that a violation of paragraph (1) has occurred, the Secretary shall order the person who committed such violation to (1) take affirmative action to abate the violation, and (2) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, and the Secretary may order such person to provide compensatory damages to the complainant. If an order is issued under this paragraph, the Secretary, at the request of the complainant shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expense (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(4) (A) Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the United States district court for the district in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(B) An order of the Secretary with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

(5) Whenever a person has failed to comply with an order issued under paragraph (3), the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions

brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(6) (A) Any person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(B) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(7) Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28 of the United States Code.

(e) EXCESSIVE CHARGES PROHIBITED.—Wages required to be paid under subsection (a) shall be treated as wages for the purposes of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)).

(f) COMPENSATION INSURANCE.—(1) The Secretary shall issue such regulations as the Secretary deems necessary to assure that the producer shall furnish each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane workmen's compensation insurance during the time so employed in the period beginning 30 days after the date of enactment of this Act until the end of the 1981 sugar supply year. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(2) Any person who violates the provisions of paragraph (1) or any regulation with respect thereto, shall be subject to a civil penalty of not to exceed \$1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

(1) deducted from any sums owing by the United States to the person charged; or

(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within 15 days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5, and regulations promulgated by the Secretary. Sums collected as penalties pursuant to this section shall be applied toward reimbursement of the costs of determining the violations and assessing and collecting such penalties.

(g) CHILD LABOR.—No child labor under the age of fourteen years shall be employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane, from which the sugar was recovered, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed; and no child between the ages of fourteen and sixteen years may be employed or permitted to do such work, whether for gain to such child or any person, for a period longer than eight hours in any one day, except a member of the immediate family of a

person who was the legal owner of not less than 40 percent of the crop at the time such work was performed. A violation of this subsection shall be treated as a violation of section 12 of the Fair Labor Standards Act of 1938 (29 U.S.C. 212).

(h) INVESTIGATIONS.—Investigations of possible violations of provisions of this section shall be conducted by the Wage and Hour Division of the Department of Labor.

(i) RULES AND REGULATIONS.—The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title.

#### TITLE IV—MISCELLANEOUS PROVISIONS

##### SEC. 401. DEFINITIONS.

As used in this title—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "sugar" has the same meaning as is given to such term in section 201 (7).

##### SEC. 402. JURISDICTION OF COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any persons from violating, the provisions of this Act or of any order or regulation made or issued pursuant thereto including, among other things, the restraint of withholding payments of minimum wages found by the court to be due employees under title III of this Act. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees, and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

##### SEC. 403. INFORMATION, SURVEYS, INVESTIGATIONS, ETC.

(a) INFORMATION TO SECRETARY.—All persons engaged in the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners, including those not derived from sugar beets or sugarcane, and having information which the Secretary deems necessary to enable him to administer titles I and II, shall, upon the request of the Secretary, furnish him with such information.

(b) SURVEYS, INVESTIGATIONS, AND RESEARCH.—The Secretary from time to time shall conduct such surveys, investigations, and research as the Secretary deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners.

(c) COST OF PRODUCTIONS STUDIES.—The Secretary shall conduct such studies on the cost of producing sugarcane, sugar beets, sugar, and other sweeteners as are deemed necessary by the Secretary.

(d) SUBPENAS.—The Secretary may subpoena the production of such records, books, papers, and other documents that he determines to be necessary to carry out this section.

(e) CONFIDENTIALITY.—All information that is required to be furnished to the Secretary under this section and that relates to the separate operations of the person providing the information shall be kept confidential by all officers and employees of the Department of Agriculture; except that such information shall be made available by the Secretary, upon request, to the Comptroller General or his delegates or employees who shall keep such information confidential.

(f) CRIMINAL PENALTY.—Any person who willfully fails or refuses to furnish the Secretary with information requested by him for purposes of carrying out this section, or furnishes false information in response to such request knowing the information to be false, is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$2,000.

##### SEC. 404. INVESTMENTS BY OFFICIALS PROHIBITED.

No person may, while acting in any official capacity in the administration of this Act, invest or speculate in sugar, contracts relating thereto, or the stock or membership interest of any association or corporation engaged in the production or manufacturing of sugar. Any person who violates this section is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$10,000 or imprisonment of not more than 2 years, or both.

##### SEC. 405. PRICE SUPPORT PROGRAM FOR SUGAR BEETS AND SUGARCANE.

(a) PRICE SUPPORT UNTIL SEPTEMBER 30, 1979.—Nothing contained in this Act shall affect (1) the application of section 201(f) of the Agricultural Act of 1949 with respect to the 1978 crop of sugar beets and sugarcane nor, (2) except as provided in section 202(b)(3) of this Act, the authority of the Secretary to provide price support under title III of the Agricultural Act of 1949 on the 1979 crop of sugar beets and sugarcane after the date of enactment of this Act until September 30, 1979.

(b) PRICE SUPPORT BEGINNING OCTOBER 1, 1979.—Effective beginning October 1, 1979 section 201 of the Agricultural Act of 1949 is amended by—

(1) striking out "honey, and milk" in the sentence appearing before subsection (a) and inserting in lieu thereof the following: "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection (g) as follows:

"(g) In order to assist in achieving the objectives of the International Sugar Stabilization Act of 1979, the price of sugar beets and sugarcane processed during each of the 1979 through 1981 sugar supply years shall be supported through loans on or purchases of the processed products thereof at such level, not less than 89 percent of the price objective for sugar for the applicable sugar supply year determined under that Act, as the Secretary determines will meet such objectives."

(c) WAIVER OF INTEREST ON 1977 AND 1978 CROP PRICE SUPPORT LOANS.—Notwithstanding any other provision of law, the Secretary may waive a portion of the interest due on outstanding loans obtained from the Commodity Credit Corporation with respect to sugar produced from the 1977 and 1978 crops of sugar beets and sugarcane at such times and in such amounts as the Secretary determines necessary to encourage the repayment of such loans; except that such waiver authority shall be exercised in such a manner as not to affect unduly the market prices for sugar.

##### SEC. 406. COMMODITY CREDIT CORPORATION.

The authority vested in the Secretary under this Act shall be administered through the Commodity Credit Corporation.

##### SEC. 407. LOAN GUARANTEES FOR CONSTRUCTION, CONVERSION, OR MODIFICATION OF FACILITIES FOR INDUSTRIAL HYDROCARBON AND ALCOHOLS PRODUCTION.

The Commodity Credit Corporation may provide loan guarantees for construction, conversion, or modification of facilities for the production and marketing of industrial hydrocarbons and alcohols derived at least in part from sugarcane, sugar beets, or any byproduct derived therefrom, or any other commodity covered under this Act, or from corn or any byproduct derived therefrom, from a guarantee fund of up to \$25,000,000 during the 2 fiscal years beginning October 1, 1979, but not to exceed the amount of special import duties collected under authority of this Act in such period.

Mr. VANIK. Mr. Chairman, I ask unanimous consent that I be permitted to return to section 2, and titles I, II,

and IV, in order to offer conforming amendments made necessary by the passage of the Committee on Ways and Means version of title III.

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

There was no objection.

AMENDMENTS OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. VANIK: Page 33, strike out lines 4 and 5.

Page 33, line 6, strike out "(4)" and insert "(3)".

Page 33, line 8, strike out "(5)" and insert "(4)".

Page 37, between lines 8 and 9, insert the following:

(6) The term "Secretary" means the Secretary of Agriculture.

Page 37, lines 9, 15, and 22, redesignate paragraphs (6), (7), and (8) of section 201 of the bill as paragraphs (7), (8), and (9), respectively.

Page 65, strike out lines 11 and 12 and insert the following:

As used in this title—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "sugar" has the same meaning as is given to such term in section 201 (7).

Page 65, strike out lines 17 through 20, inclusive, and insert the following:

sions of titles I, and II, and IV, and of any order, rule, or regulation issued to carry out any of such titles. If and

Page 65, strike out line 25 and line 1 on page 66 and insert the following: "provided for in any of such titles. The remedies provided for in titles I, and II, and IV are in addition to, and not exclusive of, any of the".

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

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

There was no objection.

Mr. VANIK. Mr. Chairman, these amendments simply provide technical conformity throughout the other titles in the bill and do not make any substantive change.

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

Mr. VANIK. I yield to the gentleman from Washington.

Mr. FOLEY. I agree entirely with the gentleman's description. I think the amendments need to be adopted and should be adopted by the committee.

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

The amendments were agreed to.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I understand it, we are on the last title of the bill, and we will soon be voting on it. Because the committee has declined to remove the direct payments, I would respectfully suggest that Members of the House will now want to vote against the bill.

It is true we need a Sugar Act, but unfortunately, the sponsors of this act have gone too far in asking for direct payments along with an assured price objective. They are protected by loans. They

are protected by interest forgiveness. They are protected by quotas. They are protected by assured prices, and the additional protection of a direct payment is more than our taxpayers and our consumers should have to stand on this bill.

With the direct payments, we will now have a distorted market. We will have inefficient producers being asked to stay in the business. This House has also rejected an amendment which makes it perfectly legal for people to sell at higher than the assured price and still get the direct payment.

So if we vote for this bill, we will be giving a gift of \$51 million, of which, if we look at the track record of the Department of Agriculture, we can absolutely depend on at least 10 percent being misspent and spent incorrectly or illegally.

So, in my judgment, Mr. Chairman, and with great regret, I have to state that I think we have no choice other than to turn down this bill.

I yield back the balance of my time.

Mr. KELLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not want to shock any of the Members of Congress, but we have a problem in this country about inflation, and I knew one could never tell it by the way we conduct our business, but it is just the living truth.

Every time I go home, people mention it to me. Have any of the Members heard this same thing?

It would seem they have not.

Mr. Chairman, Alfred Kahn is the Nation's leading inflation fighter. He is the Chairman of the Council on Wage and Price Stability, very important in fighting inflation.

When he was before the Committee on Banking, Finance and Urban Affairs, on October 10 of this year, on oversight hearings, he was asked this question: "Do you favor the increase in the minimum wage that is going to take place in January?"

His answer was: "I don't think there is any doubt that in itself an increase in the minimum wage is inflationary."

Now, Mr. Chairman, I would like to point out to the Members of the House that in January there is going to be an increase in the minimum wage of 7 percent, just a little bit less than 7 percent, and Alfred Kahn said that was going to be inflationary; but the bill, this sugar bill that we are ready to vote on, provides not for a little less than 7, but a little more than a 25-percent increase in the minimum wage.

I am sure that the people, the American people who are out there struggling to try and pay for all of the nonsense that has been passed by this Congress, will be certainly pleased to hear that.

We are talking about the sugarcane workers and all these people having a hard time. The American people are having a hard time, and there is no way on Earth that any Member of this House can justify heaping more just unmitigated inflation on the American people.

If we have a sugar industry that is not competitive because production costs are too high, then increasing production

costs are going to do nothing but to drive that industry further and further into the hole.

Deliberately increasing the costs of production by this bill is incredible.

This bill, with the special minimum wage and the labor provision that it contains, constitutes a danger to every labor intensive portion of American agriculture, and especially the citrus and vegetable growers, because American agriculture has got to be competitive with world production; and if it is not, we are then going to succumb to foreign competition.

Mr. Chairman, this bill is anti-American industry. It is anti the American workers, and it is inflationary; and it should not be a part of the law.

Mr. Chairman, the farm labor forces simply told the sugar industry if you want this subsidy you say you need to survive foreign competition, then we want more money.

This is a funny position when it had been argued all through the committee consideration that the reason for passing the bill was to save jobs for American workers.

Every product produced in the United States and protected by a tariff could be held up to this extortion. I refuse to submit, on principle and because of the threat to all agriculture, especially such industries as citrus and winter vegetables.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, a lot of Members with a great deal of feeling and sincerity have addressed themselves to this bill on both sides.

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

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

Mr. VANIK. Mr. Chairman, I thank the gentleman for yielding.

I oppose this bill in the form in which it was submitted. We have done nothing in the course of the committee's action to improve it. I think this is a bill whose time has come and gone. The increase in world prices of sugar make it unnecessary. I feel constrained to vote against a price-basing situation where we provide no inducement to the consumer where there is no protection for the consumer.

Under these circumstances, I expect to cast my vote against this legislation.

□ 1720

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

Mr. PEYSER. I yield to my friend the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I have listened to hearings on sugar price supports, discussions in the Trade Subcommittee and debates in the full Ways and Means Committee, and now arguments on the floor for sugar price supports. The more discussion and debate I hear on this subject the more I become convinced of the transparent absurdity of the issue.

Sugar has been made out to be an apogee of American agriculture, a sort

of tin god among the crops, deserving of special reverence and extraordinary treatment, whatever the cost to the taxpayer. We have been told that a vote for sugar is a vote for the American farmer, despite the fact that no more than 1 percent of the farmers in this country grow cane or sugar beets. If I were among the other 99 percent of American farmers I might be hesitant to allow the sugar growers to speak for me.

We have been told that this is the small farmers' issue, despite the fact that by far the major production of sugar in the United States comes from huge agricultural corporations, which would have been a dream come true for any colonial plantation planter out of another century. We have listened to these modern-day plantation owners complain of impending bankruptcy unless Uncle Sam extends further price supports to them for every pound of sugar they produce. They have made these cries for special treatment despite the fact that the largest of the sugar growing corporations, U.S. Sugar, in April of this year informed their stockholders that their profits were up more than \$7 million, a 148-percent increase in earnings over the same period in 1978. The stockholders were pleased to see their dividend raised from \$1.20 to \$2.98 per share, and I am sure they will be even more pleased if the Congress approves higher price supports to "bail out" U.S. Sugar and her sister corporation growers.

We have also been told, in statements heavy with menace and foreboding, that the United States must continue to indulge the sugar industry for strategic reasons. As a congressional adviser on SALT, I have some understanding of strategic affairs, and I have yet to hear sugar mentioned prominently by our Nation's strategic planners. However, the strategic arguments of the sugar industry are deserving of closer analysis. We have heard sugar compared to oil and listened to vague portents of an insidious Third World sugar cartel lurking in the wings—an OSEC following in the successful footsteps of the OPEC cartels. This sort of threat might have more impact if the sugar growing nations of the Third World were not already having difficulty in disposing of their excess supplies of the commodity.

Furthermore, it does not take into consideration the economic rationale by which developing countries operate. Sugar is the main item of export for a number of nations in the southern hemisphere, and as such it is their primary source of foreign income with which to purchase the equipment and technology, much of it from the United States, needed for development. If they did organize a sugar cartel and did embargo the American market or raise their prices and force the United States to turn more toward our domestic corn sweeteners, they would suffer much more than we. Sugar is not oil. The two are not comparable in any sense in the context of cartels and embargos.

We all know what happens to the American economy when even a fraction of our oil supplies are suddenly cut off,

but what effect would a reduction or threatened reduction in our sugar supplies have on our country. It would certainly not be pleasant. Consumers would be drinking their coffee black, and they would have fewer Hostess Twinkies and probably a shortfall in Coca-Cola supplies—Coke being the largest single user of sugar in the United States. But to the American consumer who has weathered gas lines and brownouts and odd-even rationing this would not be an insurmountable difficulty. In the extremely unlikely event of a sugar cartel arising and instituting an embargo it would be the industries which use sugar that would have the most to lose. It should be remembered that these user industries are the strongest opponents of sugar price supports.

We have also heard that sugar growers are actually doing a favor to the American consumer by accepting price supports and maintaining domestic production of a commodity so essential to the American diet. Most nutritionists would point out that sugar is far too essential to the American diet, but that is another issue. I am not convinced that consumers in this country are anxious to pay, as the President's Economic Adviser Alfred Kahn has estimated, as much as \$500 million for every penny added to the sugar price support system. With the current level of price supports the United States produces domestically 70 percent of all the sweeteners used in this country. The idea of an OPEC-style sugar cartel is nothing more than a strawman, set up by those seeking higher price supports in order to be knocked down again. American consumers are very fond of coffee, cocoa, and bananas, yet we do not grow any of these commodities. Should we be thinking about a potential threat from the banana cartel that may be forming somewhere in the jungles of the Third World?

Mr. PEYSER. I thank the gentleman.

I felt for many of the Members it would be interesting to know around the country those who have formally opposed this legislation. They are:

AFL-CIO, American Bakers Assn., American Assn. of Retired Persons, Assn. for Dressings and Sauces, Biscuit and Cracker Mfrs. Assn., Chocolate Mfrs. Assn., Common Cause, Community Nutrition Institute, Congress Watch, Consumer Affairs Committee, ADA, Consumer Federation of America, Flavor and Extract Mfrs. Assn., Independent Bakers Assn., Int. Assn. of Ice Cream Mfrs., Int. Longshoremen's Assn., Leadership Council on Civil Rights, Natl. Council of Senior Citizens, Natl. Bakery Supplier Assn., Natl. Food Processors, Natl. Assn. of Fruits, Flavors and Syrups, Natl. Preservers' Assn., Natl. Restaurant Assn., Natl. Soft Drink Assn., Pickle Packers Institute, Processed Apple Institute, Retail Bakers of America, Sugar Workers Council of North America, United Auto Workers, United Food and Commercial Workers, and U.S. Cane Sugar Refiners' Assn.

I just wanted to give the Members a feeling for the types of organizations who are opposing this legislation.

Mr. Chairman, we have worked long and hard on this bill. Hopefully the majority will recognize that this is a bad bill, it is a bill that should be defeated, it is a bill that can show the American people this Congress is concerned about

the inflationary process. Let us vote no and get this bill back so someone else can work on it.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know the shouts of "vote" are coming from Members who are anxious to proceed.

I think it is important that when we do vote, on this bill, either for or against it, that judgment be made on the basis of some relevance to the facts. Question: Is the bill inflationary? Does providing for a 15.8-cent price objective, plus a half cent payment when it is clear that even the Department of Agriculture feels this combined return only just begins to meet the actual cost of production for American sugar producers make it inflationary?

Is it inflationary when, as a matter of fact, prices this year with or without this bill, will be that high? Or that price increases in the next 2 years are limited to 7 percent, well within the inflationary guidelines?

It is said by some Members that it provides, too high a minimum wage. However at the same time it is being opposed by the AFL-CIO because the minimum wage is not high enough. The fact is that sugar legislation first brought minimum wages to agriculture long before the Wage and Hour Act was ever enacted. One of the effects of this bill would be to provide substantially higher minimum wages to unrepresented, mostly black sugar workers, than provided all other categories of workers under the Fair Labor Standard Act and a premium over and above that to many machinery operators.

I find it difficult to understand why my great friends in the AFL-CIO, who have done so much over the years to advance the interests of organized and unorganized workers, would now deny these unorganized sugar workers the benefit of higher wages and other unprecedented protection, such as workmen's compensation purely on the grounds that they are not enough. They may not need it in Hawaii because Hawaii is unionized. They may not need it in Florida because Florida generally already pays higher wage rates. But they do need it in other areas.

We are enacting the provisions of the International Sugar Act, an agreement that the United States and 56 other countries have joined together in. The purpose of this agreement is to try and maintain a stable price for sugar, enhance trade, and help developing countries be less dependent on aid.

This bill has been criticized from left and right with more inaccuracies, more exaggeration, and less understanding or basis in fact than any of the other agricultural bills I have ever been associated with. Frankly, it does less for sugar as a commodity, than most agricultural programs do. Yet somehow it attracts this purely emotional opposition from every quarter of the House.

In reality, it is a moderate bill. It is so moderate that even if it passes much of our sugar production is probably going to be lost. As already pointed out, there are plants closed today in Idaho, in Washington, in Colorado, Louisiana, and

elsewhere, and more will close even if the bill is passed. It is going to cost the consumer little if any additional charge. Although providing for increases in the price support and wage provisions for the next 2 years, it holds these increases to a maximum of 7 percent per year. What it does provide is some assurance that part of our industry will survive, and real benefits to workers who need the support of this bill and the support of this House.

It deals with an important international agreement that the United States should be proud to implement and take part in.

I hope the Members of this House will seriously consider these facts when they vote in a few minutes. This bill is a bill of moderation. It is a bill that has been attacked unwisely by ill-informed groups who, although well-intended, are looking at different problems on a different set of circumstances than those that exist today in the sugar market. When we conclude debate on the question and come to the House with a bill this moderate in an attempt to provide assistance not only to sugar growers but to the hardest working and least represented workers in our country. I hope Members will not make their decisions on the superficial, emotional harangues, that have sometimes marked this debate but, rather, on the basis of hard evidence and objective fact.

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

Mr. FOLEY. I will be glad to yield to my colleague from Oregon.

Mr. ULLMAN. Mr. Chairman, I want to commend the gentleman.

I have sat with the gentleman in many sessions, session after session, trying to work out a very, very difficult issue. The gentleman is absolutely right. This is an industry in America that is very important that is going down the drain if we do not do something about stabilizing the price. This is a moderate bill, it is in the best interests of the consumers of this country, it is in the best interests of the country, and I urge the Members to vote for the bill.

● Mr. BINGHAM. Mr. Chairman, after careful assessment of this legislation—the International Sugar Stabilization Act of 1979—upon American consumers generally, and particularly upon the New York City region, I have concluded that I must vote against H.R. 2172.

I make that decision with some reluctance because the legislation contains authorization for U.S. participation in the International Sugar Agreement, which I support. I have noted today, however, a statement by the Secretary of Agriculture that the administration would submit International Sugar Agreement implementing legislation to the Congress separately if this bill is defeated. I think this is a wise decision. There is no reason that the International Sugar Agreement authorization must be combined with the domestic sugar program contained in this bill. Some of these domestic provisions are, in my view, ill-advised, particularly from the consumers' point of view. The possibility of separating the International Sugar Agreement from them allows Members of this House to judge the

proposed domestic program contained in this legislation on its own merits.

The United States' failure to participate in the International Sugar Agreement has held up the implementation of that agreement since 1977, and has severely upset and depressed the world sugar market to the detriment of some friendly nations, like the Dominican Republic which I recently visited. The Dominican Republic and some other nations have faithfully supplied the United States with sugar at reasonable prices through thick and thin over many years. They are now being severely hurt economically by low international sugar prices stemming in part from uncertainty about what the United States is going to do with its own sugar policies and programs. It is high time we put our own sugar policy into place and endorsed the International Sugar Agreement.

Participation in the International Sugar Agreement is in the interest of the United States and the American consumer because that agreement helps to keep world sugar prices at a stable and moderate level, which in turn, helps assure a world supply that meets the needs not only of the United States but of the rest of the world. This is done through a system of sugar stockpiles and export quotas which are used to offset any undesirable swings in prices or supplies.

Mr. Chairman, I voted for the Frenzel amendment that would delete the provision for direct subsidy payments to U.S. sugar producers of up to one-half cent per pound, with a limit of \$50,000 per producer. All such direct payments do subsidize and protect some domestic sugar producers—the less efficient domestic producers from the more efficient domestic producers. It is bad enough that we may have to subsidize our domestic sugar industry indirectly through guaranteed floor prices. Protecting our less efficient domestic sugar producers is even less defensible.

With or without the Frenzel amendment, this legislation unfortunately would have a most damaging effect upon the sugar refining industry—and particularly that portion of the industry located in the New York City region which I represent. Most New York City refineries are dependent upon and competitive only when there is a supply of foreign cane at somewhat lower prices than domestically produced sugar. The floor price of 15.8 cents a pound contained in this bill include a healthy profit for domestic sugar producers and refiners. But if New York City refineries have to buy foreign cane at that price—as they would under this bill—they would no longer be able to compete with domestic producers and refineries using domestic sugar sources such as beets and corn. This would have a most serious damaging effect on industry and employment in New York City, and I do not see why New York City should have to pay this added price to protect U.S. domestic sugar producers.

Strenuous opposition to this bill has been registered by a number of national organizations for which I have the great-

est respect. These organizations are convinced that H.R. 2172 would add to the burdens of inflation on the American consumer. Accordingly I shall vote against H.R. 2172.●

● Mr. HARRIS. Mr. Chairman, I wish to rise in opposition to the International Sugar Stabilization Act of 1979. This legislation is designed to serve a small segment of the agribusiness—less than 1 percent are involved in sugar production—at the expense of literally millions of consumers. It will add significantly to skyrocketing prices in the food industry, where the inflation rate currently stands at 17 percent. The price supports as proposed in this bill will add as much as a half a billion dollars to the consumer grocery bill in the first year alone. Built-in cost escalators will allow the price to adjust to rising production costs—promoting inefficiency. Some sugar producers want to convince us that a penny or two added to the price of sugar will have little effect on the individual consumer; but we must keep in mind that this increase will drive up the price of every item containing sugar—the overall effect on senior citizens and others on fixed incomes will be particularly damaging. The Congressional Budget Office estimates that each 1 cent increase in the price of sugar adds \$250 to \$300 million directly to the consumer food budget and \$150 to \$200 million indirectly by affecting prices of items produced with sugar. This bill calls for raising the price some 3 cents a pound over the next 3 years.

On top of these price supports, the sugar industry will benefit from a direct subsidy which will cost the Treasury \$50 million a year. The sugar program already costs consumers the sum of \$2.6 billion a year to artificially boost the price of sugar.

Before we vote to raise the consumer grocery bill, I think we need to carefully examine exactly who will benefit from this measure. Clearly, those producers currently receiving large profits and operating efficiently are going to gain the most from raising the price of sugar. The Nation's largest sugar producer, U.S. Sugar Corp., is already earning 148 percent more for the first 6 months of this year than in the same period last year. The Government and consumers should not be in the business of subsidizing industry profits. Make no mistake, price supports serve to protect producers when world prices fall, and are designed by the sugar industry lobbyists to allow them to reap windfall profits when prices take unexpected upswings. There is no protection for consumers from wild variations in prices. Past sugar programs have not held down the price of sugar—from 1963 to 1974, sugar prices soared under various sugar agreements. Under the most recent sugar legislation, prices have increased 40 percent since 1977.

The sugar producers claim they need this legislation to slow the trend toward dependence on cheaper imported sugar. However, over the last 4 years, the amount of sugar imported has held steady at 44 percent—an alarming trend toward imported sugar in this figure. During the last year domestic cane sugar

production—our largest source of domestic sugar—has shown a 5.1-percent increase. Production would not be expanding if it were not profitable.

Many of the problems in the sugar industry are a result of its own failure to read the market properly. Domestic production greatly expanded in 1974-75 during wide fluctuations in world sugar prices. In their attempts to take advantage of this, our sugar producers over expanded to the point that supplies now far exceed consumption. We cannot ask consumers to foot the bill for the industries own errors and inefficiency. This bill will allow inefficient operations to proliferate and thrive at the expense of family grocery bills.

If the Congress is serious about holding the line on inflation, then it should reject this bill as a direct attack on the consumer pocketbook. This legislation provides no protection from rising prices, on the contrary it will simply help boost them upward.●

● Mr. CHENEY. Mr. Chairman, I hope the House will pass the pending sugar bill, H.R. 2172. It is vitally important to sugar producers in this country, including beet growers in Wyoming and other Western States.

Without this legislation, there is a good chance a number of processing plants would shut down in the face of the uncertainty that would prevail. And once those plants are closed, the sugar producers who depend on them for a market would be doomed. We cannot allow this chain of events to occur. It would hurt not only those producers directly affected, but also their employees, the communities whose economies they support, and consumers throughout this Nation, who would find themselves that much more dependent on foreign sources of sugar.

This legislation is a compromise, as are most bills. It is not the bill I would have preferred to see us pass. It is not the bill the sugar producers preferred. And it is not the bill desired by consumer groups. It is the result of various compromises that had to be made in order to reach an agreement, and in order to fend off a Presidential veto.

I would have preferred that we consider the bill introduced by my colleague from Colorado, Congressman JOHNSON, to stabilize domestic sugar prices by regulating imports. Quotas and tariffs would have been employed in such a way as to protect and nurture a domestic industry. There would have been no subsidy payments to anyone under the Johnson bill.

But the JOHNSON bill was not approved by the Agriculture and Ways and Means Committees. H.R. 2172 was, and while it is not perfect, it would provide a minimum level of stability for the domestic industry—enough to prevent the demise of processing facilities and of many producing operations until prices improve.

The pending bill calls for a market price objective of 15.8 cents per pound for the 1979 supply year. This would be adjusted annually to reflect changes in production costs. It also provides for direct payments to producers, subject to a \$50,000 ceiling, if producers are unable

to achieve the price objective plus one-half cent per pound. And the bill would call for import quotas and/or duties if necessary to maintain the price objective.

The bill also requires sugar beet and cane producers to pay their workers a specified minimum wage and provides for loan guarantees for gasohol facilities.

Mr. Chairman, this country imports nearly half of the sugar required to meet domestic consumption levels. It is easy to see that if we fail to enact a reasonable program to protect our own producers, we will become increasingly dependent on foreign countries for sugar. We cannot afford to do that. We must enact the pending bill, in the absence of an opportunity to consider other alternatives.

Sugar beet growers in my State of Wyoming have expressed their strong support for this measure. I urge my colleagues to approve it.●

● Mr. CORRADA. Mr. Chairman, on March 6 of this year, I testified before the Committee on Agriculture in support of H.R. 2172, the International Sugar Stabilization Act of 1979, which I had cosponsored. It is imperative that we continue a steady supply of domestic sugar, and that we stabilize prices. We cannot simply write off an industry which continues to supply the majority of the sugar we consume, and employs thousands. In my district alone, over 23,000 people are involved in the production of sugar in all its phases. Although we have managed to slightly increase our production, and the Government-owned sugar corporation has reduced its deficit by \$10 million in 2 years, we are still in a critical situation.

As the committee report points out, while Congress continues to debate this bill, four mills have closed in Puerto Rico. A 15.8 cents price objective is a minimum for the 1979 sugar supply year. Those who shortsightedly refuse to lend a helping hand now, because it may mean paying a few extra pennies, may find themselves in the near future bemoaning the foreign cartels which will inflict an "energy" crisis of another nature. Although I urge my colleagues to support the bill, I must take strong exception to the committee provision limiting to \$50,000 the amount any producer can receive for any sugar supply year under the half a cent payment provision, regardless of level of production. This serves to severely limit the participation of larger growers, who precisely have been on the increase as the small farmer falls victim to increasing costs of production and diminishing returns.●

● Mr. MOAKLEY. Mr. Chairman, I rise in strong opposition to the International Sugar Stabilization Act which will, if passed, add to the food cost burdens of sugar consumers across America.

At a time when we are trying to bring inflation under control (the food inflation rate is already 17.7 percent), I believe it is unwise to pass legislation that will benefit fewer than 1 percent of all American farmers at a cost to consumers of \$3 billion per year. With approximately 14,000 sugar producers in the United States, this amounts to over \$200,000 per farm.

The American consumer will have no protection from this proposed price hike, even if consumption is decreased, because 75 percent of all sugar consumed in the United States is included in processed foods. Furthermore, this legislation has included built-in cost escalators that will continue to contribute to food price increases over the next 3 years.

Currently, domestically produced sweeteners, both corn and sugar, account for approximately 70 percent of the sweetener consumed in the Nation despite the fact the world price for sugar is around 7.6 cents per pound, as compared to the U.S. supported price of 15 cents per pound. H.R. 2172 would raise the price support level to 15.8 cents in the market price of sugar.

If we are going to seriously work to decrease inflation, all groups must do their part. Increasing sugar prices to benefit a select few will only pass the pains of inflation along to the consumer. I believe we can begin to slow inflation, and defeating H.R. 2172 is a step in the right direction.●

● Mr. FAZIO. Mr. Chairman, the attack on H.R. 2172, the International Sugar Stabilization Act of 1979, relies generally on the notion that the bill is inflationary and will cause consumers to suffer unnecessarily. A corollary is that the consumers and the Treasury will be expending large sums for the benefit of a few who do not need help, that is, farmers and sugar companies.

I sympathize with the consumer perspective on most issues. Certainly no one in this body wants to be known as someone who does not respond instantly to the threat of inflation. However, in this instance, I feel those who are opposed to the Sugar Stabilization Act are allowing themselves and their constituencies to be distracted by the red flag that the word "inflation" here constitutes. I am afraid that for the best of motives they are in the long run harming greatly the very consumers they would like to represent. They are being shortsighted; they are being penny wise and pound foolish. They seek to represent interests who do not understand how or why farmers produce, and even more important, who do not really understand that the farmer's problem will soon enough turn up to be their own problem.

The basic fact of the matter is that there is a surplus on the world sugar market and that this surplus is being dumped in the United States for prices much lower than the cost of anyone's production. This foreign sugar is subsidized; that is why its price is low. The foreign prices are not low because of relative foreign efficiency. To pass this bill would not be to subsidize American inefficiency.

The Department of Agriculture has established that the world will respond to the excess in supply by cutting production over the next few years. Prices will climb. To the extent that we fail to establish an international stabilization program we will be victims of an unregulated supply that is constituted by the highly volatile margin one-sixth of total production of what producing countries export in excess of their own consumption and their long-term contracts. The

United States gets slightly under half its sugar from this variable margin of world surplus. This share is 32 percent of the total margin. It is difficult to see how consumers or anyone would profit by dependency on this supply, for when the foreign curtailments occur they will occur first on the margin.

What will happen prior to this development if we lack a domestic price program? We will continue to witness a decline in domestic production. In districts such as mine, this means the loss of refineries and of jobs. This is not a temporary sort of loss. It is structural. Farmers must put out substantial capital investment for particular crops. It is difficult for farmers to change cropping patterns quickly, so it is not likely that they will rebound quickly. They will continue to slowly abandon sugar. Especially important is the loss of refineries to receive whatever the farmers produce. Numerous domestically oriented refineries in the Western United States have already shut down. This decline in processing facilities is largely responsible for a steady decline in acreage. Unless we arrest the trend by establishing a better domestic price program we are going to have a crippled domestic industry.

In terms of international political economics, the OPEC situation is analogous to what has been taking place with sugar. Obviously there is no commodity quite as important as energy supplies. However, the trends at work with sugar and the consequence are parallel: Foreign supply manipulated with the effect of suppressing domestic production, which means a long-term reliance on economic and political forces we are not in a position to influence. Again, it is difficult to see how consumers, including industry, would profit from this situation.

The Sugar Stabilization Act here before us handles these problems fairly and effectively. It thereby protects not only the long-term well-being of farmers, but also of consumers. Besides setting fair wages for sugar field workers, the bill would implement the International Sugar Agreement—ISA—to stabilize the world ebb and flow of this volatile commodity. Were we not to ratify this agreement—vigorously sought by the United States—we would invite the release onto the international market of stockpiles already accumulated by foreign producers under the terms of the agreement. We would guarantee the perpetual inability which would soon harm us.

By establishing a domestic price support program the bill takes care of the other half of the problem, protecting the United States' ability to maintain the home industry. The act provides only the bare minimum of support needed to avert collapse of the industry. It is not by any stretch of the imagination excessive. It is important for Members to realize that the figure of 15.8 cents per pound already represents a compromise far below the 17 cents the industry could really use.

How much will the bill really cost the consumers? Figures that sound enormous are being used to describe its allegedly

enormous inflationary impact. The fact of the matter is the price increases called for in the bill represent a theoretical maximum of about 80 cents per consumer per year. In reality, further, the current New York raw price is already the same as the objective the bill sets, 15.8 cents a pound, and therefore there will be little impact on what prevails. Increases in the bill are limited to 7 percent in sugar production year 1980 and 6 percent the year after that. Obviously these increases are far below the rate of inflation. They are well within the President's anti-inflation guidelines. They are also below projected increases for non-sugar sweeteners, use of which is increasing and will continue to increase when and if domestic sugar continues to become less available. In other words, the sugar industry would not be keeping pace with inflation, and its financial weaknesses will result in higher costs for the substitutes that will become more available.

It is easy to say any cost increase, even one limited to only half of inflation, is itself inflationary. It is easy to say that any Government-induced increase in prices is subsidized abuse of all consumers. All of us represent consumers; only a few represent farmers, and fewer still sugar farmers. But the sugar producers must live with inflation too, and at this point they are falling seriously behind. Further, the Congress needs to look beyond its immediate constituencies, beyond easy and simplistic prescriptions, to the truth. The truth is that we will all be worse off, regardless of constituencies, if this bill does not pass. ●

● Mr. ALBOSTA. Mr. Speaker, I rise in strong support of H.R. 2172, the Sugar Stabilization Act of 1979 and in support of title II as reported by the Agriculture Committee.

Congress today has a unique opportunity to enact a program for sugar production which will prevent runaway sugar prices and increased dependence on foreign sugar in future years. It may be hard for some Members to believe but 5 years ago this fall, sugar prices were rising to 65 cents per pound causing cries of outrage from consumer and industrial users of sugar.

I have in my hand over 2 dozen articles describing the furor that took place in this country as sugar prices went through the roof. A worldwide shortage of sugar existed and the affects were felt by all.

Now, 5 years later, after sugar prices have come way down and then gone up again, as the charts on both sides indicate, we have a chance to enact a reasonable program which will insure that America can produce its own supply of this important commodity for years to come. The market price objective in this bill is higher than what the price of raw sugar sells for today in New York.

While it is attacked for being inflationary by some Members, this bill will not cost the U.S. Government any money in fiscal year 1980.

While it is attacked for being anticompetitive by some Members, this bill will stop the dumping of subsidized foreign sugar on the U.S. market.

The chart to my right shows U.S. sugar prices from 1972 to 1979. It also shows what the market price objective would have been under the sugar program that expired in 1974. That program's market price objective would be 18.3 cents per pound today. H.R. 2172 sets a market price objective of only 15.8 cents per pound.

The chart to my left details world sugar prices from 1948 to 1979. As the chart so clearly indicates, sugar prices went through the roof in 1974—hitting a peak price of 65.5 cents per pound after the sugar program expired.

Both of these charts based on statistics from the Agriculture Department graphically illustrate what has and what can happen to sugar prices unless H.R. 2172 is passed.

By the way, while the price of sugar has come down from 65.5 cents per pound in 1974, the price of foods such as soft drinks have not been lessened at all.

Mr. Speaker, the United States is now at least 50 percent dependant on imported foreign sugar. Because of the continuing scarcity and high price of oil, countries such as the Philippines and Brazil are converting more of their sugar crop to the production of gasohol. This will further squeeze the world supply of sugar in years to come. Unless we act now to pass H.R. 2172, more farmers will turn from growing sugar beets and cane and toward other crops. Once this occurs, the factories now used to refine the sugar will close up and the trained skilled work force will move to other industries. These factories will not reopen when we need their production later on.

If we do not pass H.R. 2172, America will lose her ability to become self-sufficient in sugar production and become instead prey to foreign cartels. If you like what OPEC is doing to us with oil, you will really enjoy what foreign sugar producers will do in the future when supplies become tight as in 1974.

In conclusion, I make a plea for foresight and common sense that this distinguished House has used before in seeing the urgency of passing the Sugar Stabilization Act of 1970 to the benefit of consumers, industrial users and producers alike.

Thank you. ●

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

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

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BURLISON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2172) to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in

the domestic sugar industry, and for other purposes, pursuant to House Resolution 393, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

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

The amendment was agreed to.

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

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

□ 1730

MOTION TO RECOMMIT OFFERED BY MRS. HECKLER

Mrs. HECKLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. HECKLER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. HECKLER moves to recommit the bill, H.R. 2172, to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

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

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 158, nays 249, not voting 26, as follows:

[Roll No. 591]

YEAS—158

Abdnor	de la Garza	Johnson, Colo.
Albosta	Derrick	Jones, N.C.
Alexander	Devine	Jones, Okla.
Andrews, N.C.	Dicks	Jones, Tenn.
Andrews, N. Dak.	English	Kildee
Anthony	Erdahl	Kogovsek
AuCoin	Evans, Ind.	Kramer
Badham	Fazio	Latta
Bafalis	Fithian	Leath, Tex.
Baldus	Flippo	Lewis
Bedell	Foley	Livingston
Bennett	Fountain	Loeffler
Bereuter	Frost	Long, La.
Blanchard	Fuqua	Lott
Boggs	Glickman	Lowry
Bolling	Gore	McCormack
Bonior	Grassley	McKay
Bowen	Gudger	Marlenee
Breaux	Hance	Marriott
Brown, Calif.	Hansen	Mathis
Broyhill	Harkin	Matsui
Burlison	Harsha	Mica
Butler	Hightower	Michel
Carr	Hillis	Mineta
Carter	Hinson	Montgomery
Cavanaugh	Holland	Moore
Chappell	Huckaby	Moorhead, Pa.
Cheney	Hutto	Myers, Ind.
Coelho	Ichord	Natcher
Coleman	Ireland	Neal
Corman	Jeffords	Nedzi
Daniel, Dan	Jeffries	Nelson
Daschle	Jenrette	Nolan
	Johnson, Calif.	Oberstar

Obey	Shelby
Fanetta	Shumway
Pashayan	Shuster
Pepper	Skelton
Preyer	Smith, Iowa
Pritchard	Smith, Nebr.
Quillen	Snyder
Rhodes	Spence
Roberts	Stangeland
Robinson	Steed
Rose	Stenholm
Rousselot	Stump
Royer	Swift
Rudd	Symms
Sabo	Tauke
Satterfield	Taylor
Sawyer	Thomas
Schroeder	Traxler
Sebellus	Treen

NAYS—249

Addabbo	Fenwick
Akaka	Ferraro
Ambro	Findley
Anderson, Calif.	Fish
Annunzio	Fisher
Applegate	Florio
Archer	Ford, Tenn.
Ashbrook	Forsythe
Ashley	Fowler
Aspin	Frenzel
Atkinson	Garcia
Bailey	Gaydos
Barnard	Gephardt
Barnes	Gialmo
Bauman	Gibbons
Beard, R.I.	Gilman
Bellenson	Gingrich
Benjamin	Ginn
Bethune	Goldwater
Bevill	Gonzalez
Biaggi	Goodling
Bingham	Gradison
Boland	Gramm
Boner	Gray
Bouquard	Green
Brademas	Grisham
Brinkley	Guarini
Brodhead	Guyser
Brooks	Hagedorn
Broomfield	Hall, Ohio
Brown, Ohio	Hall, Tex.
Buchanan	Hamilton
Burton, John	Hammer-
Burton, Phillip	schmidt
Byron	Hanley
Campbell	Harris
Carney	Hawkins
Chisholm	Heckler
Clay	Heftel
Clinger	Hollenbeck
Collins, Ill.	Holt
Collins, Tex.	Holtzman
Conable	Hopkins
Conte	Horton
Conyers	Howard
Corcoran	Hubbard
Coughlin	Hughes
Courter	Jacobs
Crane, Daniel	Kastenmeier
D'Amours	Kazen
Daniel, R. W.	Kelly
Danielson	Kemp
Dannemeyer	Kindness
Davis, Mich.	Kostmayer
Davis, S.C.	LaFalce
Deckard	Lagomarsino
Dellums	Leach, Iowa
Derwinski	Lederer
Dickinson	Lee
Dingell	Lehman
Dixon	Leland
Dodd	Lent
Donnelly	Levitas
Dornan	Lloyd
Dougherty	Long, Md.
Downey	Lujan
Drinan	Luken
Duncan, Tenn.	Lundine
Early	Lungren
Eckhardt	McClory
Edgar	McCloskey
Edwards, Ala.	McDade
Edwards, Calif.	McDonald
Edwards, Okla.	McEwen
Emery	McHugh
Erlenborn	McKinney
Ertel	Madigan
Evans, Del.	Maguire
Fascell	Marks
	Mattox
	Mavroules
	Mazzoli

Ullman	Yatron
Vander Jagt	Young, Fla.
Vento	
Volkmer	
Wampler	
Watkins	
White	
Whitley	
Whittaker	
Whitten	
Williams, Mont.	
Wilson, Bob	
Wilson, C. H.	
Wilson, Tex.	
Wolpe	
Wright	
Wyatt	
Zablocki	

Wyllie	Yatron	Young, Mo.
Yates	Young, Fla.	Zeferetti

NOT VOTING—26

Anderson, Ill.	Evans, Ga.	Rahall
Beard, Tenn.	Flood	Rodino
Bonker	Ford, Mich.	Rostenkowski
Burgener	Hefner	Scheuer
Clausen	Hyde	Staggers
Cleveland	Jenkins	Williams, Ohio
Crane, Phillip	Leach, La.	Winn
Diggs	Markey	Young, Alaska
Duncan, Oreg.	Martin	

□ 1740

The Clerk announced the following pairs:

Mr. Scheuer with Mr. Anderson of Illinois.

Mr. Rostenkowski with Mr. Burgener.

Mr. Rodino with Mr. Beard of Tennessee.

Mr. Markey with Mr. Phillip M. Crane.

Mr. Evans of Georgia with Mr. Cleveland.

Mr. Rahall with Mr. Williams of Ohio.

Mr. Jenkins with Mr. Hyde.

Mr. Hefner with Mr. Winn.

Mr. Ford of Michigan with Mr. Martin.

Mr. Duncan of Oregon with Mr. Young of Alaska.

Mr. Bonker with Mr. Clausen.

Mr. Diggs with Mr. Flood.

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

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 2172, just considered.

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

There was no objection.

THE DEFEAT OF THE SUGAR BILL WILL CAUSE GREAT UNCERTAINTY

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

Mr. VANIK. Mr. Speaker, the defeat of the sugar bill will cause great uncertainty among many friendly nations concerning the status of the International Sugar Agreement.

During the next few days, I would like to discuss the situation with members of my committee and with representatives of the Department of State.

It is possible that if the Senate is considering proceeding with ratification of the ISA, that we would again be willing to consider implementing legislation—but as the vote in the House has just shown, such implementing legislation would have to be limited to just the provisions in title I of H.R. 2172 as reported by the Agriculture Committee.

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

Mr. VANIK. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding. I think the gentleman's sug-

gestion is a wise one. I think the ISA is important for this country and for our relations with the rest of the world. I would hope that the gentleman would go forward with his suggestion.

Mr. VANIK. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

#### APPOINTMENT OF CONFEREES ON S. 1037, DISTRICT OF COLUMBIA RETIREMENT REFORM ACT

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill, S. 1037 an act to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits, with the House amendments thereto, insist on the House amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears one, and appoints the following conferees: Messrs. DELLUMS, FAUNTROY, MAZZOLI, MCKINNEY, and MARKS.

#### APPOINTMENT OF CONFEREES ON H.R. 3824, AMENDING THE DISTRICT OF COLUMBIA SELF-GOVERNMENT AND GOVERNMENTAL REORGANIZATIONAL ACT

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. DELLUMS, FAUNTROY, and MCKINNEY.

□ 1750

#### PERMISSION TO FILE CONFERENCE REPORT ON S. 428, DEFENSE DEPARTMENT AUTHORIZATIONS, 1980

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on S. 428, the Department of Defense authorization bill for fiscal year 1980.

The SPEAKER pro tempore (Mr.

FARY). Is there objection to the request of the gentleman from Michigan (Mr. NEDZI)?

There was no objection.

#### HOME ENERGY TAX RELIEF ACT OF 1979

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

Mr. McHUGH. As we all know, Mr. Speaker, winter is rapidly approaching. In some areas of the Northeast and Midwest, including some parts of my district, it has already arrived. Yet, to date Congress has not come to grips with the most pressing problem many Americans face as winter approaches, the burden of rising home energy costs.

Mr. Speaker, we must not fail to act while some of our people may have to choose between heating their homes and feeding their families. For this reason, I am introducing legislation this afternoon which would provide some relief from these energy costs.

The only meaningful way of providing help quickly is by reducing the amount of taxes people pay, thus increasing the amount of resources available to help meet these rising costs. The measure that I am introducing today would provide such tax relief to low- and middle-income households.

Under this proposal, a household with an adjusted gross income of \$15,000 or less would be entitled to a refundable tax credit of \$300 if the household employs oil or kerosene as its principal heating source. This credit would be reduced by \$20 for each additional \$1,000 of income above \$15,000, and would not be available to those earning \$30,000 or more.

A household with an adjusted gross income of \$15,000 or less would be entitled to a refundable tax credit of \$150 if it employed any other fuel for heating or cooling. This credit would also phase out at \$30,000, with the amount of the credit being reduced \$10 for each additional \$1,000 of income over \$15,000.

As you know, Mr. Speaker, prices for all fuels have been rising and that is why my bill is designed to provide some help in meeting the increased costs associated with all fuels. On the other hand, since the price of home heating oil and kerosene have risen especially dramatically in recent months, my bill would provide special help to households that employ these fuels.

The tax credit provided for in this bill would be available to those who rent as well as to homeowners because it is clear that everyone pays the cost of heating their principal residence in one form or another. Similarly, the bill would apply to housing cooperatives and condominiums.

As I said, Mr. Speaker, the first step in helping the American people to cope with rising home energy costs is by providing them with some relief from the

taxes they presently pay. Commendable as this may be as a first step, however, there are many individuals and families who will not be able to wait for help until they file their income tax returns.

These people need help now, and my bill provides two ways in which a household could take advantage of the tax credit immediately.

First, a wage earner in the household could increase the number of deductions claimed, thus receiving an immediate boost in real disposable income as a result of a reduction in the amount of Federal taxes withheld.

Alternatively, the household could file a simple form with the Internal Revenue Service. That form would include its projections of income and fuel expenses for the taxable year. Based upon that information, the IRS would then determine the amount of tax credit that the household was likely to be eligible for when it filed its income tax return the following year.

IRS would then establish an account on behalf of the household from which its fuel distributor could be reimbursed for the value of fuel delivered to the household.

If the amount reimbursed to a supplier exceeded the actual amount of the credit for which the household was later found to be eligible, the household would reimburse the IRS when it filed its income tax return. Alternatively, the household would be able to claim any excess credit as a tax refund.

Eligibility for this immediate assistance under title II of the bill would depend upon family size and income. For example, a family of four with an income of less than \$11,725 would be able to establish such an account and have fuel bills charged against it.

Mr. Speaker, this is an important piece of legislation designed to meet a very real and compelling problem. For the benefit of my colleagues, I am attaching at the end of my remarks a series of questions and answers that explain the bill more fully.

I hope that the appropriate committees will give this bill their most serious consideration. As I said at the beginning, winter is rapidly closing in on us. It could be a very cold winter indeed for the American people unless we act now to deal with this issue:

#### QUESTIONS AND ANSWERS ON THE HOME ENERGY TAX RELIEF ACT OF 1979

Q. How does the legislation help people cope with rising energy prices?

A. The legislation establishes a tax credit for households based on the household's adjusted gross income level and the type of fuel used to heat or cool the principal residence. The tax credit is refundable, that is, it would be available as a cash payment even if the household had no income tax obligation.

Q. What types of housing qualify for the tax credit?

A. All types qualify including owners, renters, condominium owners and those in cooperative arrangements.

Q. How much tax relief is available?

A. For households using oil or kerosene, a maximum of \$300 is available. For households using other fuels, a maximum of \$150 is available.

Q. Is everyone eligible for the maximum credit?

A. No. If a household's adjusted gross income is \$15,000 or less, it is entitled to the maximum credit. When a household's adjusted gross income exceeds \$15,000, the credit is reduced. For households using oil or kerosene, the credit is reduced \$20 for each \$1,000 by which the household's adjusted gross income exceeds \$15,000. For households using other fuels, the credit is reduced \$10 for each \$1,000 by which the household's adjusted gross income exceeds \$15,000. Both credits phase out at the \$30,000 adjusted gross income level.

Q. Does a household have to wait to receive the credit until it files its income tax return at the end of the year?

A. No. There are two ways for households to receive the credit in advance of filing an income tax return.

(1) A household may have a wage earner claim extra deductions from paychecks in order to reduce withholding of taxes.

(2) A household may have the Internal Revenue Service establish an account from which its supplier of fuel may receive direct reimbursements for fuel delivered to the household.

Q. How does the account relate to the tax credits which are established?

A. The account is simply a mechanism by which certain households may receive the benefit of the tax credit so that prompt reimbursement can be made to suppliers of fuel delivered this winter. The amount of reimbursements to a supplier cannot exceed the amount of the tax credit to which a household would be entitled.

Q. May all households have an account established?

A. No. A household may have an account established only if the household's adjusted gross income is less than 175 percent of the poverty line and fuel is purchased directly from a supplier. For example, a household of four with an adjusted gross income less than \$11,725 would be eligible.

Q. How would the account work?

A. A household would apply to the Internal Revenue Service for certification of eligibility and the amount of assistance to which it is entitled. The household would also designate its supplier of principal fuel. Both the supplier and the household would be promptly notified by the IRS of the certification. The supplier would then apply for direct reimbursement for fuel delivered to the household. Supplier reimbursements could not exceed the amount of tax credit to which the household would be entitled.

Q. How long would the tax credits and the accounts be available?

A. They would be available for 1979 through 1983.

#### KIRKLAND AND MARSHALL DISPEL FICTIONS ON DAVIS-BACON

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

Mr. ASHBROOK. Mr. Speaker, historians enjoy reminding us that Abraham Lincoln used to say that "You can fool some of the people all of the time,

and all of the people some of the time, but you can't fool all of the people all of the time." Fortunately for us today, Mr. Lincoln's observation remains the truth.

I refer today specifically to the fooling that has been done over the years regarding the administration of the Davis-Bacon Act, which calls for the payment, on government contracts, of the prevailing wage rate. I repeat, the prevailing wage rate. Supporters of the act have long argued that indeed, the wage rate determined by the Department of Labor has been the prevailing rate, and not, in fact, as critics of the act have argued, a nearby union rate, which is not called for under the act.

During this year, two major figures in American labor today, the Secretary of Labor, and the leading candidate for the presidency of the AFL-CIO, Mr. Lane Kirkland, have finally decided to stop fooling the people, and have decided to publicly state that wages paid on Davis-Bacon projects really are the union rates. Their comments received little attention in the press. I therefore include, for the consideration of my colleagues, the statements from these two highly regarded individuals. Mr. Marshall's statement is from the third edition of his Labor Economics text, published in 1976, the year before he took public office. The Kirkland statement is from the text of a speech he gave in January of 1978 at an international conference at Davos, Switzerland:

Mr. Marshall said:

In addition, flexible minima are provided by federal law in certain circumstances. Under the 1931 Davis-Bacon Act, the Secretary of Labor establishes minimum prevailing rates for contractors engaged in federal construction work costing \$5,000 or more. In practice, these minima have been union rates and therefore have been useful to the building trades unions in preventing non-union wage competition below these minima. The Walsh-Healey (Public Contracts) Act of 1936, among other things (for example, regulation of overtime pay, child labor, the use of convict labor, and certain safety and sanitation limitations) permits the Secretary of Labor to establish minimum wages on government contracts of over \$10,000. Generally these prevailing minima are above those established on an industry basis. Like the Davis-Bacon, the Walsh-Healey minima thus help unions by preventing competition below the levels established by the Secretary of Labor. Unions complain, however, that these minima do not include "prevailing benefits" and advocate changes to correct this omission.

Mr. Kirkland's statement:

Our unions are obligated by law to represent everyone employed in a bargaining unit regardless of whether or not they are members. The AFL-CIO negotiated with the President and the Congress the minimum wage legislation which established the wage and hours of millions of workers in America who do not belong to unions. Prevailing wage legislation, affecting federal, state and local contracts for construction or procurement further extend the application of union wages.

Mr. Speaker, we are indeed fortunate

that Mr. Kirkland and Secretary Marshall have joined us in denouncing the great problem that makes Davis-Bacon totally unmanageable. The determination that a prevailing wage is a union wage, where a project is a distance from the unionized area, has the effect of barring local contractors from bidding on a project, and instead, brings in outside contractors who can afford the wage determinations. That in effect depresses the local economy, which is exactly the problem that Davis-Bacon was meant to remedy, and not to cause.

I thank both of these gentlemen for their candid comments on Davis-Bacon, and invite them in the future, to continue this frankness so that we may, for once and for all, remove from the books this unfortunate piece of legislation.

My colleague from Illinois (Mr. ERLÉN-BORN) and I have jointly introduced H.R. 1931, a bill to repeal the Davis-Bacon Act. I would hope that my colleagues would see fit to join us in support of this measure.

#### RETAINING THE DOLLAR BILL

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

Mr. HANSEN. Mr. Speaker, I am today introducing a concurrent resolution to express the sense of Congress that the \$1 bill should not be retired arbitrarily and that the new \$1 coin should be produced in such number as is warranted by public demand.

This resolution is being introduced concurrently in the other body by the senior Senator from North Carolina (Mr. HELMS).

Just a little over a year ago, this House voted to introduce a new \$1 coin to replace the Eisenhower dollar. The new coin is smaller and lighter in weight, because it was the feeling of the Treasury and others that this would contribute to an acceptability that the larger coin does not have. The motive for this new coin was the savings to be realized as fewer dollar bills were needed.

A key question, therefore, was whether the new coin would be accepted by the public. Regrettably, this key question was lost sight of in the spirited debate over who should be pictured on the coin. We were warned at the time, especially by our colleague, the gentleman from Delaware (Mr. EVANS), that we were taking an awful chance by introducing the new coin without any reliable research to determine probable acceptability, or to determine what kind and extent of marketing efforts might be needed to encourage consumer acceptance.

As we are all now painfully aware, the coin has proven so far a flop. My own observation is that this coin has fared even worse than the unlamented \$2 bill, because I never heard of anyone offering to fight rather than accept a \$2 bill, whereas there are numerous reports of

consumers becoming positively violent when offered the new \$1 coin in change.

One would suppose that a rational response on the part of the Treasury would be to mount a well-conceived marketing program for the coin, perhaps in the interim helping out the situation by encouraging acceptance of the less-controversial \$2 bill.

Here and there, however, the idea has arisen that the new coin should be imposed by fiat on the American consumer by withdrawal of its only real alternative, the dollar bill. This idea is in accord with the long-standing principle that if government makes a mistake it should make someone else bear the cost.

Rereading the proceedings last year on the new dollar coin, I have come to the strong conclusion that no one in Congress, either in this body or the other, contemplated enforced circulation of any particular piece of currency. Here I quote from the remarks of the prime sponsor of the dollar coin bill in the House, our colleague from Ohio (Ms. OAKAR), when she said:

First of all, this coin does not replace the dollar bill. . . . This coin replaces the cumbersome, heavy Eisenhower dollar coin. It does not replace the dollar bill, and that should be made very, very clear.

Later on, she further said and again I quote:

We are not asking the consumer to do anything less on this issue than we would ask them to in the case of food, clothing, soap, or what have you. Use the product and let us know how you like it.

We do not need any marketing surveys now to tell us the answer. The consumer has used the new dollar coin and doesn't like it one bit. Now it is reasonable to try to change that attitude by advertising the advantages of the dollar coin, and enlisting the aid of retailers and banks to help in that advertising. But it is not reasonable to stuff the coin down the consumer's throat and override his judgment of what he finds convenient and desirable.

My resolution seeks to continue the policy we have had in this country ever since the establishment of the Federal Reserve system of supplying whatever demand the public has for different types of coins and currency. There can be no question that the public has shown its whole-hearted desire to continue use of the dollar bill for the time being. Whatever the merits or deficiencies of the people's judgment, it is our job to see to it that their convenience is served in this matter, even while we may be seeking to persuade them differently. To do otherwise is to overturn a long-standing policy that has served the country well, a policy that seeks to promote efficiency in commerce, and convenience for the consumer by accommodating individual requirements for coin and currency.

I invite our colleagues to join me in sponsoring a resolution to continue this policy, the text of this resolution follows.

H. CON. RES. 203

Whereas the currency system of the United States has been administered so as

to provide supplies of currency in various denominations in response to the demand of the American people;

Whereas it has been the policy of the Federal Reserve System to issue notes to its member banks in such quantities as those member banks require to meet public demand;

Whereas the Congress has supported continuance of this policy during the course of its oversight responsibilities and in specific legislation;

Whereas the American people have indicated their desire to continue to use the one-dollar bill; and

Whereas the Coinage Act of 1965 directs the Secretary of the Treasury to only provide coins authorized by law in "such quantities as he determines to be necessary to meet national needs": Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of Congress that—

(1) no action shall be taken which would lead to the withdrawal of the one-dollar bill from circulation until such time as the Congress authorizes such withdrawal;

(2) no action shall be taken which attempts artificially to stimulate the demand for the one-dollar coin or require its use; and

(3) the production of various coins by the United States mint shall be in such quantities as may be necessary to meet national needs, as reflected in public demand.

#### AMENDMENT OF SAFE DRINKING WATER ACT NEEDED TO FORCE EPA SCIENTIFIC STUDIES

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

Mr. McCLORY. Mr. Speaker, the Safe Drinking Water Act enacted into law in 1974 is being interpreted by the Environmental Protection Agency in a manner which is having extremely adverse and unjustifiable effects on a number of communities in my congressional district.

Section 1412 of that act empowers the Federal EPA to establish a standard for contaminants in drinking water which "may have an adverse effect on the health of persons." Relying on this language, the Federal EPA has designated a standard for barium in community water supplies at one part per million.

In my congressional district barium ions in excess of that standard are found naturally in the water supplies from some community water wells—particularly from the deeper wells which provide most of the water for domestic purposes.

Mr. Speaker, according to my investigations and on the basis of reliable scientific data which has come to my attention, there is no justification for such a standard. Indeed, such a standard could not be imposed except under the very loose or flexible language of the Safe Drinking Water Act. The Federal EPA does not know and has been unable to provide any recognized scientific data to establish that barium ions found naturally in community water supplies

poses any danger to human health. Accordingly, one of the amendments which I am proposing to the Safe Drinking Water Act would require EPA to establish that a contaminant in drinking water must "pose a substantial health hazard"—before the EPA may establish a standard with which affected communities would have to comply.

Mr. Speaker, I am also introducing an alternative proposal which would compel the Federal EPA to conduct a comprehensive study on the health effects from barium, barium ions, radium or any combination thereof in community water supply systems before promulgating any standards or regulations which would compel compliance with any such standard.

Under this amendment, the Federal EPA would be required to conduct or arrange for scientific studies by contract or otherwise, including particularly scientific data derived from tests on animals and based upon epidemiological data. Mr. Speaker, under this amendment, which seems entirely equitable and essential, the Federal EPA would be required to defer any drinking water standards relating to these elements until such scientific studies and epidemiological programs are completed.

Mr. Speaker, I hope that the Subcommittee on Health and the Environment of the Interstate and Foreign Commerce Committee, to whom I expect these bills to be referred, may conduct prompt and informative hearings following which the basic Safe Drinking Water Act may be appropriately amended to serve the need which has resulted from the Federal EPA's misinterpretation of the law which we enacted in 1974 and under which the EPA seems determined to act notwithstanding the inadequacy of any scientific or epidemiological data upon which to base its regulations. Copies of these two bills are attached for the further information of my colleagues.

H.R. 5875

A bill to amend the Safe Drinking Water Act to change the requirements for establishing national primary drinking water regulations, to require the Environmental Protection Agency to conduct a study of the health effects of barium and radium in drinking water, to suspend the standards for barium and radium pending the completion of the study, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That (a) Section 1401(1)(B) of the Public Health Service Act is amended by striking out "may have any adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(b) Section 1412(b)(1)(A)(ii) of such Act is amended by striking out "may have an adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(c) Section 1412(b)(1)(B) of such Act is amended—

(1) in the first sentence, by striking out "may have any adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(2) In the second sentence, by striking out "known" and all that follows through the period and inserting in lieu thereof "unreasonable risk to the health of persons occurs"; and

(3) In the third sentence, by striking out "may have any adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(d) The amendments made by this section shall apply only to primary drinking water regulations (whether interim or revised) under title XIV of the Public Health Service Act which are promulgated, revised, or amended after November 1, 1979. Following completion of the study under subsection (e), the Administrator of the Environmental Protection Agency shall promulgate in accordance with section 1412 of such Act (as amended by subsection (c) of this Act), a revised national primary drinking water regulation for barium and barium ions and a revised national primary drinking water regulation for radium.

(e) (1) The Administrator of the Environmental Protection Agency shall conduct a comprehensive study of any health effects which result from barium, barium ion, or radium, or from any combination thereof, in concentrations greater than the maximum contaminant level specified under the national interim primary drinking water regulations promulgated under section 1412 of title XIV of the Public Health Service Act. Such study may be based upon data derived from animals and upon epidemiological data. For purposes of conducting such study, the Administrator may enter into contracts or other arrangements with appropriate persons or organizations in accordance with applicable law.

(2) A report containing the results of the study conducted under this subsection shall be submitted to the Congress as promptly as practicable.

(3) Following the date of the enactment of this Act—

(A) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to barium or barium ions shall apply to any drinking water system which serves an area in which barium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for such contaminant under the national interim primary drinking water regulations promulgated under section 1412 of such Act; and

(B) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to radium shall apply to any drinking water system which serves an area in which radium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for radium under the national interim primary drinking water regulations promulgated under section 1412 of such Act. Until completion of the study required under this section, no revised national primary drinking water regulation under section 1412 of the Public Health Service Act relating to barium or barium ions shall apply to any area described in paragraph (1) and no revised national primary drinking water regulation under such Act relating to radium shall apply to any area described in paragraph (2).

H.R. 5676

A bill to amend the Safe Drinking Water Act to provide for a study of the health effects of barium and radium in drinking water

and to suspend the national interim primary drinking water standards for such contaminants pending the completion of such study and the promulgation of new standards for such contaminant

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Administrator of the Environmental Protection Agency shall conduct a comprehensive study of any health effects which result from barium, barium ion, or radium, or from any combination thereof, in concentrations greater than the maximum contaminant level specified under the national interim primary drinking water regulations promulgated under section 1412 of title XIV of the Public Health Service Act. Such study may be based upon data derived from animals and upon epidemiological data. For purposes of conducting such study, the Administrator may enter into contracts or other arrangements with appropriate persons or organizations in accordance with applicable law.

(b) A report containing the results of the study conducted under subsection (a) shall be submitted to the Congress as promptly as practicable.

(c) Following the date of the enactment of this Act—

(1) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to barium or barium ions shall apply to any drinking water system which serves an area in which barium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for such contaminant under the national interim primary drinking water regulations promulgated under section 1412 of such Act; and

(2) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to radium shall apply to any drinking water system which serves an area in which radium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for radium under the national interim primary drinking water regulations promulgated under section 1412 of such Act. Until completion of the study required under this Act, no revised national primary drinking water regulation under section 1412 of the Public Health Service Act relating to barium or barium ions shall apply to any area described in paragraph (1) and no revised national primary drinking water regulation under such Act relating to radium shall apply to any area described in paragraph (2).

#### ANOTHER BAD PRECEDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLOMON) is recognized for 60 minutes.

Mr. SOLOMON. Mr. Speaker, the Carter administration has labored to give the impression its China policy goal has been the establishment of relations with the People's Republic of China.

Billed by the administration as necessary sacrifices in the pursuit of this goal were diplomatic relations with Taiwan, the abrogation of our mutual defense treaty, and the moratorium on arms sales to Taiwan.

But now that diplomatic, cultural, and

economic ties have been developed with the Communists, the administration is continuing its pressure against our ally, Taiwan, the Republic of China.

The latest push came in September when the administration announced the intention to terminate the 1946 Air Transport Agreement with Taiwan.

An "informal, unofficial understanding" is the only alternative being offered and, if Taiwan refuses to accept this dictated policy reversal, it will be left with no agreement at all. All or nothing. This action has very serious implications, one being the administration's continued efforts to circumvent Congress.

I am reminded that during debates on the Taiwan Relations Act, administration spokesmen repeatedly assured Congress the President's efforts to abrogate the mutual defense treaty did not represent a precedent.

I offer as examples of the promises made during that period, the words of President Carter himself.

During his December directive outlining his intentions, President Carter stated:

Existing international agreements in force between the United States and Taiwan shall continue in force.

Also, Deputy Secretary of State Christopher promised the Senate Foreign Relations Committee, "We have moved to assure that, with the exception of the mutual defense treaty and related agreements, our many treaties and agreements with Taiwan—there are more than 55 in all—will remain in force."

Christopher further assured that, with regard to aviation arrangements—Taiwan would be viewed as "a valid treaty partner for the purpose of important treaties, such as aviation arrangements and nuclear supply arrangements, which now exist."

Despite administration assurances, Congress provided for the continuation of "all treaties and other international agreements between the United States and Taiwan" in section 4(c) of the Taiwan Relations Act.

And so, the very spirit of the Taiwan Relations Act has been compromised.

This effort, which was taken without consultation with Congress, represents yet another effort to expand the power of the Executive over Congress and seems blatant in view of Judge Gasch's ruling that the President does not have power to abrogate the mutual defense treaty without the consent of Congress.

And what is the administration's reaction to this obvious conflict in policy?

Assistant Secretary of State Holbrooke replied to questioning from Senator JAVITS that this action was necessary in order to improve relations with Peking.

Mr. Speaker, I question that reasoning. Furthermore, I question the President's judgment in taking such an action.

It is a well documented fact that despite the optimistic outlooks promoted by the State Department regarding long-range trade possibilities with the Peo-

ple's Republic of China, trade with Taiwan is seven times the size of our trade with the PRC.

No wonder American businessmen with established businesses in Taiwan are alarmed by this Presidential action.

In a letter to President Carter, Robert Parker, president of the American Chamber of Commerce in Taiwan, stated:

We do not accept the contention that replacing a treaty with an "informal, unofficial arrangement" is only a change in form and not in substance.

This concern related not only to the aviation treaty, but to other important commercial agreements with Taiwan including the vital treaty of friendship, commerce and navigation.

The House Foreign Affairs Committee met earlier today to consider this very symbolic and serious precedent-setting act by the administration.

I have requested this special order and invited comment to focus attention on what I consider an unnecessary and impractical act.

As I stated in my opening remarks—diplomatic, economic, and cultural ties have already been established.

We are not faced with an either/or choice. The present Air Transport Agreement could be amended, if necessary.

Congress, the American people, and our allies have been misled.

We should not allow the administration to continue to risk U.S. credibility and world opinion.

I would now like to submit for your consideration an article entitled "Deception on Taiwan" by the noted syndicated columnist M. Stanton Evans, which makes clear the deception which riddles the Carter foreign policy.

And on behalf of Senator BARRY GOLDWATER I want to personally thank all of the Members of this House who joined me as an intervenor in the successful Goldwater suit against the administration that proves once and for all that Congress is an equal branch of Government and that no President (present or future) can abrogate or break a treaty without the approval of Congress.

#### DECEPTION ON TAIWAN

(By M. Stanton Evans)

Deception has always been a major factor in dealings among nations, but the Carter Administration is lifting the practice to new heights.

This is an administration, it should be recalled, that came to power on the strength of promises concerning honesty and openness in government. Yet its 30-odd months in office have equaled or surpassed existing records for misleading statements in the realm of foreign policy. Panama, Red trade, and the recent calamity in Nicaragua are just a few examples (that have been cited in this space).

The distinguishing feature in this pattern of deception is that the people being misled are not foreign adversaries, but the American public. In the typical case Panama, the SALT accords—the U.S. voter is given certain assurances concerning some proposed initiative of the Carter regime. But once the policy

is in place, or subjected to closer scrutiny, it turns out the assurance is mistaken.

A recent example is President Carter's abrogation of our mutual defense treaty with Taiwan—the action being challenged in the courts, so far successfully, by Sen. Barry Goldwater (R-Ariz.). The attempted termination of this treaty stirred widespread misgivings, not only because of its intrinsic importance, but because it was feared a precedent was in the making. We have more than 50 other treaties and agreements with Taiwan, and if these were shredded in similar fashion the impact on Free China could be disastrous.

When this possibility was mentioned in the Taiwan debate, administration spokesmen were emphatic in denying that any such thing could or would happen. What was in prospect, they said, was only the abrogation of the defense treaty, and nothing more. No precedent was being established. The other agreements would remain intact. This was stated over and over again by administration spokesmen.

Thus in his directive on the subject last December, President Carter asserted that "existing international agreements in force between the United States and Taiwan shall continue in force." In February, Deputy Secretary of State Warren Christopher told the Senate Foreign Relations Committee, "We have moved to assure that, with the exception of the mutual defense treaty and related agreements, our many treaties and agreements with Taiwan—there are more than 55 in all—will remain in force."

Christopher went so far as to emphasize certain agreements with Taiwan that would remain intact. He referred to the fact that, under the administration's proposed new policy, Taiwan would be treated as "a valid treaty partner for the purpose of important treaties, such as aviation arrangements, nuclear supply arrangements, which now exist." Other administration witnesses testified to the same effect.

Given these elaborate assurances, imagine the surprise of various senators and congressmen the other day when they discovered the Carter regime was setting out to do precisely what it said it wouldn't—severing other arrangements with Taiwan. The agreement the administration is now trying to do away with is the air transport pact of 1946—one of the agreements specifically singled out by Christopher by which the United States and Free China have reciprocal aviation landing rights. The Carter administration wants such an arrangement with Red China, and to get it is trying to renounce the agreement with Taiwan.

To date, the administration has made no effort to reconcile the obvious conflict between this action and its previous statements on the subject. Assistant Secretary of State Richard Holbrooke was questioned on the matter by Sen. Jacob Javits (R-NY), and proceeded to explain that such a move was necessary to improve relations with Peking. No explanation of the previous false assurances was provided. Senator Goldwater and other lawmakers, however, are setting out to find one. Here's hoping they're successful.

#### GENERAL LEAVE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this special order on the Republic of China Air Transport Agreement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. SOLOMON)?

There was no objection.

Mr. SOLOMON. Mr. Speaker, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, let me first congratulate the gentleman from New York for taking this time today to discuss United States 1946 agreement with Taiwan. I would like to add my voice in opposition to the administration's announced intentions to terminate the 1946 Air Transport Agreement with the Republic of China. Such an action by the President would be untimely, disloyal, and against the best interests of American people and the people of Taiwan.

Only last week, a Federal district court declared, in a suit in which I was a plaintiff, that President Carter had unconstitutionally terminated the mutual defense treaty with Taiwan. The administration, in a desperate attempt to show "decisive action" and "make history" by recognizing the People's Republic of China, illegally attempted to circumvent Congress and unilaterally end our mutual defense pact with Taiwan.

That treaty provides that the United States would come to the defense of Taiwan if it should be attacked by mainland China. Understandably, the Communist Chinese—who still voice every intention of "unifying" Taiwan with mainland China—demanded an end to the treaty protecting Taiwan. Mr. Carter, anxious to please the Communist Chinese, went along.

And he went further. He assured Congress that we would somehow insure Taiwan's continued security. He assured Congress that this treaty was the only formal agreement which would be terminated. Our 55 other agreements would remain in force.

The President, who once told us that he would never lie to us, made these pledges in order to mollify Members of Congress and gain their assent to the Taiwan Relations Act. He succeeded. Earlier this year, Congress approved the Taiwan Relations Act, thereby relegating Taiwan to a "twilight zone" existence. It is there, but it is not there. We do not recognize it. We have no defense treaty, but we do have some 55 other treaties and agreements with that nation.

Section 4(c) of the Taiwan Relations Act provides for the continuation of "all treaties and other international agreements" between the United States and Taiwan. But barely had the ink dried on the President's signature to that act, than he turned around and expressed his desire to transform our official treaties and agreements with Taiwan into "informal, unofficial understandings." The first victim of this process is to be the 1946 Air Transport Agreement.

How gullible are we to be? How far shall we ace in the duplicitous plans of the administration to appease the totalitarian regime on mainland China? Shall we be led by the nose to reduce Taiwan to a helpless nonentity, ripe for the plucking by mainland China?

I would hope that there is more honor and courage in this House than to allow that to happen.

The President's promises were promises of expediency. It is clear that his pledges to maintain our ties with Taiwan were made only to insure the passage of the Taiwan Relations Act. We must not now merely nod our heads in agreement as he seeks to break those promises. The President must be held to his word, and to the words of the Taiwan Relations Act, itself.

We have already gone much further than necessary to please the mainland Chinese. We must go no further.

It is particularly foolish at this time to proceed with the administration's plans to "derecognize" the Republic of China. Need I remind you that the very foundation of the President's China policy has been weakened by the Federal court's decision last week. If the abrogation of the defense treaty was illegal, and I believe it was, then the priority concern of Congress will ultimately be a debate and vote on the future of that treaty. Since the President intends to end the treaty by January 1, 1980, this matter must soon be decided.

A victory in Congress by the friends of the Republic of China, a free, prosperous, democratic nation, would probably force the President back to the negotiating table with the People's Republic of China to reconsider the state of our formal relations.

That is a rather basic agreement to work out. Before President Carter tries to weaken our ties with Taiwan any further, he should wait to see what the state of our relations with the PRC will be, if, indeed, there are to be any formal relations. It is my hope that if negotiations are reopened the President will prove to be a tougher negotiator than he has been in the past. The independent survival of the Republic of China, a sovereign nation, can be and should be assured.

It is the duty of this Congress to see that the President is not allowed to further dismantle our relations with Taiwan. His desire to present Congress with a fait accompli must be thwarted.

Congress must say "no" to the administration's plans to terminate the 1946 Air Transport Agreement.

Mr. SOLOMON. I yield to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of the determined efforts of the gentleman from New York (Mr. SOLOMON) to stop the Department of State move to terminate our 1946 Air Transport Agreement with the Republic of China. I have already joined him in communicating to the distinguished chairman of the House Foreign Affairs Committee my concern over this matter. It is my hope that this issue can be resolved either with or without hearings.

The Congress needs to know if this effort by the Department of State to replace this 1946 agreement with an "in-

formal, unofficial agreement" is just precursor of a number of such actions? It is my strong view that we cannot afford to insult further the Republic of China. Taiwan is a key trading partner of ours and will continue to be so for many years.

Communist China will not become a major trading partner of ours for years to come, if ever. Even the most optimistic estimates have already fallen flat on that score. One would also hope that the Department of State, after the recent decision by Judge Gasch, would proceed with a little more caution, or is that too much to hope for? Is it too much to hope for that we treat a longtime ally almost as well as we treat a Communist country sworn to destroy our way of life? It should be obvious to everyone that only Red China's sagging economy and her fear of the Soviet Union guide her present policy toward the United States, not her love of capitalism.

In my view, the Congress needs to search out the motivation for this move by the Department of State. Has Peking asked the United States to do this, and if so, why? If it is not done, what is the effect of maintaining the status quo? We need these and many more answers before further antagonizing one of the few friends this Nation still has in the world.

Mr. SOLOMON. I thank the gentleman from Georgia for his remarks.

I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Speaker, last week the Nationalist Republic of China celebrated its 68th year of existence. Considering the policies of the present administration it will take much effort and commitment for this valiant nation to prosper for another 68 years. I find it unbelievable how President Carter and his legions of appeasers have made the isolation of the Nationalist Republic a cornerstone of their foreign policy of surrender. The issue we have before us today is the termination of a major bilateral agreement between this Nation and the Nationalist Republic. This agreement has been a standing commitment since 1946. Obviously, this President is only interested in honoring those accords that please Peking and the Kremlin. I can find no other rationale for the pattern of international corruption President Carter has brought to America's moral and legal commitments.

I am pleased to note that the U.S. district court agrees that Mr. Carter's actions relating to Taiwan are in direct violation of American law. It is indeed refreshing to have a Federal judge read the Constitution before making a legal decision. While the Constitution does not explicitly outline the role of Congress in the treaty termination process, Judge Oliver Gasch was perceptive enough to understand the fundamentals of American Government and the implicit role the Congress has in deciding foreign pol-

icy. The arrogant statements from the State Department and the White House implying that U.S. constitutional law should adapt to their opportunism is just one more sad chapter in the bizarre saga of this administration.

We also know that this administration has a number of proposals waiting in the wings to toss the Nationalist Government further into diplomatic oblivion. This summer Secretary Krebs negotiated a most-favored-nation agreement. The administration has been holding off presenting this document to the Congress for fear that the time is not right to push such a measure. It will only be a matter of time, however, before this insidious proposal is before us. Other measures will soon follow. The administration knows it cannot push appeasement too fast or America might catch on to what it is doing. It is sickening to think that the Oval Office is spending more time and money trying to circumvent American public opinion than it does trying to solve the Nation's problems. Thankfully, all public opinion polls are showing that time is running out on this pack of political hooligans. I only hope that they are driven out of office before they totally trash America's name in the world.

Unfortunately Taiwan has more to worry about than the unfaithfulness of Mr. Carter. The presence of over 12,000 Soviet troops on Shikotan and two other disputed islands North of Japan represent a major threat to the region. This division level force is complete with SAM missiles and Hind assault helicopters. These very aggressive Soviet moves underscore the need for America to honor its commitments to its Pacific allies. If we continue to back down in the face of communist browbeating and continue to discharge our obligations in this region we will find ourselves without any influence in a vitally important part of the globe. If we are really serious in being the leader of the free world we must be serious in fighting Communist aggression. A strong tie with Nationalist China is the only way we can draw the line to thwart both Peking and Moscow.

Sometimes I really wonder whose side Mr. Carter and company is on. I have received word that a new agreement has been reached between the United States and Communist China for the shipment of a General Electric Landsat-D ground system to that nation. The Landsat-D will tie China into the Landsat weather satellite network. This system includes the Digital WAC-11/780 computer. This computer is an advanced model that can process 70 to 80 million operations a second. It is far more advanced than the Cyber-76 computer recently denied to the Soviets because of its potential strategic use. Mr. Vance only recently stated that the United States would not sell any military equipment to the Red Chinese, now I find out he is letting the same end runs happen for China as is happening for the Soviets. What this administration does not understand is that the only reason the Communists in China

do not pose as serious a strategic threat to the United States as the Communists in the Soviet Union is that they do not have the same weapons capability. If backroom technology transfers like this one keep going on it will not be long before America faces a Chinese menace as great as the existing Soviet one.

The Chinese computer deal and the Soviet troops movements are just two of the compelling reasons that this Congress should take a stand for our friend and ally on Taiwan. This administration has demonstrated that it is incapable of acting on behalf of the free world or on behalf of this Nation.

The circumventing of the trust of this Congress, this Nation, and this one ally, should prove beyond any doubt that this embarrassment we call a Presidency needs to end. It is the duty of the Congress to continue to expose Mr. Carter's lies and deceit as long as this man is darkening the Oval Office.

Mr. SOLOMON. I thank the gentleman from Ohio. I most certainly concur in his remarks.

I yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I want to join in complimenting the gentleman for bringing this special order and I associate myself with the gentleman's remarks today, and I think largely as a result of the urging of the gentleman in the well, the Committee on Foreign Affairs held the first of what promises to be several hearings on the subject of this special order.

We heard testimony from American business people in Taiwan on the subject matter. The chairman of the Committee on Foreign Affairs (Mr. ZABLOCKI) made it very plain to the committee and to those in attendance that he intended to follow through on his oversight responsibility under the Taiwan Relations Act. He and practically all of us expressed great concern about what appears to be going on.

I think the time to stop the kind of shenanigans that appear to be going on is right now, before it gets started.

□ 1800

We should let the White House and the State Department know that we are on to what it appears they are doing and that we do not like it, that it is not in accord, not only with the Taiwan Relations Act passed by the Congress and signed by the President, but with all the statements that were made at the time, the assurances we were given about the 54 treaties that would not be affected by the new relationship with the Peoples Republic of China; so again I want to thank the gentleman for taking this special order. I think it will serve a very useful purpose.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from California.

I would just like to point out that one of the people that testified before the Committee on Foreign Relations today

happened to be one of those people that the gentleman from Ohio (Mr. ASHBROOK), myself and others met with in Taiwan, when they stated their extreme alarm over what would happen if we went ahead with the President's plans at that time.

● Mr. SYMMS. Mr. Speaker, I wish to thank my colleague from New York (Mr. SOLOMON) for organizing this special order today regarding the United States-Republic of China. Air Transport Agreement. I am real proud of the job the gentleman from New York is doing here in the Congress.

I am extremely concerned about information I have received regarding attempts by the Carter administration to terminate the 1946 Air Transport Agreement between the United States and the Republic of China on Taiwan and replace that agreement with an unofficial accord.

Any attempt by the administration to terminate treaties between the United States and Taiwan which were in effect prior to December 31, 1978, with the exception of the Mutual Defense Treaty, would be a violation of the Taiwan Relations Act as enacted into law on April 10, 1979. According to section 4(c) of the act:

For all purposes, including actions in any court in the United States, the Congress approves the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978, unless and until terminated in accordance with law."

And it now appears that the President's actions in attempting to unilaterally abrogate the Mutual Defense Treaty have raised serious constitutional questions.

There is substantial testimony both in the House Foreign Affairs Committee and the Senate Foreign Relations Committee hearings discussing the status of the other 55 treaties with Taiwan which would remain in effect despite normalization of relations with the Peoples Republic of China. In hearings conducted by the House Foreign Affairs Committee on February 7 and 8 of this year, Deputy Secretary of State Warren Christopher stated:

First, we have moved to assure that with the exception of the Mutual Defense Treaty and related agreements, our many treaties and other agreements with Taiwan—more than 55 in all—will remain in force.

I think it is important that the Congress look into this administration proposal. This matter is a concern to many Members who worked closely with the Foreign Affairs Committee on the provisions of the Taiwan Relations Act to insure continued strong security and commercial relations with the Republic of China on Taiwan. If any changes are to be made concerning the status of the treaties between the United States and

Taiwan, the Congress, by law, must effect those changes.

I know that Congressman ZABLOCKI, the distinguished chairman of the Foreign Affairs Committee, will be investigating this matter as he made it quite clear in oversight hearings on the Taiwan Relations Act today that he will not allow the administration to circumvent the Congress.

I urge the Members to stand behind the provisions of the Taiwan Relations Act so that any changes or modifications which need to be made in regard to agreements between the United States and Taiwan will be made with the consent of the Congress.

I wish to thank Mr. SOLOMON again for all of his efforts in this regard, and I hope that other Members will make their views known on this subject to the Foreign Affairs Committee.●

Mr. RUDD. Mr. Speaker, I commend the gentleman from New York (Mr. SOLOMON) for bringing to the attention of the Congress and the American people the administration's latest effort to shortchange our friends in Taiwan.

First, after a 25-year period of alliance, the President ended official relations and unilaterally canceled our Nation's mutual defense treaty with the Republic of China without any measure of consultation with Congress.

I am pleased to be one of the parties to the Goldwater suit which challenges the President's authority to abrogate a treaty without consultation with the legislative branch. It is our contention that treaties, which constitutionally require Senate approval, also require Senate approval for termination.

The administration also placed a moratorium on new sales of vital military equipment to Taiwan, contradicting the President's statements that de-recognition would not result in lessening U.S. commitment to the security of Taiwan against the Communist Chinese on the mainland.

Now, it comes to light that the administration is planning to act again—and once more without prior consultation with Congress.

The State Department apparently has given notice to the Republic of China that the United States intends to terminate the Air Transport Agreement between this country and Taiwan—a treaty which has existed since 1946.

It seems particularly inappropriate for the State Department to proceed in this manner following the historic ruling last week by Judge Oliver Gasch which overturned the President's ability to terminate the United States-Taiwan Mutual Defense Treaty without congressional advice and consent.

While the administration will undoubtedly appeal that decision, in the interim, it would seem that the President is on tenuous ground to continue advocating unilateral terminations.

To make matters worse, this latest unilateral act is in direct contradiction

to the administration's promises and in violation of the Taiwan Relations Act, which specifically provides for the continuation in force of "all treaties and other international agreements" between Taiwan and the United States.

During testimony before the Senate Foreign Relations Committee, Deputy Secretary of State Warren Christopher stated—

We moved to assure that with the exception of the Mutual Defense Treaty and related agreements, our many treaties with Taiwan—more than 55 in all—will remain in force.

Despite this promise and specific statutory prohibition, the State Department has nonetheless proposed the replacement of the air transport agreement with an informal arrangement.

The exact impact of this semantic distinction is not clear, but it appears to be yet another effort to downgrade our relations with Taiwan.

One trend is becoming increasingly obvious. Congress cannot be certain that the administration will voluntarily abide by its promise to uphold the remaining 58 treaties with the Republic of China.

The status of these treaties and indeed of our Nation's moral commitment to Taiwan is placed in grave jeopardy by the administration's latest act of deceit.

The House Committee on Foreign Affairs has been hearing testimony on this important subject today. Hopefully, the committee will express to the administration strong congressional disapproval of these continued unilateral actions. Failing that, the full House must act to demonstrate our insistence that we be fully involved.

#### SOME GOOD ADVICE ON SOCIAL SECURITY REFORM: A TAX ROLLBACK

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

● Mr. GOLDWATER. Mr. Speaker, in a few weeks the Social Security Advisory Council, the federally appointed panel of businessmen, labor leaders, and the public at-large, will recommend that Congress rescind most or all of the scheduled 1981 increase in the social security payroll tax. The planned hike in the tax to 6.65 percent from the present 6.13 percent level will only pinch the pockets of the average worker even more. With inflation taking a bigger and bigger bite out of our paychecks, a rollback of the tax increase would be a welcome relief.

The staggering deficit in the social security trust fund poses a serious threat to the treasury. The promise of benefits without a corresponding contribution to the system places us on a direct course for default when the chips are cashed in. Raising taxes, as this Congress has done,

is something I have opposed, not only because of its effect on an overburdened taxpayer, but on the principle of prudent public policy. With the rising cost of living, the demand for liberalizing benefits is bound to land on the congressional doorstep. So how are we going to provide for the social security of our senior citizens? By raising taxes again? We are kidding ourselves to think that we can close the gap between paid-in contributions and paid-out benefits in the system. A broader scale of reform is needed, one which goes beyond a rollback of the payroll tax. It is up to Congress to come to grips with this reality and enact meaningful reform. Proposals on the order of those advocated by our colleague, Mr. CONABLE of New York, are an excellent place to start.

In the meantime, though, the advice of advisory council should receive our favorable seal of approval. I very much hope to be at the vanguard of the effort to undo the tax program of the 95th Congress, and examine the viable reform measures which do not impose such a strain on the pocketbook of the taxpayer.●

#### SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW TO HOLD HEARINGS

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

● Mr. RODINO. Mr. Speaker, I wish to announce that the Subcommittee on Monopolies and Commercial Law will hold one day of public hearings on October 24, 1979, to consider H.R. 3567, H.R. 3573 and other similar bills to amend the antitrust laws for the purposes of establishing a different standard for determining the legality of exclusive territorial and customer restrictions in the soft drink bottling industry.

The hearing will be held in room 2141, Rayburn House Office Building, and will commence at 9:30 a.m. Testimony on these proposals will be received from the Department of Justice, and independent soft drink bottlers.●

#### STATEMENT BY CONGRESSMAN CHARLES A. VANIK ON INTRODUCTION OF HOUSE CONCURRENT RESOLUTION TO APPROVE THE EXTENSION OF NONDISCRIMINATORY (MFN) TREATMENT TO THE PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA

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

● Mr. VANIK. Mr. Speaker, today the President submitted to the House and the Senate the bilateral commercial agreement signed on July 7 by representatives of the United States and the People's Republic of China, a proclamation ex-

tending nondiscriminatory—most-favored-nation—treatment to the products of the PRC, and an Executive order waiving the application of the freedom of emigration requirements under section 402 of the Trade Act of 1974 with respect to the PRC.

As provided under section 405(c) of the Trade Act, the United States-China trade agreement and the proclamation extending MFN treatment to imports from the PRC shall take effect only if both Houses of Congress adopt the concurrent resolution approving the extension of MFN treatment within 60 legislative days. As chairman of the Subcommittee on Trade, I am announcing the beginning of public hearings to be held November 1 and 2 to consider this latest significant step toward normalization of United States-China political and economic relations. Additional hearing dates will be announced as needed.

Because of my tremendous concern about Soviet reaction to People's Republic of China preference on MFN treatment and the impact it can have on the current high level of Soviet emigration, I had hoped that we could face both issues at the same time and treat the two countries in an even-handed manner. However, the current SALT controversy and the Cuban issue have obscured the situation. Therefore, we should not hold up consideration of MFN for the People's Republic of China because of the current status of the Soviet issue.

It is my sincere hope that before Congress concludes its action on consideration of MFN for China, an administration recommendation may be forthcoming for MFN for the Soviet Union and that the Soviets may assist in this matter by continuing a high level of emigration and by making substantial progress on the release of long-standing emigration applicants and prisoners of conscience.●

#### PERSONAL EXPLANATION

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

● Mr. MAGUIRE. Mr. Speaker, I fully supported, endorsed and intended to vote for the Veterans Rehabilitation and Education Amendments of 1979. I am listed in rollcall vote No. 568 as voting "present," which was a mistake on my part due to the fact that the vote came as the first item of the day rather than the usual quorum call.●

#### UNITED STATES-CHINA TRADE AGREEMENT

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

● Mr. AuCOIN. Mr. Speaker, today the President sent to the Congress for approval the trade agreement between the

United States and the People's Republic of China. I rise in support of that agreement and to urge my colleagues to approve it without delay.

This treaty, which signals the end of a 30-year trade hiatus with the People's Republic of China, is a great opportunity for our international trade community. It comes at a time when our trade deficit has reached record levels, when American firms are being outbid in the international marketplace, and when our competitiveness abroad is being eroded daily.

As such, I endorse this agreement and pledge all of my efforts on behalf of its approval. At the same time, however, I think it is appropriate for us to review the requirements of the law that this and most other agreements with nonmarket countries must meet to secure most-favored-nation status and Eximbank credits.

Section 402 of the Trade Act of 1974 now restricts the extension of trade benefits to a nonmarket country, unless it exhibits a satisfactory emigration policy. Specifically, it is required to submit assurances to the United States that it adheres to a liberal emigration policy as a prerequisite for receiving either trade credits or MFN. This is a tall order for any sovereign nation and any nation that is a trading "partner" with us.

While I applaud the goal of this provision in attempting to promote free emigration around the world, I question not only its effectiveness but whether this kind of law is becoming of us as a mature, sophisticated trading nation.

It assumes that American goods, American products, and American technology is so overwhelmingly superior, the other nations of the world have no place else to shop. It assumes a leverage on Eastern bloc nations that does not exist. Perhaps there was a time when the United States held such a commanding position in world trade. But if it were ever true, it is manifestly not true today.

As my colleagues know, I have long been an advocate of expanded trade with the PRC, from the days even before recognition. My interest grows out of an active role in the House Subcommittee on International Trade where in the last session of Congress I authored an amendment that would have exempted the People's Republic of China from section 402 of the Trade Act, opening credits from the Eximbank for sales to China. My purpose in introducing the amendment was to signal the Chinese our interest in normalizing relations and enable U.S. businessmen to enter more forcefully blossoming Chinese markets.

This year, I have pursued this concern and proposed legislation to modify section 402 of the Trade Act for all nonmarket countries. My proposal addresses the whole framework of our trading relations with these countries, seeking to make this provision of the law not only a more effective trade tool but also a more effective tool of our international human rights policy. Instead of demanding assurances from a country that it will adhere to certain emigration stand-

ards, my legislation empowers the President to determine that granting a waiver to section 402 and granting MFN and Eximbank credits would "lead substantially to achievement of the free emigration objectives" we all seek.

In sum, it removes the onerous requirements unbecoming of trade partners while strengthening the linkage between trade and free emigration. It remains true to the intent of section 402 but strengthens its practical effect. It extends a carrot, not a stick.

While I firmly believe that there will be no stability in our trading relations with nonmarket countries and no effective leverage in human rights until this legislation is passed, I also believe we must move ahead as changes are being considered.

Mr. Speaker, let me say again that this agreement has my full support and let me underscore its importance to us.

Last year, our trade deficit was more than \$30 billion; and currently, it is running at a rate of \$24 billion, only a slight improvement. Moreover, between 1957 and 1977, our share of worldwide exports dropped from 21 percent to less than 12 percent.

This decline has important implications for our domestic economy. Currently, about 14 percent—\$1 out of every \$7—of all U.S. goods produced are exported. Moreover, better than one out of every nine Americans employed in manufacturing are producing goods for export. Almost as important, however, is the estimate that for every additional \$1 billion in international trade that we generate, more than 40,000 jobs are created and another \$2 billion added to the gross national product.

But even these figures belie the very important role that export trade plays as one of the great growth sectors of our economy. Between 1960 and 1970, U.S. exports in current dollars increase annually at 8.5 percent. But between 1970 and 1975—just half the time—they grew at a rate of 18.7 percent. When we realize that only 30,000 firms, or less than 10 percent of all manufacturing concerns in the country are responsible for this growth, the potential for American trade assumes dramatic proportions.

Since relations between the United States and the People's Republic of China were normalized last January, there has been much speculation about the vast market opening up in the East and what it will do for American exports and our trade deficit. While our optimism about the prospects for the China market is justified, we must recognize that it is not the cure-all for our international trade woes and the treaty will not reverse our long decline overnight. But it will help.

According to the Department of Commerce projections, U.S. exports to China are expected to rise between 35 and 70 percent this year alone to \$1.1 to \$1.4 billion. The long-range prospects, while subject to many factors, could reach \$3.5 billion in 1985 with imports at \$1.5 bil-

lion. Even with downward revision of these figures to accommodate the changing modernization targets of the Chinese, this is hardly a market we can ignore.

Beyond the potential of the China market itself, we must also recognize that there are other benefits to be derived from ratifying this agreement. One of them is stability in our important Pacific rim trade.

In 1977, U.S. trade with Pacific rim countries—China and her neighbors bordering on the Pacific Ocean—surpassed our trade with Europe for the first time. Today, Pacific trade equals 25 percent of the U.S. total. An approved trade pact with the People's Republic of China will not only encourage this vital flow of American goods and services, it will enhance the climate for American investment in the Pacific region. Expanded trade will bring expanded shipping and air cargo routes and further help to stimulate this exchange.

In conclusion, Mr. Speaker, let me reiterate my strong support for this agreement and pledge my efforts on behalf of its approval. I remind my colleagues of the importance of this pact to American interests in the Pacific and to American trade. It is a sound treaty and should be approved. ●

#### MAJOR DIFFERENCES AMONG HOUSE ENERGY MOBILIZATION BOARD BILLS

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

● Mr. WIRTH. Mr. Speaker, the House is scheduled to consider, in the near future, several proposals to create an Energy Mobilization Board. The purpose of the Board is to reduce redtape, streamline the permitting process, and help to get priority energy projects into operation.

There are three major proposals which will come before the Congress: A version reported by the Commerce Committee, a version reported by the Interior Committee, and the Udall-Clausen-Wirth substitute.

As the following side-by-side comparison of the major provisions of each version clearly shows, the Udall-Clausen-Wirth substitute grants the Board more authority to act on its own and to enforce decisions. Thus, there is no need for an unprecedented expansion of Federal powers to override Federal, State, and local law, as was recommended by the Commerce Committee.

I hope my colleagues will take a close look at these three alternatives. The Udall-Clausen-Wirth substitute will enable energy decisions to be made in an expeditious manner; it will do so within the confines of our federalist system of government, and it will not result in years of constitutional litigation—as would the Commerce Committee bill. When this legislation comes before us, I urge the adoption of the Udall-Clausen-Wirth substitute.

MAJOR DIFFERENCES AMONG HOUSE ENERGY MOBILIZATION BOARD BILLS

INTERIOR COMMITTEE

UDALL-CLAUSEN-WIRTH BILL

COMMERCE COMMITTEE

EMB can set binding timetables only for Federal agencies, and then only if not in conflict with a statutory requirement. Presidential waiver of such a time requirement subject to one-House veto.

EMB has no authority to streamline procedures.

No power to require a single, consolidated EIS.

President makes decision for Federal agency which misses deadline. No enforcement authority over State and local agency timetables.

No provision addressing new requirements enacted after construction of a priority energy project begins.

All EMB actions reviewable—priority designation immediately, others after agency decisions are made. EMB required to comply with provisions of bill.

24 at any one time, with no more than six designated by EMB per year.

No such provisions.

1. Decision timetables

After attempting to reach mutual agreement with agencies, EMB sets binding timetable for all Federal, State, and local agencies. This takes precedence over timetables in other laws or regulations.

2. Streamlining procedures

On its own authority, EMB can order Federal agencies to streamline a specific list of procedures—hearing consolidation, et cetera. State and local agencies may be ordered by court to employ streamline list if they miss or are likely to miss a deadline.

3. Environmental Impact Statement (EIS)

EMB can require single, consolidated Federal EIS.

4. Enforcement of deadlines

Expedited court actions to force Federal, State, and local agency compliance with deadlines; suit may be brought if deadline is missed or likely to be missed. President makes decision if agency violates court order or court fails to act 120 days after deadline passes.

5. New requirements (grandfathering)

EMB may suspend new requirements for up to five years if it finds requirement would, (1) delay timely completion, or operation, of project and, (2) suspension poses no threat to public health or safety. Findings and decision reviewable by court.

6. Judicial review of EMB actions

- (1) Designation of priority projects and suspension of new requirements subject to immediate, expedited court review.
- (2) Decision deadlines and procedural streamlining reviewable only when EMB brings court enforcement action or when a final agency decision is challenged under another statute.
- (3) In these cases, courts can hold EMB to the requirements of this act and the Constitution.
- (4) All other Board decisions reviewable only for constitutional violations; due process, et cetera.

7. Number of priority energy projects

75 total, with no more than 20 designated by EMB per year.

8. Waiver of Federal, State and local law

Not necessary.

After consultation with agencies, EMB sets timetable for all Federal, State, and local agencies. This takes precedence over timetables in other laws or regulations.

EMB has no authority to streamline procedures. If procedures are an impediment, EMB may recommend waiver of Federal, State, or local law to President. Requires Presidential approval and one-House congressional veto.

No power to require a single, consolidated EIS.

EMB may recommend waiver of Federal, State, or local law at any time before an agency makes a decision; waiver is not related to missed deadline or likelihood of missed deadline. Presidential approval and one-House veto required.

EMB may permanently waive any new requirement if it judges requirements may be impediment to "implementation" of project. Subject to Presidential approval and one-House veto; findings and decision not reviewable by court, except for constitutional violations.

All decisions of EMB are reviewable only on constitutional grounds. Court may not consider whether EMB complied with requirements of this act in designating projects, establishing timetables, waiving laws, or any other action, except that prohibition on waiving certain specific laws may be enforced.

No limit.

EMB may recommend waiver of any Federal, State, or local law it considers an impediment to project development, even if it is not related to delays in agency decision-making. Subject to Presidential approval and one-House veto.

LEGISLATION TO AMEND DISASTER RELIEF ACT

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

● Mr. BENJAMIN. Mr. Speaker, on January 24, 1979, I introduced H.R. 1320, to amend the Disaster Relief Act of 1974. This legislation was designed to avert further undue hardships from being inflicted on disaster stricken areas, as a result of the Federal Emergency Management Agency (FEMA, formerly the Fed-

eral Disaster Assistance Administration, FDAA) current policy which states that Federal aid begins at 12:01 on the day of the President's declaration of an emergency.

This penalizes communities who meet the challenge of the emergency with speed and efficiency by declaring work completed prior to the President's declaration ineligible for Federal reimbursement. Through timely action of many communities, enough snow is removed to mitigate the threat to public health and safety but depleted their budgets and exhausted their capacity to conduct nor-

mal snow-related services for the remainder of the winter.

This inequity is a result of FEMA guidelines, not the Disaster Assistance Act of 1974. The Congress intended to provide assistance during an emergency and did not intend to set up an artificial and arbitrary scheme for measuring the onset of the emergency.

In August, GAO issued their report highlighting instances where FEMA's implementation of the act may create inequities, in addition to the declaration-reimbursement relationship. The GAO also reported that abuse of Federal funds

is occurring through the reimbursement of expenses which would otherwise have occurred or are unacceptable for reimbursement for other reasons.

FEMA has responded to the GAO's accusation of Federal fund abuse by reducing their percentage of reimbursement to 50 percent (formerly 66 percent in 1979, and 75 percent in 1978). I do not believe that this is a responsible method for eliminating abuses of reimbursement.

The legislation I introduce today would establish a two-thirds maximum reimbursement level, except in the case where the President determines the community to have no legally available funds to incur the remaining one-third costs, and then 100 percent reimbursement is possible.

In an attempt to minimize the abuse of reimbursement, I also propose that it be specifically stated in an amendment to the Disaster Act that costs that would otherwise have been incurred may not be subject for reimbursement.

Regarding the procedures for declaring an emergency, the legislation states that FEMA may not take into account the past history of reimbursement for an area. FEMA is also required to develop standards for snowstorm conditions (including, but not limited to, amount of snowfall, temperature, and wind velocity) under which an emergency or a major disaster will be declared. This does not prohibit the President from making such a declaration if all the conditions are not present, but merely provides a minimum guideline for each area of the United States to be used when determining if an emergency or disaster should be declared.

This legislation also requires States which normally receive heavy snowfall to develop and maintain an adequate snow preparedness plan in order for the State to qualify for the annual \$25,000 disaster plan maintenance grant.

The bill I am introducing today would make clear the intent of Congress that emergency assistance is available for the duration of the emergency or major disaster, regardless of the day on which the President declares the existence of the emergency. The President's declaration is inevitably delayed until a State has been able to compile the necessary information from its local communities and to transmit its request. The more serious the emergency, the more likely the compilation of data will be delayed because officials must deal with immediate threats to life and property before red tape.●

#### PERSONAL EXPLANATION

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

● Mr. OTTINGER. Mr. Speaker, on October 12, I was forced to miss two votes due to the fact that the House adjourned later than the announced time of 3 p.m. and I had previous commitments in my district that could not be altered.

On the Sensenbrenner amendment (rollcall No. 564) to delete the miniblock LEAA grant program, I would have voted, "nay."

On the Neal amendment (rollcall No. 566) to insure that rescue squad personnel are covered by the Public Safety Officers Death Benefits Act, I would have voted, "aye."

On October 18, I was absent for a vote on a procedural motion to limit debate on the Department of Energy Authorization, H.R. 3000 (rollcall No. 583). I would have voted, "aye."●

#### CONCERN EXPRESSED OVER THREAT TO REMOVE FTC'S JURISDICTION OVER FUNERAL INDUSTRY

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

● Mr. SCHEUER. Mr. Speaker, the threat to remove FTC's jurisdiction over the funeral industry is of great concern throughout the Nation. Editorials supporting the FTC's rule appeared across the country last year and more are appearing now.

I have today received a letter from the National Council of the Churches of Christ in the U.S.A. highly critical of the attempt to abort the Federal Trade Commission's rule. It is consistent with other mail I have received.

For the benefit of our colleagues and other readers of the RECORD, I am inserting herewith the text of the letter from the National Council of the Churches of Christ in the U.S.A. and urge all our colleagues to consider it at the time they are formulating their position on this issue:

NATIONAL COUNCIL OF THE  
CHURCHES OF CHRIST IN THE U.S.A.,  
New York, N.Y., October 19, 1979.

HON. JAMES H. SCHEUER,  
U.S. House of Representatives,  
Washington, D.C.

DEAR REPRESENTATIVE SCHEUER: It is my understanding that when the House considers the authorization bill for the Federal Trade Commission shortly, an amendment will be offered which would, in effect, kill the Proposed Trade Regulation Rule governing funeral industry practices. I write to urge your strong opposition to any such amendment.

Historically the church has been involved in assisting persons in dealing with death crises and in giving continuing support during time of grief. Therefore, we believe it is appropriate for us to speak to issues related to body disposition methods and options.

The Ecumenical Task Force on Death Education, Ministry to the Grieving, and Funeral Pre-Planning (representing the Commissions on Stewardship and Family Ministries and Human Sexuality of the National Council of Churches) has concluded that the Proposed Trade Regulation Rule is in the best interest of the consumer. We raise support at several specific points:

1. We believe the Proposed Trade Regulation Rule affirms the effectiveness of a free market system. The integrity of our economy is greatly dependent upon disclosure of information related to merchandise and serv-

ices offered for sale. The consumer is due this disclosure from the funeral industry.

2. We believe a purchase as significant as that of a funeral and burial, which is the third most costly purchase an average family makes, deserves serious consumer protection attention.

3. We believe the consumer should easily be able to purchase body disposition merchandise and services which are commensurate with low and/or fixed incomes without experiencing either implicit or explicit pressure to conform to a costly standard funeral service package. The proposed Trade Regulation Rule encourages this possibility.

4. We believe the consumer should have convenient access to legal requirements related to body disposition methods during negotiation with a representative of the funeral service industry. Disclosure of such legal requirements will have the effect of exposing operative myths and subtleties which, in many cases, have contributed to the consumer's assumption that the costly standard funeral service package is the expected means of body disposition.

5. We believe the Proposed Trade Regulation Rule affirms the integrity of the consumer by making it easier for him/her to exercise informed decision-making power regarding body disposition choices.

We commend the F.T.C. staff for the work done in the area of funeral industry practices, and urge the Congress to acknowledge and support that work by providing the funds necessary to promulgate and enforce the funeral rule.

Sincerely yours,

Rev. G. WILLIAM SHEEK,  
Director, Commission on Family Ministries and Human Sexuality, Division of Education and Ministry, National Council of Churches.●

#### INTRODUCTION OF FISHERIES DEVELOPMENT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. WON PAT) is recognized for 5 minutes.

● Mr. WON PAT. Mr. Speaker, in an effort to become more economically self-sufficient, Guam, American Samoa, and the Northern Mariana Islands have tried over the years to develop the marine resources in their surrounding seas. They have been unsuccessful largely because of the existing prohibition against the use of foreign-built vessels in the American fisheries.

The prohibition prevents local residents and business concerns from resorting to foreign-built and U.S.-owned vessels to develop the fishing industry in these areas. Local residents must either resort to U.S.-built fishing vessels which are considerably more expensive and foreign-built vessels, or sit back and allow foreign-flag and foreign-owned vessels to land fish caught on the high seas. In the former situation, the cost makes the purchase of U.S.-built vessels economically unfeasible; and in the latter, local residents themselves are not involved in the development of the industry and any fishing must occur outside the 200-mile fishery conservation zone around these islands.

The bill I am introducing today lifts the prohibition with respect to foreign-built vessels owned by citizens or nationals of the United States who are resi-

dents of Guam, American Samoa, and the Northern Mariana Islands, and entitled such vessels to employment in the fisheries within the territorial seas surrounding these islands and in that limited portion of the fishery conservation zone that is contiguous to the territorial seas of these islands. However, such vessels must still be eligible for registry pursuant to 46 U.S.C. 11 before they can be used in the fisheries.

A recent draft of an interagency territorial policy review task force report pinpoints the contradictory manner in which the documentation laws contribute to the wide gap between the perceived potential and the actual development of commercial fishing in these islands and suggests that amendments to existing laws may be warranted. My bill responds to this suggestion. ●

#### NUCLEAR ENERGY ESSENTIAL TO NATIONAL SECURITY

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

● Mr. PRICE. Mr. Speaker, from my first association with the development of nuclear energy, which started over 33 years ago, I have considered it essential to our welfare and national security. Of course time has proven this to be a fact. Our development of nuclear energy for the military is now the basis of our national security. The use of nuclear energy for the generation of electricity for use in all sectors of our economy unfortunately is still not accepted in some quarters as essential to our future welfare and national security. This is an area which must receive additional attention.

Mr. John T. Conway, president of the American Nuclear Energy Council, recently gave an address in which he outlined the facts and relation of nuclear energy to the security of the United States. Mr. Conway is highly qualified to speak on this subject. He is both a lawyer and engineer. He has had a great deal of experience in the national security area as former executive director of the Joint Committee on Atomic Energy and as an executive of the Consolidated Edison Co. With these qualifications his utterances on the subject should receive the attention of all of us with responsibilities in the field of national security. For this purpose, I am including the text of his address at this point in the RECORD.

The October 11 remarks of Mr. Conway follow:

#### NUCLEAR ENERGY—ESSENTIAL TO THE SECURITY OF THE UNITED STATES

(Remarks by John T. Conway, President, American Nuclear Energy Council, Before the Society of Former Special Agents of the FBI, Inc., Homecoming II Convention, Sheraton Park Hotel, Oct. 11, 1979)

Nearly 35 years have passed since the end of World War II. It is hard for some of us to realize, but one must be 40 years of age or older today to have any personal recollection of the announcement by the United States that we had developed an awesome weapon—one of which had destroyed a single Japanese City—Hiroshima, to be followed by Nagasaki and then the subsequent Japanese surrender.

There are those today who are most vocal in their criticism of the United States for having developed and used the atomic bomb in World War II. The overwhelming majority of these critics did not participate in nor suffer through the long war years, that culminated with the final victory of the Allies over the Axis powers. They give no recognition to the fact that more people were killed and injured in Tokyo by chemical fire bombs than by the atom bomb in Hiroshima—nor do they recognize the fact that our war with Japan was brought to an abrupt halt by the atom bomb, thus saving millions of casualties both for Japan and the United States.

Many of you here today who were in the armed services during World War II, particularly those assigned to amphibious forces, remember the training and planning for the invasion of Japan. Knowledgeable authorities in both the Japanese and American governments have attested to the expected casualties, had such an invasion been required. These same authorities have also attested that the demonstrated use by the United States of the atom bomb gave the Japanese government the justification for surrendering without the necessity of fighting the war to a bitter end on their own shores.

During the cold-war period that followed World War II, the United States' lead in nuclear weapons constituted a protective umbrella for our European NATO allies—a deterrent to Soviet military pressures. In addition, the development of our nuclear submarine and surface Navy, under the dynamic leadership of Admiral Hyman G. Rickover, helped assure the security of the Western World. Unfortunately, of late, we have not been funding our Navy at the levels necessary to maintain superiority, and the Soviet Navy has been gaining on us.

Important as it is to our national security, my discussion today, however, is not directed to the military uses of nuclear power, but rather to the civilian side of the atom, and why it is essential to our national security.

As all of you know, our country has become heavily dependent on the OPEC Nations for a significant amount of our petroleum needs. Approximately one-half of all the oil being used today in the United States is imported from overseas.

In October, 1973, just prior to when the Arabs declared an embargo on oil to the United States, we were importing six million barrels of oil per day. During the period the embargo continued, 1973-1974, the effect of the shortage of oil in our economy was quite severe; many factories and schools were closed and many people were put out of work. The danger to our economy occasioned by our dependence on foreign sources for so much of our oil supply was made quite apparent, and the government, at that time, initiated and highly publicized what was called "Project Independence." The public was led to believe we had embarked on a major effort to significantly cut back on our importation of foreign oil.

How successful have we been in Project Independence? In the five years that have elapsed since Project Independence was announced, we have not decreased our dependence on foreign supplies whatsoever, but instead, have become even more dependent upon the OPEC Nations for what constitutes the lifeblood of our economy. No longer are we importing six million barrels of oil per day, but, instead, we now depend upon the OPEC Nations for 8.5 million barrels of oil every single day.

Prior to the 1973-1974 Yom Kippur War, which precipitated an Arab embargo on the United States and other Pro-Israel Nations, we were paying \$2 to \$4 per barrel for imported oil, depending upon the grade. Today the price for that same oil is \$22 to \$24 per

barrel and much more on the spot market. The United States' annual bill for imported oil in 1971 was \$3.6 billion. Last year, \$43 billion flowed out of our Nation to foreign nations to pay for the fuel we were required to import.

The United States last year ran an annual deficit of \$39 billion in our foreign trade, primarily the result of the tremendous increase in the amount and price we are paying for our oil imports, and this is the basic reason the American dollar has been dropping in value throughout the world and for our galloping inflation.

Yet we know that we have not seen the end of the OPEC price increases. The cartel of oil exporting countries has made it abundantly clear that additional price increases can be expected. Our neighbors to the north—the Canadians, and our neighbors to the South—the Mexicans—have both taken the position that exportation of oil and natural gas from their nation will be at prices not less than the world market prices, and they are not inclined to deplete their natural resources to meet the United States' energy needs.

As serious as the rapid escalation in the price of imported oil is, even more serious in the near-term is the distinct possibility of a serious curtailment in the supply of foreign oil to the United States.

47.6 percent of all the oil being imported by the Western World originates in the Persian Gulf. Up until this past year, we looked primarily to Iran to maintain stability in this area, and when the Shah lost control of his country, this resulted not only in the curtailment of Iranian oil supplies to the Western World, but a major unsettling of the balance of power in that strategically important area of the world.

Soviet pressures on Saudi Arabia through Soviet-dominated South Yemen and Afghanistan, not to mention latent Moslem religious anti-Christian passions, coupled with strong pro-Arab, anti-Israel sympathies make the entire area a most unreliable supplier of oil, for not only the United States, but the entire Western World. Any day we could wake up to find a major curtailment or complete cut-off of Persian Gulf oil with serious consequences to not only the United States, but the entire Western World.

In his last major address as Secretary of Energy on August 16, 1979, James R. Schlesinger, former Director of the CIA, pointed out the serious dangers we face from our dependence upon the Persian Gulf and the growing Soviet control of that area. As he observed—

"Soviet control of the oil tap in the Middle East would mean the end of the world as we have known it since 1945 and of the association of free nations."

At a meeting in Vienna last week (October 3, 1979), the President of the Organization of Petroleum Exporting Countries, Mana Saeed al Otaiba, warned—

"If there is another world war, it will be over petroleum."

Rene Ortiz, OPEC Secretary General, at the same meeting, declared—

"What has happened in 1979 is only an anticipation of the energy crisis of the mid-1980's."

As demonstrated in the 1973-74 embargo and the 1979 loss of Iranian oil supplies, we will have major dislocations in our economy resulting from the sudden loss of oil from the Persian Gulf unless we move rapidly to minimize our dependence on overseas oil supplies by active exploration and development of new U.S. oil supplies and substitution of other indigenous fuels, coupled with practical conservation efforts. Notwithstanding all the propaganda and exaggerated claims by advocates of solar power, even with a major research and development program,

solar power cannot make any major contribution to the energy needs of our Nation within the next decade. The only practical indigenous fuels that can make major contributions are coal and nuclear power. In his speech of August 16, Dr. Schlesinger warned the Nation:

"Quite bluntly, unless we achieve the greater use of coal and nuclear power—over the next decade, this society may just not make it."

He went on to say:

"The dilemma is quite clear. We must make greater use of coal and nuclear power, with the technologies available today, or alternatively, we face reduced economic growth and rising levels of unemployment."

The need for nuclear energy was recognized at the Bonn Economic Summit Conference in July, 1978, when President Carter and other leaders of the Western World issued the following Declaration:

"The further development of nuclear energy is indispensable, and the slippage in the execution of nuclear power programmes must be reversed."

This position was reaffirmed at the June, 1979 Economic Summit Conference in Tokyo in the following communique:

"Without the expansion of nuclear power generation capacity in the coming decades, economic growth and higher employment will be hard to achieve. This must be done under conditions guaranteeing our people's safety. We will cooperate to this end. The International Atomic Energy Agency can play a key role in this regard. We reaffirm the understanding reached at the Bonn summit with respect to the reliable supply of nuclear fuel and minimizing the risk of nuclear proliferation."

How capable is nuclear energy in helping to alleviate the dependence upon overseas oil by our Nation?

Nuclear power came of age in the Post World War II period as the Nation simultaneously emerged from a deep depression and a victorious war in a rapidly expanding economic prosperity. Demand for electricity was doubling every ten years, and the newly discovered scientific knowledge that the atom could be split to provide tremendous amounts of energy gave expectations for its use in electric generation.

The 1946 McCann Act turned over to civilian control what previously had been a tightly held classified military project. Yet it was not until the Atomic Energy Act of 1954 that anyone in the United States, other than the federal government, was authorized to construct or own a nuclear reactor to produce electricity. The 1954 Act, for the first time, permitted a utility to apply for a construction permit or an operating license for a nuclear power reactor.

Compared with fossil-generated or hydroelectric power, electric energy from nuclear power is still really in its infancy. The first construction permit issued by the Atomic Energy Commission was in 1955 to the Consolidated Edison Company of New York, for Indian Point No. 1, a 265-megawatt unit which went into operation in 1962. A smaller 5-megawatt nuclear plant, owned and operated by General Electric, that tied into the Pacific Gas and Electric System, received the first operating license from the AEC in 1957.

Today, twenty-five years after the passage of the Atomic Energy Act of 1954, and 22 years after the issuance of the first operating license, we have 70 reactors operating in the United States, with a total of 51,000 megawatts of installed capacity. The existing generating capacity of operating reactors in the United States today is greater than the entire installed electric generating capacity in the United States in 1946, the beginning of the post World War II period.

Last year, 13 percent of all the electricity used by the people of the United States

came from nuclear power, at an estimated savings of \$3 billion to the consumers. At today's fuel costs, electricity generated by nuclear power is  $\frac{1}{2}$  to  $\frac{1}{3}$  the cost of electricity generated by coal or oil.

Construction permits have been issued for an additional 92 nuclear reactors, totaling 106,000 additional megawatts of electric capacity, of which 37 were under operating license review prior to Three Mile Island. If one totals all reactors operating and under construction, it comes to 162, with an electric capacity of 151,000 megawatts. That represents three times the entire electric generating capacity existing in the United States at the end of World War II.

An average 1000-megawatt nuclear plant will save approximately 10 million barrels of residual oil per year, if substituted for an equivalent sized oil-fired plant. That 10 million barrels of residual oil saved, could be processed into 252 million gallons of gasoline. While nuclear power cannot be used directly to fuel our present automobiles and trucks, it can, by substituting for oil-fired electric generation, release many millions of barrels of residual oil that could be processed into billions of gallons of gasoline to relieve future shortages. If the automobile industry successfully develops an economical electric car, nuclear power will more directly relieve our gasoline shortage problems.

Notwithstanding what has been accomplished in the past two decades, even prior to Three Mile Island, strong opposition was developing among some groups to nuclear power. Since Three Mile Island, opposition has grown even more vocal. The Ralph Naders and Jane Fondas are using the nuclear power issue as a mechanism to change our system of government. They are not only against nuclear power, but they are against all centralized methods of electric production, including the generation of electricity by central-station coal-fired plants and major dam construction to provide hydroelectric generation.

Increasing intervention by environmentalists and other so-called groups in regulatory review processes, including judicial appeals through all levels of our judicial system, has caused major delays in the construction and operation of electric generating facilities of all types—fossil, hydro and nuclear, not to mention the severe impact on the cost of these projects, ultimately to be paid for by the consumers. When opposing new coal-fired plants, the opponents cite the dangers to the public from airborne pollutants emanating from the plant. In opposing large-scale hydro electric facilities, the opponents use the threat of endangering species such as the Snale Darter in Tennessee. When it comes to nuclear, they attempt to identify nuclear power with nuclear weapons and radiation dangers—this despite the fact that uranium used in the nuclear power plants in the United States is different from what is used in a nuclear bomb and cannot explode, and the fact that one receives more radiation from working in Grand Central Station than living adjacent to a nuclear plant.

The maximum exposure any individual could have received from the Three Mile Island accident has been calculated by HEW, EPA and NRC experts to be 88 millirems and to have received that dose, an individual would have had to remain continuously out of doors without any clothes on twenty-four hours a day, for several weeks. This is less than we all average each year from natural background and far less radiation than a person receives from one minute under a fluoroscope. There are places in Grand Central Station in New York where the annual exposure from the building itself exceeds 500 millirem per year.

An objective evaluation of the safety of nuclear power—as was done in 1978 by the American Medical Association—will find it safer than alternative methods of produc-

ing electricity. To date, no member of the public nor any employee of a utility company has been fatally injured because of nuclear power. This is not to say, however, that we will never have a nuclear fatality because there are risks associated with it.

But even with the Three Mile Island accident, nuclear power has demonstrated in 400 reactor-years of operation that the risks associated with it are minimal compared with other risks the public faces. In the past two decades, one million persons have been killed in automobile accidents, not to mention the greater numbers who have sustaining disabling injuries. Commercial air travel—safer than automobile—accounts for 100-200 deaths each year, and the use of electricity results in 1,000 accidental deaths per year.

We as individuals and as a Nation, have accepted these risks because we desire the benefits, and, of course, we strive to improve the safety record. Civilian nuclear power facilities have yet to injure, let alone kill, a single member of the public. No other industry has a better safety record.

I do not want to minimize the legitimacy of the fear engendered among the people living near Three Mile Island during the early days of TMI when they were led to believe they might have to evacuate their homes. The sanctity of the home has always been paramount in our country, descendant from the English Common Law when even the King had to request permission to enter the home of the lowest peasant. The accident at Three Mile Island threatened for a time to violate the sanctity of many homes, and understandably, the people affected resented that threatened intrusion.

But it turned out that TMI did not require any evacuation of the nearby area—yet during this same period of time, thousands were forced to flee their homes in Mississippi and other states because man-made levees and restraining walls were not adequate to contain rampaging floods; 47 persons were killed, thousands injured and 6,700 homes destroyed in one day by tornados in northern Texas.

Also—

On April 8, 1979, at a time when it had been determined that no evacuation was required by the Three Mile Island accident, 4,500 to 5,500 persons had to be evacuated from a 300 square mile area of Florida because a freight train carrying harmful chemicals had derailed. A Civil Defense official was contemplating evacuating 7,000 more persons if a wind-shift were to occur.

On February 22, 1978, in Waverly, Tennessee, 2,000 people had to be evacuated when a railroad car exploded after a derailment. Fifteen persons were killed and 48 persons were injured by that explosion.

On December 28, 1977, 800 people in a ten-mile radius had to be evacuated due to a chemical explosion after a train derailment in Goldonna, Louisiana. Over \$2 million property damage resulted in that accident which took place at the main street-crossing of that town.

The Department of Transportation records reveal that in a seven-year period, 1971 through 1977, there were 130 derailments or vehicle accidents that resulted in high property damage and/or evacuation of persons due to hazardous chemicals. The 130 accidents resulted in 75 deaths, 1049 injuries and property damage just under \$43 million. Of the 130 accidents in that seven-year period, 41 required evacuation of people.

I mention this because a great deal of discussion is taking place today with respect to evacuation plans in states where nuclear power plants are located. Under the guise of advocating public preparedness, opponents of nuclear power are demanding annual exercises where the population actually would be evacuated out to a given distance. If they were rational in their demand, they

would require the same for every town and village through which a railroad passes or through which toxic chemicals are transported by vehicle.

From any objective and rational point of view, the future of nuclear power in the United States should be assured. Surely, it must be clear that the dangers to our economy and our national defense are immensely greater if we renounce nuclear power than if we continued to exploit its beneficial uses in the generation of electric energy. The threat to our environment is greater if we deny ourselves nuclear power.

Yet there is a movement—an unfortunate movement—in our country and in other western nations that would have us give up the benefits of our industrial development. It is a movement personified in the Amory Lovins, Jane Fondas and Ralph Naders—made up of people who refuse to recognize the energy needs of our people and the practical means of meeting those needs. They preach a strange gospel that would have us renounce not only nuclear power but all large-scale power plant facilities and have us depend upon small individual solar units in what they describe as more labor-intensive economy.

Llewellyn King, publisher of *Energy Daily*—who I have often quoted on this point best sums up these people as follows:

"Those of us who have tried to codify and understand the nature of the nuclear opposition have gradually come to the conclusion that we are dealing with what amounts to a new class of American society, one that is unfettered by fear of shortages, privation or disaster. It is a class whose traumas have been external and national and not personal. It is a class of men and women who, paradoxically, are seeking to hobble the American economic machine when they themselves are the products of its bounty: well-fed, well-housed, and well-educated—a class that has been brought up in a cocoon of personal well-being in the comfort of a good home, the security of good schools and the luxury of university education. Their class perception of American society is of a good thing gone wrong; of venal capitalism astride the stallion of technology violating the wholesomeness of America."

Nuclear power by itself will not solve all our future energy problems. Together with increased use of indigenous coal and careful conservation it will help to relieve us from ever increasing dependence upon foreign oil sources, particularly if our Nation moves forward energetically in developing the Breeder reactor.

If we have learned anything from the 1973-1974 Yom Kippur War which resulted in an Arab oil embargo on us and our friends, if we have learned anything from the actions of the OPEC cartel in their oil price increases, and if we have learned anything from recent statements by Canadian and Mexican political leaders to limit future oil and other energy supplies to the United States, we should know that it is critical to our Nation's economic viability and national security that we develop, to the greatest extent possible, energy independence.

It would be imprudent for this Nation to declare a moratorium on nuclear power. Nuclear power has a safety record second to none. When compared with other alternatives today, and for the foreseeable future, nuclear power, if not fettered and burdened with additional and unnecessary handicaps—be they technical or political—can and will serve this Nation well. Nuclear plants can be and are being operated safely today to the economic advantage of our citizens. We have the technical knowledge to safely dispose of radioactive waste—over 90 percent of which presently is the result of our military program. It is more a political issue than a public safety problem.

The Harris Polls continue to show that the majority of Americans recognize the need for nuclear power and support the construction of nuclear reactor plants. It is a small but active and vocal group, led by Jane Fonda and Ralph Nader and others who try to make it appear that the American public is against nuclear power in order to influence political actions.

It is imperative that those of us who recognize how essential nuclear power is to the United States in solving our energy crisis make our views known at the federal, state and local levels, by communicating our views to our representatives. If we do not, they will become more and more intimidated by the Naders and Fondas and our economic stability and national security will be severely compromised by default. ●

#### THE VISION OF ADMIRAL RICKOVER

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

● Mr. PRICE. Mr. Speaker, Admiral Rickover made a public statement over 22 years ago on "Energy Resources and Our Future" which reveal the outstanding vision of this great patriot. When Admiral Rickover made this statement before the Minnesota State Medical Association in St. Paul on May 14, 1957, the importance of adequate energy supplies for our Nation was virtually unknown to the public. Admiral Rickover, on the other hand, on this date delivered a learned and now proven analysis of the problem we and the rest of the world face without adequate planning for energy needs. I highly commend his statement which I include at the close of these remarks.

The May 14, 1957, remarks of Admiral Rickover follow:

##### ENERGY RESOURCES AND OUR FUTURE

I am honored to be here tonight, though it is no easy thing, I assure you, for a layman to face up to an audience of physicians. A single one of you, sitting behind his desk, can be quite formidable.

My speech has no medical connotations. This may be a relief to you after the solid professional fare you have been absorbing. I should like to discuss a matter which will, I hope, be of interest to you as responsible citizens: the significance of energy resources in the shaping of our future.

We live in what historians may some day call the Fossil Fuel Age. Today coal, oil, and natural gas supply 93 percent of the world's energy; water power accounts for only 1 percent; and the labor of men and domestic animals the remaining 6 percent. This is a startling reversal of corresponding figures for 1850—only a century ago. Then fossil fuels supplied 5 percent of the world's energy, and men and animals 94 percent. Five sixths of all the coal, oil, and gas consumed since the beginning of the Fossil Fuel Age has been burned up in the last 55 years.

These fuels have been known to man for more than 3,000 years. In parts of China, coal was used for domestic heating and cooking, and natural gas for lighting as early as 1000 B.C. The Babylonians burned asphalt a thousand years earlier. But these early uses were sporadic and of no economic significance. Fossil fuels did not become a major source of energy until machines running on coal, gas, or oil were invented. Wood, for example, was the most important fuel until 1880 when it was replaced by coal; coal, in turn, has only recently been surpassed by oil in this country.

Once in full swing, fossil fuel consumption has accelerated at phenomenal rates. All the fossil fuels used before 1900 would not last five years at today's rates of consumption.

Nowhere are these rates higher and growing faster than in the United States. Our country, with only 6 percent of the world's population, uses one third of the world's total energy input; this proportion would be even greater except that we use energy more efficiently than other countries. Each American has at his disposal, each year, energy equivalent to that obtainable from eight tons of coal. This is six times the world's per capita energy consumption. Though not quite so spectacular, corresponding figures for other highly industrialized countries also show above average consumption figures. The United Kingdom, for example, uses more than three times as much energy as the world average.

With high energy consumption goes a high standard of living. Thus the enormous fossil energy which we in this country control feeds machines which make each of us master of an army of mechanical slaves. Man's muscle power is rated at 35 watts continuously, or one twentieth horsepower. Machines therefore furnish every American industrial worker with energy equivalent to that of 244 men, while at least 2,000 men push his automobile along the road, and his family is supplied with 33 faithful household helpers. Each locomotive engineer controls energy equivalent to that of 100,000 men; each jet pilot of 700,000 men. Truly, the humblest American enjoys the services of more slaves than were once owned by the richest nobles, and lives better than most ancient kings. In retrospect, and despite wars, revolutions, and disasters, the hundred years just gone by may well seem like a Golden Age.

Whether this Golden Age will continue depends entirely upon our ability to keep energy supplies in balance with the needs of our growing population. Before I go into this question, let me review briefly the role of energy resources in the rise and fall of civilizations.

Possession of surplus energy is, of course, a requisite for any kind of civilization, for if man possesses merely the energy of his own muscles, he must expend all his strength—mental and physical—to obtain the bare necessities of life.

Surplus energy provides the material foundation for civilized living—a comfortable and tasteful home instead of a bare shelter; attractive clothing instead of mere covering to keep warm; appetizing food instead of anything that suffices to appease hunger. It provides the freedom from toil without which there can be no art, music, literature, or learning. There is no need to belabor the point. What lifted man—one of the weaker mammals—above the animal world was that he could devise, with his brain, ways to increase the energy at his disposal, and use the leisure so gained to cultivate his mind and spirit. Where man must rely solely on the energy of his own body, he can sustain only the most meager existence.

Man's first step on the ladder of civilization dates from his discovery of fire and his domestication of animals. With these energy resources he was able to build a pastoral culture. To move upward to an agricultural civilization he needed more energy. In the past this was found in the labor of dependent members of large patriarchal families, augmented by slaves obtained through purchase or as war booty. There are some backward communities which to this day depend on this type of energy.

Slave labor was necessary for the city states and the empires of antiquity; they frequently had slave populations larger than their free citizenry. As long as slaves were abundant and no moral censure at-

tached to their ownership, incentives to search for alternative sources of energy were lacking; this may well have been the single most important reason why engineering advanced very little in ancient times.

A reduction of per capita energy consumption has always in the past led to a decline in civilization and a reversion to a more primitive way of life. For example, exhaustion of wood fuel is believed to have been the primary reason for the fall of Mayan Civilization on this continent and of the decline of once flourishing civilizations in Asia. India and China once had large forests as did much of the Middle East. Deforestation not only lessened the energy base but had a further disastrous effect: lacking plant cover, soil washed away, and with soil erosion the nutritional base was reduced as well.

Another cause of declining civilization comes with pressure of population on available land. A point is reached where the land can no longer support both the people and their domestic animals. Horses and mules disappear first, finally even the versatile water buffalo is displaced by man who is two and one half times as efficient an energy converter as are draft animals. It must always be remembered that while domestic animals and agricultural machines increase productivity per man, maximum productivity per acre is achieved only by intensive manual cultivation.

It is a sobering thought that the impoverished people of Asia, who today seldom go to sleep with their hunger completely satisfied, were once far more civilized and lived much better than the people of the West. And not so very long ago, either. It was the stories brought back by Marco Polo of the marvelous civilization in China which turned Europe's eyes to the riches of the East, and induced adventurous sailors to brave the high seas in their small vessels searching for a direct route to the fabulous Orient. The "wealth of the Indies" is a phrase still used, but whatever wealth may be there it certainly is not evident in the life of the people today.

Asia failed to keep technological pace with the needs of her growing populations and sank into such poverty that in many places man has become again the primary source of energy, since other energy converters have become too expensive. This must be obvious to the most casual observer. What this means is quite simply a reversion to a more primitive stage of civilization with all that it implies for human dignity and happiness.

Anyone who has watched a sweating Chinese coolie strain at his heavily laden wheelbarrow, creaking along a cobblestone road, or who has flinched as he drives past an endless procession of human beasts of burden moving to market in Java—the slender women bent under mountainous loads heaped on their heads—anyone who has seen statistics translated into flesh and bone, realizes the degradation of man's stature when his muscle power becomes the only energy source he can afford. Civilization must wither when human beings are so degraded.

On the other hand, in societies where slavery represented a major source of energy, its abolition had the immediate effect of reducing energy consumption with consequent decline in civilization. Thus when this time-honored institution came under moral censure by Christianity, Western civilization declined until other sources of energy could be found. Slavery is incompatible with Christian belief in the worth of the humblest individual as a child of God. As Christianity spread through the Roman Empire and masters freed their slaves—in obedience to the teaching of the Church—the energy base of Roman civilization crumbled. This, some historians believe, may have been a

major factor in the decline of Rome and the temporary reversion to a more primitive way of life during the Dark Ages. Slavery gradually disappeared throughout the Western world, except in its milder form of serfdom. That it was revived a thousand years later merely shows man's ability to strafe his conscience—at least for a while—when his economic needs are great. Eventually, even the needs of overseas plantation economies did not suffice to keep alive a practice so deeply repugnant to Western man's deepest convictions.

It may well be that it was unwillingness to depend on slave labor for their energy needs which turned the minds of medieval Europeans to search for alternate sources of energy, thus sparking the Power Revolution of the Middle Ages which, in turn, paved the way for the Industrial Revolution of the 19th Century. When slavery disappeared in the West engineering advanced. Men began to harness the power of nature by utilizing water and wind as energy sources. The sailing ship, in particular, which replaced the slave-driven galley of antiquity, was vastly improved by medieval shipbuilders and became the first machine enabling man to control large amounts of inanimate energy.

The next important high-energy converter used by Europeans was gun powder—an energy source far superior to the muscular strength of the strongest bowman or lancer. With ships that could navigate the high seas and arms that could outfire any hand weapon, Europe was now powerful enough to preempt for herself the vast empty areas of the Western Hemisphere into which she poured her surplus populations to build new nations of European stock. With these ships and arms she also gained political control over populous areas in Africa and Asia from which she drew the raw materials needed to speed her industrialization, thus complementing her naval and military dominance with economic and commercial supremacy.

When a low-energy society comes in contact with a high-energy society, the advantage always lies with the latter. The Europeans not only achieved standards of living vastly higher than those of the rest of the world, but they did this while their population was growing at rates far surpassing those of other peoples. In fact, they doubled their share of total world population in the short span of three centuries. From one sixth in 1650, the people of European stock increased to almost one third of the total world population by 1950.

Meanwhile much of the rest of the world did not even keep energy sources in balance with population growth. Per capita energy consumption actually diminished in large areas. It is this difference in energy consumption which has resulted in an ever widening gap between the one third minority who live in high-energy countries and the two thirds majority who live in low-energy areas.

These so-called underdeveloped countries are now finding it far more difficult to catch up with the fortunate minority than it was for Europe to initiate transition from low-energy to high-energy consumption. For one thing, their ratio of land to people is much less favorable; for another, they have no outlet for surplus populations to ease the transition since all the empty spaces have already been taken over by people of European stock.

Almost all of today's low-energy countries have a population density so great that it perpetuates dependence on intensive manual agriculture which alone can yield barely enough food for their people. They do not have enough acreage, per capita, to justify using domestic animals or farm machinery, although better seeds, better soil management, and better hand tools could bring some improvement. A very large part of their work-

ing population must nevertheless remain on the land, and this limits the amount of surplus energy that can be produced. Most of these countries must choose between using this small energy surplus to raise their very low standard of living or postpone present rewards for the sake of future gain by investing the surplus in new industries. The choice is difficult because there is no guarantee that today's denial may not prove to have been in vain. This is so because of the rapidity with which public health measures have reduced mortality rates, resulting in population growth as high or even higher than that of the high-energy nations. There is a bitter choice; it accounts for much of their anti-Western feeling and may well portend a prolonged period of world instability.

How closely energy consumption is related to standards of living may be illustrated by the example of India. Despite intelligent and sustained efforts made since independence, India's per capita income is still only 20 cents daily; her infant mortality is four times ours; and the life expectancy of her people is less than one half that of the industrialized countries of the West. These are ultimate consequences of India's very low energy consumption: one fourteenth of world average; one eightieth of ours.

Ominous, too, is the fact that while world food production increased 9 percent in the six years from 1945-51, world population increased by 12 percent. Not only is world population increasing faster than world food production, but, unfortunately, increases in food production tend to occur in the already well-fed, high-energy countries rather than in the undernourished, low-energy countries where food is most lacking.

I think no further elaboration is needed to demonstrate the significance of energy resources for our own future. Our civilization rests upon a technological base which requires enormous quantities of fossil fuels. What assurance do we then have that our energy needs will continue to be supplied by fossil fuels? The answer is—in the long run—none.

The earth is finite. Fossil fuels are not renewable. In this respect our energy base differs from that of all earlier civilizations. They could have maintained their energy supply by careful cultivation. We cannot. Fuel that has been burned is gone forever. Fuel is even more evanescent than metals. Metals, too, are non-renewable resources threatened with ultimate extinction, but something can be salvaged from scrap. Fuel leaves no scrap and there is nothing man can do to rebuild exhausted fossil fuel reserves. They were created by solar energy 500 million years ago and took eons to grow to their present volume.

In the face of the basic fact that fossil fuel reserves are finite, the exact length of time these reserves will last is important in only one respect: the longer they last, the more time do we have to invent ways of living off renewable or substitute energy sources and to adjust our economy to the vast changes which we can expect from such a shift.

Fossil fuels resemble capital in the bank. A prudent and responsible parent will use his capital sparingly in order to pass on to his children as much as possible of his inheritance. A selfish and irresponsible parent will squander it in riotous living and care not one with how his offspring will fare.

Engineers whose work familiarizes them with energy statistics; farseeing industrialists who know that energy is the principal factor which must enter into all planning for the future; responsible governments who realize that the well-being of their citizens and the political power of their countries depend on adequate energy supplies—all these have begun to be concerned about energy resources. In this country, especially,

many studies have been made in the last few years, seeking to discover accurate information on fossil fuel reserves and foreseeable fuel needs.

Statistics involving the human factor are, of course, never exact. The size of usable reserves depends on the ability of engineers to improve the efficiency of fuel extraction and use. It also depends on discovery of new methods to obtain energy from inferior resources at costs which can be borne without unduly depressing the standard of living. Estimates of future needs, in turn, rely heavily on population figures which must always allow for a large element of uncertainty, particularly as man reaches a point where he is more and more able to control his own way of life.

Current estimates of fossil fuel reserves vary to an astonishing degree. In part this is because the results differ greatly if cost of extraction is disregarded or if in calculating how long reserves will last, population growth is not taken into consideration; or, equally important, not enough weight is given to increased fuel consumption required to process inferior or substitute metals. We are rapidly approaching the time when exhaustion of better grade metals will force us to turn to poorer grades requiring in most cases greater expenditure of energy per unit of metal.

But the most significant distinction between optimistic and pessimistic fuel reserve statistics is that the optimists generally speak of the immediate future—the next twenty-five years or so—while the pessimists think in terms of a century from now. A century or even two is a short span in the history of a great people. It seems sensible to me to take a long view, even if this involves facing unpleasant facts.

For it is an unpleasant fact that according to our best estimates, total fossil fuel reserves recoverable at not over twice today's unit cost, are likely to run out at some time between the years 2000 and 2050, if present standards of living and population growth rates are taken into account. Oil and natural gas will disappear first, coal last. There will be coal left in the earth, of course. But it will be so difficult to mine that energy costs would rise to economically intolerable heights, so that it would then become necessary either to discover new energy sources or to lower standards of living drastically.

For more than one hundred years we have stoked ever growing numbers of machines with coal; for fifty years we have pumped gas and oil into our factories, cars, trucks, tractors, ships, planes, and homes without giving a thought to the future. Occasionally the voice of a Cassandra has been raised only to be quickly silenced when a lucky discovery revised estimates of our oil reserves upward, or a new coal field was found in some remote spot. Fewer such lucky discoveries can be expected in the future, especially in industrialized countries where extensive mapping of resources has been done. Yet the popularizers of scientific news would have us believe that there is no cause for anxiety, that reserves will last thousands of years, and that before they run out science will have produced miracles. Our past history and security have given us the sentimental belief that the things we fear will never really happen—that everything turns out right in the end. But, prudent men will reject these tranquilizers and prefer to face the facts so that they can plan intelligently for the needs of their posterity.

Looking into the future, from the mid-20th Century, we cannot feel overly confident that present high standards of living will of a certainty continue through the next century and beyond. Fossil fuel costs will soon definitely begin to rise as the best and most accessible reserves are exhausted, and

more effort will be required to obtain the same energy from remaining reserves. It is likely also that liquid fuel synthesized from coal will be more expensive. Can we feel certain that when economically recoverable fossil fuels are gone science will have learned how to maintain a high standard of living on renewable energy sources?

I believe it would be wise to assume that the principal renewable fuel sources which we can expect to tap before fossil reserves run out will supply only 7 to 15 percent of future energy needs. The five most important of these renewable sources are wood fuel, farm wastes, wind, water power, and solar heat.

Wood fuel and farm wastes are dubious as substitutes because of growing food requirements to be anticipated. Land is more likely to be used for food production than for tree crops; farm wastes may be more urgently needed to fertilize the soil than to fuel machines.

Wind and water power can furnish only a very small percentage of our energy needs. Moreover, as with solar energy, expensive structures would be required, making use of land and metals which will also be in short supply. Nor would anything we know today justify putting too much reliance on solar energy though it will probably prove feasible for home heating in favorable localities and for cooking in hot countries which lack wood, such as India.

More promising is the outlook for nuclear fuels. These are not, properly speaking, renewable energy sources, at least not in the present state of technology, but their capacity to "breed" and the very high energy output from small quantities of fissionable material, as well as the fact that such materials are relatively abundant, do seem to put nuclear fuels into a separate category from exhaustible fossil fuels. The disposal of radioactive wastes from nuclear power plants is, however, a problem which must be solved before there can be any widespread use of nuclear power.

Another limit in the use of nuclear power is that we do not know today how to employ it otherwise than in large units to produce electricity or to supply heating. Because of its inherent characteristics, nuclear fuel cannot be used directly in small machines, such as cars, trucks, or tractors. It is doubtful that it could in the foreseeable future furnish economical fuel for civilian airplanes or ships, except very large ones. Rather than nuclear locomotives, it might prove advantageous to move trains by electricity produced in nuclear central stations. We are only at the beginning of nuclear technology, so it is difficult to predict what we may expect.

Transportation—the lifeblood of all technically advanced civilizations—seems to be assured, once we have borne the initial high cost of electrifying railroads and replacing buses with streetcars or interurban electric trains. But, unless science can perform the miracle of synthesizing automobile fuel from some energy source as yet unknown or unless trolley wires power electric automobiles on all streets and highways, it will be wise to face up to the possibility of the ultimate disappearance of automobiles, trucks, buses, and tractors. Before all the oil is gone and hydrogenation of coal for synthetic liquid fuel has come to an end, the cost of automotive fuel may have risen to a point where private cars will be too expensive to run and public transportation again becomes a profitable business.

Today the automobile is the most uneconomical user of energy. Its efficiency is 5 percent compared with 23 percent for the Diesel-electric railway. It is the most ravenous devourer of fossil fuels, accounting for over half of the total oil consumption in this

country. And the oil we use in the United States in one year took nature about 14 million years to create. Curiously, the automobile, which is the greatest single cause of the rapid exhaustion of oil reserves, may eventually be the first fuel consumer to suffer. Reduction in automotive use would necessitate an extraordinarily costly reorganization of the pattern of living in industrialized nations, particularly in the United States. It would seem prudent to bear this in mind in future planning of cities and industrial locations.

Our present known reserves of fissionable materials are many times as large as our net economically recoverable reserves of coal. A point will be reached before this century is over when fossil fuel costs will have risen high enough to make nuclear fuels economically competitive. Before that time comes we shall have to make great efforts to raise our entire body of engineering and scientific knowledge to a higher plateau. We must also induce many more young Americans to become metallurgical and nuclear engineers. Else we shall not have the knowledge or the people to build and run the nuclear power plants which ultimately may have to furnish the major part of our energy needs. If we start to plan now, we may be able to achieve the requisite level of scientific and engineering knowledge before our fossil fuel reserves give out, but the margin of safety is not large. This is also based on the assumption that atomic war can be avoided and that population growth will not exceed that now calculated by demographic experts.

War, of course, cancels all man's expectations. Even growing world tension just short of war could have far-reaching effects. In this country it might, on the one hand, lead to greater conservation of domestic fuels, to increased oil imports, and to an acceleration in scientific research which might turn up unexpected new energy sources. On the other hand, the resulting armaments race would deplete metal reserves more rapidly, hastening the day when inferior metals must be utilized with consequent greater expenditure of energy. Underdeveloped nations with fossil fuel deposits might be coerced into withholding them from the free world or may themselves decide to retain them for their own future use. The effect on Europe, which depends on coal and oil imports, would be disastrous and we would have to share our own supplies or lose our allies.

Barring atomic war or unexpected changes in the population curve, we can count on an increase in world population from two and one half billion today to four billion in the year 2000; six to eight billion by 2050. The United States is expected to quadruple its population during the 20th Century—from 75 million in 1900 to 300 million in 2000—and to reach at least 375 million in 2050. This would almost exactly equal India's present population which she supports on just a little under half of our land area.

It is an awesome thing to contemplate a graph of world population growth from prehistoric times—tens of thousands of years ago—to the day after tomorrow—let us say the year 2000 A.D. If we visualize the population curve as a road which starts at sea level and rises in proportion as world population increases, we should see it stretching endlessly, almost level, for 99 percent of the time that man has inhabited the earth. In 6000 B.C., when recorded history begins, the road is running at a height of about 70 feet above sea level, which corresponds to a population of 10 million. Seven thousand years later—in 1000 A.D.—the road has reached an elevation of 1,600 feet; the gradation now becomes steeper, and 600 years later the road is 2,900 feet high. During the short span of the next 400 years—from 1600 to 2000—it suddenly turns sharply upward at an almost perpen-

dicular inclination and goes straight up to an elevation of 29,000 feet—the height of Mt. Everest, the world's tallest mountain.

In the 8,000 years from the beginning of history to the year 2000 A.D. world population will have grown from 10 million to 4 billion, with 90 percent of the growth taking place during the last 5 percent of that period, in 400 years. It took the first 3,000 years of recorded history to accomplish the first doubling of population, 100 years for the last doubling, but the next doubling will require only 50 years. Calculations give us the astonishing estimate that one out of every 20 human beings born into this world is alive today.

The rapidity of population growth has not given us enough time to readjust our thinking. Not much more than a century ago our country—the very spot on which I now stand—was a wilderness in which a pioneer could find complete freedom from men and from government. If things became too crowded—if he saw his neighbor's chimney smoke—he could, and often did, pack up and move west. We began life in 1776 as a nation of less than four million people, spread over a vast continent, with seemingly inexhaustible riches of nature all about. We conserved what was scarce—human labor—and squandered what seemed abundant—natural resources—and we are still doing the same today.

Much of the wilderness which nurtured what is most dynamic in the American character has now been buried under cities, factories, and suburban developments where each picture window looks out on nothing more inspiring than the neighbor's back yard with the smoke of his fire in the wire basket clearly visible.

Life in crowded communities cannot be the same as life on the frontier. We are no longer free, as was the pioneer, to work for our own immediate needs regardless of the future. We are no longer as independent of men and of government as were Americans two or three generations ago. An ever larger share of what we earn must go to solve problems caused by crowded living—bigger governments; bigger city, state, and federal budgets to pay for more public services. Merely to supply us with enough water and to carry away our waste products gets daily more difficult and expensive. More laws and law enforcement agencies are needed to regulate human relations in urban industrial communities and on crowded highways than in the America of Thomas Jefferson.

Certainly no one likes taxes, but we must become reconciled to larger taxes in the larger America of tomorrow.

I suggest that this is a good time to think soberly about our responsibilities to our descendants—those who will ring out the Fossil Fuel Age. Our greatest responsibility, as parents and as citizens, is to give America's youngsters the best possible education. We need the best teachers and enough of them to prepare our young people for a future immeasurably more complex than the present, and calling for ever larger numbers of competent and highly trained men and women. This means that we must not delay building more schools, colleges, and playgrounds. It means that we must reconcile ourselves to continuing higher taxes to build up and maintain at decent salaries a greatly enlarged corps of much better trained teachers, even at the cost of denying ourselves such momentary pleasures as buying a bigger new car, or a TV set, or household gadget. We should find—I believe—that these small self-denials would be far more than offset by the benefits they would buy for tomorrow's America. We might even—if we wanted—give a break to these youngsters by cutting fuel and metal consumption a little here and there so as to provide a safer margin for the

necessary adjustments which eventually must be made in a world without fossil fuels.

One final thought I should like to leave with you. High-energy consumption has always been a prerequisite of political power. The tendency is for political power to be concentrated in an ever smaller number of countries. Ultimately, the nation which controls the largest energy resources will become dominant. If we give thought to the problem of energy resources, if we act wisely and in time to conserve what we have and prepare well for necessary future changes, we shall insure this dominant position for our own country. ●

#### GREED OF OUR NATION'S OIL INDUSTRY

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

● Mr. HANLEY. Mr. Speaker, last week we had one of the earliest snowstorms ever in the Northeast, a chilling portent of what we may face this winter. Just 1 day after this foretaste, the House, by a large majority, voted down an amendment designed to keep heating oil prices affordable this winter.

The majority argued that such a measure would disrupt the normal marketplace and create heating oil shortages. This viewpoint flies in the face of all information available to the House on what has been occurring with heating oil prices.

Quite frankly, the high cost of heating oil is not the result of normal market factors, but is a direct reflection of the greed of our Nation's domestic oil industry. It is a fact, which cannot be countered by oil industry propaganda and slick advertisements, that, if the Department of Energy had not forced the oil giants to increase refining of heating oil products this summer, we would be in a far worse position than we are today. It is a fact, thoroughly documented by the Subcommittee on Antitrust and Restraint of Trade, that the oil companies used this opportunity to keep supplies at the refiner level and not distribute them in a normal fashion to jobbers and individual homes. It is a fact that, during the time of the year when heating oil is normally at its lowest price, there was a 50-percent jump in the cost of heating oil. It is a fact that, of the 27 cents a gallon increase in the price of heating oil, 12 cents was increased profit taking. It is also a fact that this 12 cents is added to the 10 cents a gallon already received by big oil profits on heating oil.

Again, it is a fact that 12 cents is very close to the 14.8 cents a gallon we are forced to pay OPEC in increased oil costs. Not only does 25 percent of every dollar paid to the oil companies for heating oil go to big oil profits, but it is clear that our own domestic oil firms are turning the screws on consumers as badly as is OPEC.

Despite this information, last week's vote in the House was decisively against continued controls on heating oil. This is particularly understandable when we realize that only 18 States consume sig-

nificant amounts of heating oil and many Members of Congress were not overly concerned or even informed on this particular issue since it did not affect their region or State. However, what is distressing is that many of the votes against this amendment were cast from States reliant on heating oil, where Members were informed.

I am sure some of these Members had very legitimate reasons for opposing this price amendment or were unavailable for the vote, but I am equally sure some Members cast their vote in the negative out of some philosophical feeling that price controls undermine the marketplace principles of capitalism. To those individuals, I would like to say that you are wrong. There is no normal marketplace and true competitive interaction among the oil companies nor among the OPEC nations. The refining and distribution of heating oil is done under near monopolistic conditions.

The oil industry has said, in effect, we will give you heating oil, not as much as you want and not when you want it, but enough to struggle through.

For that privilege you will pay through the nose. By failing to do anything about it, we have capitulated to their demands and surrendered to their terms. The result is that some of our citizens will have to make a choice this winter between eating and heating.

New York State, unlike some others I can think of, is not owned and controlled by big oil. Our citizens did not send us to Washington to continue policies that strip them of their hard-earned money and impose upon them the inflationary burden that comes with unconscionable price gouging by oil companies. I hope in the future, when such issues are considered, we will remember who sent us here and who we work for. ●

#### CONFERENCE REPORT ON H.R. 4394

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

#### CONFERENCE REPORT (H. REPT. NO. 96-542)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 12 and 27 to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, having met, after further full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 12.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$3,807,500,000"; and the Senate agree to the same.

EDWARD P. BOLAND,  
BOB TRAXLER,  
LOUIS STOKES,  
TOM BEVILL,  
LINDY (Mrs. HALE) BOGGS  
MARTIN OLAV SABO,  
BENNETT M. STEWART,  
JAMIE L. WHITTEN,  
LARRY COUGHLIN,  
JOSEPH M. McDADE,  
C. W. BILL YOUNG,  
SILVIO O. CONTE,  
*Managers on the Part of the House.*

WILLIAM PROXMIRE,  
JOHN C. STENNIS,  
BIRCH BAYH,  
WALTER D. HUDDLESTON,  
PATRICK J. LEAHY,  
JIM SASSER,  
JOHN A. DURKIN,  
WARREN G. MAGNUSON,  
CHARLES McC. MATHIAS, Jr.,  
HENRY BELLMON,  
LOWELL P. WEICKER, Jr.,  
PAUL LAXALT,  
HARRISON SCHMITT,  
MILTON YOUNG,  
*Managers on the Part of the Senate.*

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 12: Deletes language proposed by the Senate appropriating \$3,000,000 for the livable cities program.

TITLE II—INDEPENDENT AGENCIES  
*National Aeronautics and Space Administration*

Amendment No. 27: Appropriates \$3,807,500,000 for research and development, instead of \$3,799,500,000 as proposed by the House and \$3,822,500,000 as proposed by the Senate. The conferees agree to the recommendations contained in the report of the House with the following changes:

- + \$3,000,000 for the variable cycle engine program, and
- + \$5,000,000 for advanced rotorcraft technology.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follows:

New budget (obligational) authority, fiscal year 1979	\$70,040,207,000
Budget estimates of new (obligational) authority, fiscal year 1980	72,815,238,750
House bill, fiscal year 1980	71,963,475,000
Senate bill, fiscal year 1980	71,930,247,000
Conference agreement	71,842,684,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1979	+1,802,477,000
Budget estimates of new (obligational) authority, fiscal year 1980	-972,554,750
House bill, fiscal year 1980	-120,791,000

Senate bill, fiscal year 1980 ----- -\$87,563,000

<sup>1</sup> Includes \$92,492,000 of budget estimates not considered by the House.

EDWARD P. BOLAND,  
BOB TRAXLER,  
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TOM BEVILL,  
LINDY (Mrs. HALE) BOGGS,  
MARTIN OLAV SABO,  
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HENRY BELLMON,  
LOWELL P. WEICKER, Jr.,  
PAUL LAXALT,  
HARRISON SCHMITT,  
MILTON YOUNG,  
*Managers on the Part of the Senate.*

CONFERENCE REPORT ON S. 428

Mr. PRICE submitted the following conference report and statement on the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 96-546)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Department of Defense Authorization Act, 1980".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

Sec. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and

other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, \$1,002,800,000; for the Navy and the Marine Corps, \$4,534,900,000; for the Air Force, \$7,842,340,000.

MISSILES

For missiles: for the Army, \$1,202,900,000; for the Navy, \$1,575,100,000; for the Marine Corps, \$20,500,000; for the Air Force, \$2,263,800,000.

NAVAL VESSELS

For naval vessels: for the Navy, \$6,706,800,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$1,679,000,000; for the Marine Corps, \$13,000,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, \$336,800,000.

OTHER WEAPONS

For other weapons: for the Army, \$170,500,000; for the Navy, \$153,000,000; for the Marine Corps, \$25,200,000.

REPORT ON B-52 AIRCRAFT MODIFICATION PROGRAM

SEC. 102. Of the amount authorized to be appropriated under section 101 for procurement of aircraft for the Air Force, \$431,900,000 is authorized for the procurement of avionics and cruise missile integration for the B-52 aircraft modification program subject to the condition that the Secretary of Defense provide to the Congress at the earliest possible date, and not later than November 30, 1979, a report on—

- (1) all uncertainties in the effectiveness of the B-52 aircraft as a cruise missile carrier over the next decade, including any degradation of defense penetration capabilities of the B-52 aircraft which could result from possible air defense advances by the Soviet Union; and
- (2) the requirement for maintaining the defense penetration capability of the B-52 aircraft and the options available during the next decade to maintain such capability.

AUTHORIZATION OF APPROPRIATIONS FOR CONTRIBUTION TO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) FOR NATO

Sec. 103. There is authorized to be appropriated for fiscal year 1980 the sum of \$243,100,000 to be available only for contribution by the United States of its share of the cost for such fiscal year of the acquisition by the North Atlantic Treaty Organization of the Airborne Early Warning and Control System (AWACS).

CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

Sec. 104. (a) During fiscal year 1980, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defense on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

- (1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program of force:
  - (A) auditing;
  - (B) quality assurance;
  - (C) codification;
  - (D) inspection;
  - (E) contract administration;
  - (F) acceptance testing;
  - (G) certification services; and
  - (H) planning, programming, and management services;
- (2) waive any surcharge for administrative services otherwise chargeable; and
- (3) in connection with the NATO E-3A Co-

operative Programme for fiscal year 1980, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

#### TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

##### AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, \$2,866,461,000, of which \$3,000,000 is authorized only for the performance and completion of a feasibility demonstration of launching Heliborne Missiles (HELLFIRE) from UH-60 helicopters.

For the Navy (including the Marine Corps), \$4,542,992,000, of which (1) \$60,000,000 is authorized only for the continued research, development, test, and evaluation of the 3,000-ton prototype Surface Effect Ship (SES), and (2) \$30,000,000 is authorized only for joint Navy/Air Force full-scale engineering development of the Air-to-Ground Standoff Missile system which is to be available for production on or before December 31, 1984.

For the Air Force, \$4,994,046,000, of which (1) \$670,000,000 is authorized only for the concurrent full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system and the MX missile, as provided in section 202 of the Department of Defense Supplemental Appropriation Authorization Act, 1979 (Public Law 96-29), and (2) \$30,000,000 is authorized only for the research, development, test, and evaluation required for competitive hardware demonstration of the Strategic Weapons Launcher and a derivative of a military aircraft or a commercial aircraft, in order to establish not later than September 30, 1981, the utility of these aircraft as cruise missile carriers.

For the Defense Agencies, \$1,110,618,000, of which \$42,500,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

##### REPORT ON NEW BASING MODE FOR INTERCONTINENTAL BALLISTIC MISSILES

SEC. 202. The Secretary of Defense shall submit to the Congress in writing, not later than March 1, 1980, a report evaluating in detail the ability of the basing mode for land-based intercontinental ballistic missiles known as the Multiple Protective Structure (MPS) system to survive foreseeable attempts by the Soviet Union to neutralize such system.

##### RESTRICTION ON THE USE OF FUNDS FOR DEVELOPMENT OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM

SEC. 203. None of the funds authorized to be appropriated by this Act for the development of the Extremely Low Frequency (ELF) communication system may be obligated or expended for the development of such system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been selected for the deployment of such system, and that the President has approved such site for the deployment of such system, and in no event may any of the funds authorized to be appropriated by this Act be used for full scale development or construction of another test-bed facility

for an Extremely Low Frequency (ELF) communication system.

#### TITLE III—ACTIVE FORCES

##### AUTHORIZATION OF END STRENGTHS

SEC. 301. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1980, as follows:

- (1) The Army, 776,700.
- (2) The Navy, 528,000.
- (3) The Marine Corps, 189,000.
- (4) The Air Force, 558,000.

##### AUTHORIZED STRENGTHS OF RESERVE GENERAL AND FLAG OFFICERS

SEC. 302. (a) Section 3218 of title 10, United States Code, is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those counted under section 3202 of this title".

(b) Section 5457(a) of such title is amended by inserting after "rear admiral" a comma and "exclusive of those counted under section 5442 of this title".

(c) Section 5458(a) of such title is amended by inserting after "combined" a comma and "exclusive of those counted under section 5443 of this title".

(d) Section 8218 of such title is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those counted under section 8202 of this title".

##### ANNUAL OFFICER GRADE DISTRIBUTION REPORT AND PROMOTION PLAN TO BE INCLUDED AS PART OF THE ANNUAL MANPOWER REQUIREMENTS REPORT RATHER THAN AS A SEPARATE REPORT

SEC. 303. (a) (1) Section 686 of title 10, United States Code, providing for an annual officer grade distribution report, is repealed.

(2) The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 686.

(b) Paragraph (3) of section 138(c) of such title, providing for an annual manpower requirements report, is amended to read as follows:

"(3) (A) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, recommending the annual active duty end strength level for each component of the armed forces for the next fiscal year and the annual civilian personnel end strength level for each component of the Department of Defense for the next fiscal year, and shall include in that report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for that fiscal year and the national security policies of the United States in effect at the time. The justification and explanation shall specify in detail for all military forces (including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit) the—

"(i) unit mission and capability;

"(ii) strategy which the unit supports; and

"(iii) area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas.

"(B) The Secretary of Defense shall also include in the report required under subparagraph (A) a detailed discussion of—

"(i) the manpower required for support and overhead functions within the armed forces and the Department of Defense;

"(ii) the relationship of the manpower required for support and overhead functions to the primary combat missions and support policies; and

"(iii) the manpower required to be stationed or assigned to duty in foreign countries and aboard vessels located outside the

territorial limits of the United States, its territories, and possessions.

"(C) In such report, the Secretary of Defense shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure together with a comprehensive identification of base operating support costs and an evaluation of possible alternatives to reduce such costs.

"(D) The Secretary of Defense shall also include in such report with respect to each armed force under the jurisdiction of the Secretary of a military department—

"(i) the estimated requirements in members on active duty during the next fiscal year;

"(ii) the estimated number of commissioned officers in each grade on active duty and to be promoted during the next fiscal year; and

"(iii) an analysis of the distribution by grade of commissioned officers on active duty at the time the report is prepared."

#### TITLE IV—RESERVE FORCES

##### AUTHORIZATION OF STRENGTHS

SEC. 401. (a) For fiscal year 1980, the Selected Reserve of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

- (1) The Army National Guard of the United States, 355,700.
- (2) The Army Reserve, 197,400.
- (3) The Naval Reserve, 87,000.
- (4) The Marine Corps Reserve, 33,600.
- (5) The Air National Guard of the United States, 92,500.
- (6) The Air Force Reserve, 57,300.
- (7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths prescribed by subsection (a), the reserve components of the Armed Forces are authorized, as of September 30, 1980, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

- (1) The Army National Guard of the United States, 6,244.
- (2) The Army Reserve, 4,288.
- (3) The Naval Reserve, 707.
- (4) The Marine Corps Reserve, 67.
- (5) The Air National Guard of the United States, 1,560.
- (6) The Air Force Reserve, 681.

(c) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

##### AMENDMENTS TO SELECTED RESERVE EDUCATIONAL ASSISTANCE PROGRAM

SEC. 402. (a) Section 2131(b) (1) of title 10, United States Code, is amended by striking out "50 percent" and inserting in lieu thereof "100 percent".

(b) Section 2133(b) of such title is amended to read as follows:

"(b) (1) A member who fails to participate satisfactorily in training with his unit, if he is a member of a unit, during a term of enlistment for which the member entered into an agreement under section 2132(a)(4) of this title shall refund an amount computed under paragraph (2) unless the failure to participate in training was due to reasons beyond the control of the member. Any refund by a member under this section shall not affect the period of obligation of such member to serve as a Reserve.

"(2) The amount of any refund under paragraph (1) shall be the amount equal to the product of—

"(A) the number of months of obligated service remaining during that term of enlistment divided by the total number of months of obligated service of that term of enlistment; and

"(B) the total amount of educational assistance provided to the member under section 2131 of this title."

(c) The amendments made by this section shall apply only to individuals enlisting in the Reserves after September 30, 1979.

**DISCRETIONARY AUTHORITY OF SECRETARY CONCERNED TO RETAIN CERTAIN RESERVE OFFICERS ON ACTIVE DUTY UNTIL AGE 60**

Sec. 403. (a) Section 3855 of title 10, United States Code, is amended by inserting "Veterinary Corps," after "Dental Corps."

(b) Section 8855 of such title is amended by inserting "veterinary officer," after "dental officer."

**REPEAL OF AUTHORITY FOR ADDITIONAL PAY FOR PERFORMANCE OF ADMINISTRATIVE FUNCTIONS BY OFFICERS OF THE NATIONAL GUARD AND RESERVE COMPONENTS**

Sec. 404. (a) (1) Section 309 of title 37, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking out the item relating to section 309.

(b) The amendments made by this section shall apply only with respect to administrative functions performed after September 30, 1980.

**TITLE V—CIVILIAN PERSONNEL**

**AUTHORIZATION OF END STRENGTH**

Sec. 501. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1980, of 983,600.

(b) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy (including the Marine Corps), the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program, and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or

agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

(e) During fiscal year 1980, the Secretary of Defense shall manage the manpower resources of the Department of Defense in a manner that will insure that those functions of the Department of Defense involving maintenance, construction, engineering acquisition, or repair activities will be provided civilian manpower resources sufficient to fulfill the work requirements for which funds have been appropriated on a schedule consistent with the requirements of national security and military readiness.

**TITLE VI—MILITARY TRAINING STUDENT LOADS**

**AUTHORIZATION OF TRAINING STUDENT LOADS**

Sec. 601. (a) For fiscal year 1980, the components of the Armed Forces are authorized average military training student loads as follows:

- (1) The Army, 54,865.
- (2) The Navy, 61,913.
- (3) The Marine Corps, 22,618.
- (4) The Air Force, 43,249.
- (5) The Army National Guard of the United States, 7,985.
- (6) The Army Reserve, 4,772.
- (7) The Naval Reserve, 906.
- (8) The Marine Corps Reserve, 3,156.
- (9) The Air National Guard of the United States, 1,958.
- (10) The Air Force Reserve, 1,276.

(b) In addition to the number authorized for the Army, the Army National Guard of the United States, and the Army Reserve in subsection (a), such components are authorized military training student loads of not less than the following numbers to be utilized solely for one station unit training:

- (1) The Army, 19,603.
- (2) The Army National Guard of the United States, 6,631.
- (3) The Army Reserve, 1,556.

(c) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1980 shall be adjusted consistent with the manpower strengths authorized in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

**TITLE VII—CIVIL DEFENSE**

**AUTHORIZATION OF APPROPRIATIONS**

Sec. 701. There is authorized to be appropriated for fiscal year 1980 for the purpose of carrying out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of \$106,800,000.

**INCREASE IN AMOUNTS THAT MAY BE APPROPRIATED FOR CONTRIBUTIONS TO STATES FOR PERSONNEL AND ADMINISTRATIVE EXPENSES**

Sec. 702. The last proviso of section 408 of the Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out everything

after the last semicolon and inserting in lieu thereof "and appropriations for contributions to the States for personnel and administrative expenses under section 205 shall not exceed \$40,000,000 per annum."

**TITLE VIII—GENERAL PROVISIONS**

**AMENDMENTS TO THE UNIFORM CODE OF MILITARY JUSTICE**

Sec. 801. (a) Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended—

(1) by inserting "(a)" before "The" at the beginning of such section; and

(2) by adding at the end thereof the following new subsections:

"(b) The voluntary enlistment of any person who has the capacity to understand the significance of enlisting in the armed forces shall be valid for purposes of jurisdiction under subsection (a) of this section and a change of status from civilian to member of the armed forces shall be effective upon the taking of the oath of enlistment.

"(c) Notwithstanding any other provision of law, a person serving with an armed force who—

"(1) submitted voluntary to military authority;

"(2) met the mental competency and minimum age qualifications of sections 504 and 505 of this title at the time of voluntary submission to military authority;

"(3) received military pay or allowances; and

"(4) performed military duties;

is subject to this chapter until such person's active service has been terminated in accordance with law or regulations promulgated by the Secretary concerned."

(b) Section 836(a) of such title (article 36(a) of the Uniform Code of Military Justice) is amended by striking out "The procedure, including modes of proof, in cases before courts-martial, courts of inquiry, military commissions, and other military tribunals" and inserting in lieu thereof "Pre-trial, trial, and post-trial procedures, including modes of proof, for cases arising under this chapter triable in courts-martial, military commissions and other military tribunals, and procedures for courts of inquiry,".

**WAIVER OF APPLICABILITY OF OMB CIRCULAR A-76 TO CONTRACTING OUT OF CERTAIN RESEARCH AND DEVELOPMENT ACTIVITIES**

Sec. 802. (a) Except as provided in subsection (b), neither the implementing instructions for, nor the provisions of, Office of Management and Budget Circular A-76 (issued on August 30, 1967, and reissued on October 18, 1976, June 13, 1977, and March 29, 1979) shall control or be used for policy guidance for the obligation or expenditure of any funds which under section 138 (a) (2) of title 10, United States Code, are required to be specifically authorized by law.

(b) Funds which under section 138(a) (2) of title 10, United States Code, are required to be specifically authorized by law may be obligated or expended for operation or support of installations or equipment used for research and development (including maintenance support of laboratories, operation and maintenance of test ranges, and maintenance of test aircraft and ships) in compliance with the implementing instructions for and the provisions of such Office of Management and Budget Circular.

(c) No law enacted after the date of the enactment of this Act shall be held, considered, or construed as amending, superseding, or otherwise modifying any provision of this section unless such law does so by specifically and explicitly amending, repealing, or superseding this section.

**AMENDMENTS RELATING TO THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES**

Sec. 803. (a) Section 2112(b) of title 10, United States Code, is amended by adding at the end thereof the following new sen-

tence: "In so prescribing the number of persons to be graduated from the University, the Secretary of Defense shall, upon recommendation of the Board of Regents, institute actions necessary to ensure the maximum number of first-year enrollments in the University consistent with the academic capacity of the University and the needs of the uniformed services for medical personnel."

(b) Section 2114(b) of such title is amended by striking out "uniform" in the first sentence of such section and inserting in lieu thereof "uniformed".

(c) (1) The first two sentences of section 2115 of such title are amended to read as follows: "The Secretary of Defense may allow not more than 20 percent of the graduates of each class at the University to perform civilian Federal service for not less than seven years following the completion of their professional education in lieu of active duty in a uniformed service if the needs of the uniformed services do not require that such graduates perform active duty in a uniformed service and as long as the Secretary of Defense does not recall such persons to active duty in the uniformed services. Such persons who execute an agreement in writing to perform such civilian Federal service may be released from active duty following the completion of their professional education."

(2) The section heading of such section is amended to read as follows:

"§ 2115. Graduates: limitation on number permitted to perform civilian Federal service"

(3) The item relating to section 2115 in the table of sections at the beginning of chapter 104 of such title is amended to read as follows:

"2115. Graduates: limitation on number permitted to perform civilian Federal service."

#### AMENDMENTS RELATING TO COMPENSATION OF HEALTH PROFESSIONALS

SEC. 804. (a) Section 2121(d) of title 10, United States Code, relating to stipends for members of the Armed Forces Health Professions Scholarship program, is amended to read as follows:

"(d) Except when serving on active duty pursuant to subsection (c), a member of the program shall be entitled to a stipend at the rate in effect under paragraph (1)(B) of section 751(g) of the Public Health Service Act (42 U.S.C. 294t(g)) for students in the National Health Service Corps Scholarship program."

(b) Section 313(a) of title 37, United States Code, relating to special pay for medical officers who execute active duty agreements, is amended—

(1) by striking out clause (4) and redesignating clauses (5) and (6) as clauses (4) and (5), respectively; and

(2) by inserting after the first sentence of such subsection the following new sentence: "However, while serving an active duty obligation resulting from a medical education program leading to appointment or designation as a medical officer, such an officer shall be paid \$9,000 (rather than an amount determined under the preceding sentence) for each year of the active duty agreement."

(c) The amendments made by this section shall take effect on October 1, 1979.

#### SIX-YEAR SERVICE OBLIGATION FOR PERSONS ENLISTING AFTER AGE 26

SEC. 805. (a) Section 511(d) of title 10, United States Code, is amended—

(1) by striking out "who is under 26 years of age," and

(2) by striking out the comma after "in an armed force".

(b) Section 561 of such title is amended by striking out "before his twenty-sixth birthday".

(c) The amendments made by this section shall apply only to individuals who become

members of an Armed Force after the date of the enactment of this Act.

#### RESTRICTION ON CONVERTING PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 806. (a) During fiscal year 1980, no commercial or industrial type function of the Department of Defense that on the date of the enactment of this Act is being performed by Department of Defense personnel may be converted to performance by a private contractor—

(1) to circumvent any civilian personnel ceiling; and

(2) unless the Secretary of Defense shall provide to the Congress in a timely manner—

(A) notification of any decision to study such commercial or industrial type function for possible performance by a private contractor, together with a certification that the government in-house cost calculation for the function is based on an estimate of the most efficient and cost effective organization for in-house performance;

(B) if a decision is made to convert to contract performance, upon completing the study described in subparagraph (A) and before contracting for the performance of such function by a private contractor, a report showing—

(i) the potential economic effect on employees affected, and the potential economic effect on the local community and Federal Government if more than 50 employees are involved, of contracting for performance of such function;

(ii) the effect of contracting for performance of such function on the military mission of such function; and

(iii) the amount of the bid accepted for the performance of such function by the private contractor whose bid is accepted and the cost of performance of such function by Department of Defense personnel, together with costs and expenditures which the Government will incur because of the contract.

(b) The Secretary of Defense shall submit a written report to the Congress by February 1, 1980, describing the extent to which commercial and industrial type functions were performed by Department of Defense contractors during fiscal year 1979. The Secretary shall also include in such report an estimate of the percentage of commercial and industrial type functions of the Department of Defense that will be performed by Department of Defense personnel and the percentage of such functions that will be performed by private contractors during fiscal year 1980.

#### ADVANCEMENT OF STATION HOUSING ALLOWANCES FOR MEMBERS OF THE UNIFORMED SERVICES ASSIGNED OVERSEAS

SEC. 807. (a) Section 405 of title 37, United States Code, relating to allowances for members on duty outside the United States or in Alaska or Hawaii, is amended by inserting after the third sentence in such section the following new sentence: "A station housing allowance prescribed under this section may be paid in advance."

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

#### ANNUAL REPORT ON NATO READINESS

SEC. 808. (a) Each year the Secretary of Defense shall assess, and make findings with respect to, the readiness status of the military forces of the North Atlantic Treaty Organization and shall submit a report of such assessment and findings to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives on the same date that the President transmits to the Congress the Budget. The first such report shall be submitted on the date the Budget for fiscal year 1981 is transmitted.

(b) The annual assessment by the Secretary of Defense under subsection (a) shall include the assessment and findings of the Secretary of Defense with respect to—

(1) deficiencies in the readiness of the North Atlantic Treaty Organization (including an analysis of such deficiencies in each member nation of the North Atlantic Treaty Organization) with respect to—

(A) war reserve stocks;

(B) command control, and communications systems (including the susceptibility of such systems to degradation by potential overt activities of the Warsaw Pact);

(C) electronic warfare capabilities;

(D) offensive and defensive chemical warfare capabilities;

(E) air defense capabilities (including ground and air systems and the integration of ground systems with air systems);

(F) armor and anti-armor capabilities;

(G) firepower capabilities;

(H) forward deployed units and the proximity of such units to assigned general defensive positions;

(I) the availability of ammunition;

(J) the availability, responsiveness, and overall effectiveness of reserve forces;

(K) airlift capabilities to meet reinforcement and resupply requirements;

(L) the ability to protect, cross-service, and stage air assets from allied air fields;

(M) the maritime force capabilities (including sealift, minelaying, and minesweeping capabilities);

(N) logistical support arrangements (including the availability of ports, air fields, transportation, and host nation support);

(O) training (including the availability of the facilities and equipment needed to conduct realistic operational exercises); and

(P) the compatibility of operational doctrine and procedures among armed forces of the member nations;

(2) planned corrections in the identified readiness deficiencies of the United States with respect to the North Atlantic Treaty Organization and that portion of the Budget transmitted to the Congress by the President on the date such report is transmitted which is allocated for such corrections; and

(3) commitments made by other member nations of the North Atlantic Treaty Organization to correct readiness deficiencies of such nations (including any deficiencies of such nations in the items listed in paragraph (1)) and an identification of particular improvements to be made in readiness by weapons system, program, or activity.

#### QUARTERLY SELECTED ACQUISITION REPORTS TO CONGRESS

SEC. 809. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 89 Stat. 539) is amended to read as follows:

"(a) Beginning with the quarter ending December 31, 1979, the Secretary of Defense shall submit quarterly to the Congress written selected acquisition reports for those major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of \$75,000,000 or a cumulative production investment in excess of \$300,000,000. The report for the quarter ending on December 31 of any fiscal year shall be submitted within 20 days after the President transmits the Budget to the Congress for the following fiscal year, and the reports for the other three quarters of any fiscal year shall be submitted within 30 days after the end of the quarter. If a preliminary report is submitted for any quarter, then the final report for such quarter shall be submitted to the Congress within 15 days after the submission of such preliminary report."

#### AUTHORIZATION OF APPROPRIATIONS FOR ASSISTANCE FOR 1980 OLYMPIC WINTER GAMES

SEC. 810. There is authorized to be appropriated to the Secretary of Defense for fiscal year 1980 an amount not to exceed \$10,000,000 for the purpose of providing assistance for the 1980 Olympic winter games, as authorized by section 816(a) of the Department of Defense Appropriation Authorization Act, 1979 (Public Law 95-485; 92 Stat. 1626). Ex-

cept for funds used for pay and nontravel related allowances of members of the Armed Forces, no funds may be obligated or expended for the purpose of carrying out such section unless specifically appropriated for such purpose. The costs for pay and nontravel related allowances of members of the Armed Forces may not be charged to appropriations made pursuant to this authorization.

**PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM**

SEC. 811. (a) The President shall prepare and transmit to the Congress a plan for a fair and equitable reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of the enactment of this Act;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using existing records, together with a discussion of the impact of such method, or of alternative methods of establishing such a registration system, on privacy rights under the Constitution and under statutes protecting such rights (including section 552a of title 5, United States Code, commonly referred to as the "Privacy Act") and any proposal for reform of such Privacy Act or other statutes, relevant court decisions relating to Selective Service procedures, and the impact of such alternative methods on other constitutional issues;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) the desirability, in the interest of preserving discipline and morale in the Armed Forces, of establishing a national youth service program permitting volunteer work, for either public or private public service agencies, as an alternative to military service;

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(10) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than

January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

**PRESERVATION OF SELECTIVE SERVICE SYSTEM AS AN INDEPENDENT AGENCY**

SEC. 812. Section 1 of the Military Selective Service Act (50 U.S.C. App. 451) is amended by adding at the end thereof the following new subsection:

"(f) The Congress further declares that the Selective Service System should remain administratively independent of any other agency, including the Department of Defense."

**STUDY OF TITAN II MISSILE SYSTEMS**

SEC. 813. The Secretary of the Air Force shall conduct an investigation of Titan II missile systems located within the United States to assess the physical condition of those facilities and components thereof as well as relevant maintenance procedures. Not later than 180 days after the date of the enactment of this Act, the findings of that investigation, along with recommendations for any needed physical or procedural improvements to protect the public safety (including the safety of military personnel assigned to those systems) shall be reported to the Committees on Armed Services of the Senate and House of Representatives.

**LIMITATION ON OVERSEAS TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS**

SEC. 814. Section 406 of title 37, United States Code, relating to travel and transportation allowances for dependents, is amended—

(1) by striking out "A" at the beginning of subsection (a) of such section and inserting in lieu thereof "Except as provided in subsection (1) of this section, a";

(2) by striking out "In" at the beginning of subsection (h) of such section and inserting in lieu thereof "Except as provided in subsection (1) of this section, in"; and

(3) by adding at the end of such section the following new subsection:

"(1) (1) After September 30, 1980, and except as provided in paragraph (3) of this subsection, the allowance and transportation authorized by subsection (a) and subsection (h) of this section for travel and transportation of dependents may not be provided with respect to travel and transportation of any dependent of a member of the Army, Navy, Air Force, or Marine Corps from any place inside the United States to any place outside the United States, or from any place outside the United States to any place inside the United States, during any period in which the number of dependents accompanying members of the Army, Navy, Air Force, and Marine Corps who are stationed outside the United States and who are authorized by the Secretary concerned to receive such allowance or transportation for dependents exceeds 325,000.

"(2) (A) The Secretary of Defense shall allocate among the three military departments the limitation established by paragraph (1) with respect to the total number of dependents who may be accompanying members of the Army, Navy, Air Force, and Marine Corps stationed overseas who are entitled under subsection (a) or (h) to travel and transportation for dependents before the allowance for such travel and transportation is suspended under such paragraph.

"(B) The Secretary of each military department, in his discretion, shall administer the limitation on the number of dependents who may be provided travel and transportation under subsections (a) and (h) allocated to his military department under subparagraph (A) in such manner as the Secretary considers to be fair and in the best interest of the United States.

"(3) Paragraph (1) does not prohibit the provision of travel and transportation under subsection (a) or subsection (h) of this sec-

tion for travel and transportation of dependents from a place outside the United States to a place inside the United States if the travel and transportation of such dependents to such place outside the United States was authorized under subsection (a) or subsection (h) of this section at the time of the travel and transportation of such dependents to such place outside the United States."

**PURCHASES OF GASOLINE AS A FUEL FOR MOTOR VEHICLES**

SEC. 815. To the maximum extent feasible and consistent with overall defense needs and sound vehicle management practices, as determined by the Secretary of Defense, the Department of Defense is authorized and directed to enter into contracts by competitive bid, subject to appropriations, for the purchase of domestically produced alcohol or alcohol-gasoline blends containing at least 10 percent domestically produced alcohol for use in motor vehicles owned or operated by the Department of Defense.

**EXTENSION OF PERIOD FOR CERTAIN RESERVISTS TO ELECT COVERAGE UNDER SURVIVOR BENEFIT PLAN**

SEC. 816. Section 208 of the Uniformed Services Survivors' Benefits Amendments of 1978 (Public Law 95-397; 10 U.S.C. 1447 note) is amended—

(1) by striking out "the end of the nine-month period beginning on the effective date of this title" and inserting in lieu thereof "January 1, 1980"; and

(2) by striking out "at the end of the one-year period beginning on the effective date of this title" and inserting in lieu thereof "on March 31, 1980".

**EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE**

SEC. 817. Paragraphs (1) and (2) of section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), are amended to read as follows:

"(1) After October 1, 1980, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073.

"(2) After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS-13 through GS-18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to the number of such employees employed by the Department of Defense on July 30, 1977, reduced by the same percentage as the percentage by which the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, is reduced below 1,141 during the period beginning on October 1, 1977, and ending on September 30, 1980."

**SENSE OF CONGRESS CONCERNING IMPORTATION OF STRATEGIC AND CRITICAL MATERIALS FROM ZIMBABWE-RHODESIA**

SEC. 818. It is the sense of the Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense and security of the United States and that every effort should be made to remove artificial impediments against the importation of such materials into the United States from Zimbabwe-Rhodesia.

**REPORTING REQUIREMENT REGARDING SALARIES OF OFFICERS OF FEDERAL CONTRACT RESEARCH CENTERS**

SEC. 819. (a) (1) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2359. Salaries of officers of Federal contract research centers: reports to Congress

"The Secretary of Defense shall notify the Congress not later than January 31 of each year of any officer or employee of a Federal contract research center the amount of whose compensation paid out of Federal funds during the preceding calendar year exceeded the annual rate of basic pay authorized (without regard to any limitation on the payment of such pay) for level II of the Executive Schedule under section 5313 of title 5 on the last day of such year. Such notification shall include a detailed statement of the reasons for the payment of such amount of compensation to each such officer or employee."

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2359. Salaries of officers of Federal contract research centers: reports to Congress."

(b) The first notification under section 2359 of title 10, United States Code, as added by subsection (a), shall be made not later than January 31, 1980.

(c) Section 407 of Public Law 91-121 (83 Stat. 208; 10 U.S.C. 2358 note) is repealed.

TECHNICAL AMENDMENTS TO TITLES 5 AND 10, UNITED STATES CODE, TO REFLECT CHANGES MADE BY THE DEPARTMENT OF DEFENSE REORGANIZATION ORDER OF MARCH 7, 1978

SEC. 820. (a) Section 136(a) of title 10, United States Code, relating to the Assistant Secretaries of Defense, is amended by striking out "nine" and inserting in lieu thereof "seven".

(b) Section 3013 of such title, relating to the Under Secretary and Assistant Secretaries of the Army, is amended by striking out "five" and inserting in lieu thereof "four".

(c) Section 5034(a) of such title, relating to the Assistant Secretaries of the Navy, is amended by striking out "four" and inserting in lieu thereof "three".

(d) Section 8013 of such title, relating to the Under Secretary and Assistant Secretaries of the Air Force, is amended by striking out "four" and inserting in lieu thereof "three".

(e) (1) Paragraphs (13), (14), (15), and (16) of section 5315 of title 5, United States Code, relating to positions at level IV of the Executive Schedule, are amended to read as follows:

"(13) Assistant Secretaries of Defense (7).

"(14) Assistant Secretaries of the Air Force (3).

"(15) Assistant Secretaries of the Army (4).

"(16) Assistant Secretaries of the Navy (3)."

(2) Paragraph (96) of section 5316 of such title, relating to positions at level V of the Executive Schedule, is amended to read as follows:

"(96) Deputy Under Secretaries of Defense for Research and Engineering, Department of Defense (4)."

CORRECTION OF ERRONEOUS SECTION DESIGNATION

SEC. 821. (a) The last section in chapter 49 of title 10, United States Code, relating to military unions (as added by Public Law 95-610; 92 Stat. 3085), is redesignated as section 976.

(b) The item relating to such section in the table of sections at the beginning of such chapter is amended by striking out "975" and inserting in lieu thereof "976".

And the House agree to the same.

That the Senate recede from its disagree-

ment to the amendment of the House to the title of the bill and agree to the same.

MELVIN PRICE,  
CHARLES E. BENNETT,  
SAMUEL S. STRATTON,  
RICHARD ICHORD,  
LUCIEN N. NEDZI,  
CHAS. H. WILSON,  
RICHARD C. WHITE,  
BILL NICHOLS,  
BOB WILSON,  
WILLIAM L. DICKINSON,  
G. WILLIAM WHITEHURST,  
FLOYD SPENCE,  
ED BEARD,

When difference regarding intelligence related activities are under consideration only:

BILL D. BURLISON,  
CLEMENT J. ZABLOCKI,  
NORMAN Y. MINETA,  
EDWARD P. BOLAND,  
J. K. ROBINSON,

Managers on the Part of the House.

JOHN C. STENNIS,  
H. M. JACKSON,  
HARRY F. BYRD, JR.,  
SAM NUNN,  
JOHN CULVER,  
GARY HART,  
JOHN TOWER,  
STROM THURMOND,  
JOHN WARNER,  
GORDON HUMPHREY,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—PROCUREMENT

AIRCRAFT  
ARMY

C-12 (Huron)

The budget, as submitted, contained no request for C-12A aircraft. The House added \$22.5 million for 20 C-12A aircraft. The Senate bill contained no authorization for C-12A's.

Conferees reached an agreement to authorize \$13.7 million for 10 C-12A aircraft.

AH-1S (Cobra-Tow) helicopter

This aircraft was not requested in the fiscal year 1980 budget. However, the House amendment contained \$66.3 million for procurement and \$1.7 million for spare parts for 34 helicopters for the National Guard.

The Senate bill did not authorize any AH-1S's.

The conferees agreed to authorize 15 AH-1S helicopters in the amount of \$29.5 million plus \$500,000 for spares.

Modification of aircraft (Guardrail V)

In the fiscal year 1980 Defense Department request of \$2.4 million for modifying the RU-21 aircraft there were no funds for the new Guardrail V system. The House amendment contained \$14.9 million for this modification, including \$12.5 million for Guardrail V. The Senate bill contained \$2.4 million for the RU-21 modification.

The Senate recedes.

NAVY

A-6E (Intruder)

The budget submission included a request for \$56.7 million to procure airframe, avionics and engine peculiar ground support and \$12.4 million for spares for the A-6E aircraft. No aircraft procurement was requested. The Senate bill added \$88.9 million to the \$56.7 million request, for a total of \$145.6 million, to procure six aircraft in fiscal year 1980. The House amendment authorized the amount requested. The conferees agreed to an authorization of \$145.6 million to procure six aircraft in fiscal year 1980.

The House recedes.

F-14A (Tomcat)

The budget request was for \$464.7 million for 24 aircraft plus \$115.7 million for advance procurement for 24 aircraft in fiscal year 1981. In addition, \$58.0 million was requested for spares and repair parts for 24 aircraft.

The Senate bill approved authorization in the amounts requested. The House amendment provided authorization of \$640.2 million to procure 36 aircraft in fiscal year 1980, \$157.2 million to provide long-lead items for the procurement of 36 aircraft in fiscal year 1981, and \$76.1 million for spares and repair parts.

The conferees agreed to authorization of \$569.5 million to procure 30 aircraft in fiscal year 1980, \$126.5 million for long-lead procurement for 30 aircraft in fiscal year 1981, and \$67.0 million for spares and repair parts for 30 aircraft.

F/A-18 (Hornet)

The Senate bill provided for authorization of \$926.1 million to procure 25 aircraft (plus spares for 10 aircraft above the request) in fiscal year 1980 and \$91.5 million for advance procurement for 48 aircraft in fiscal year 1981. The House amendment provided for authorizations of \$955.4 million for 30 aircraft in fiscal year 1980 and \$147.9 million for the advance procurement for 72 aircraft in fiscal year 1981. The Senate bill authorized \$60.7 million for spares and repair parts while the House amendment provided for \$109.3 million.

The conferees agreed to authorization of \$890.0 million to procure 25 aircraft in fiscal year 1980 and \$130.1 million which will provide for the procurement of long-lead items for 72 aircraft in fiscal year 1981. The conferees also agreed to an authorization of \$96.8 million for spares and repair parts.

The conferees further agreed to the following statement concerning the use of advance procurement funds for the F/A-18 which could not be included as bill language under the rules of the House.

Authorization for advance procurement of items and services for F/A-18 aircraft

Of the amount authorized to be appropriated under section 101 for the procurement of aircraft for the Navy and Marine Corps,

\$130,100,000 shall be available only for the advance procurement of long-lead items for 72 F/A-18 aircraft during fiscal year 1981, and the Secretary of Defense shall contract for items and services required for such advance procurement on a termination liability basis.

This method of contracting and budgeting reduces the funding needed prior to the procurement authorization of full funding of the aircraft, and more accurately represents the manufacturing effort actually incurred during the advance procurement period.

The House recedes.

#### P-3C (Orion)

The budget request was for \$259.6 million to procure 12 aircraft in fiscal year 1980 plus \$58.3 million for advance procurement items for 12 aircraft in fiscal year 1981. The Senate bill approved the amount requested for procurement in fiscal year 1980 and reduced the amount requested for advance procurement by \$16 million, providing an authorization of \$42.3 million. The House amendment authorized the amounts requested.

The conferees agreed to a net reduction in P-3C procurement of \$12.3 million of which \$4.0 million is apportioned to the procurement of fiscal year 1980 aircraft and \$8.3 million is apportioned to advance procurement for fiscal year 1981. Authorizations of \$255.6 million and \$50.0 million, respectively, are approved.

#### C-9B (Skytrain)

No authorization was requested for C-9B procurement in fiscal year 1980. The Senate bill contained no authorization. The House amendment provided authorization of \$73.8 million to procure five aircraft and \$7.4 million for spares and repair parts.

The conferees agreed to authorize \$29.5 million for two aircraft and \$1.5 million for spares and repair parts.

#### Modification of aircraft (Navy)

The budget request included \$781.4 million for the modification of Navy aircraft. The Senate bill provided an authorization of \$781.1 million, a reduction of \$300,000 relating to modifications of the C-9B aircraft. The House amendment provided for a general reduction of \$100.0 million and an authorization of \$681.4 million.

The conferees agreed to authorize \$726.1 million for Navy aircraft modifications.

#### AIR FORCE

#### A-7K (Corsair)

There were no A-7K aircraft requested in the fiscal year 1980 Air Force budget; however, the House amendment contained an addition of \$135.5 million in authorization for the procurement of 12 A-7K two-place trainer aircraft for the Air National Guard. This amount included \$123.35 million for procurement, \$3.65 million in advance procurement and \$8.5 million in spares. The Senate bill contained \$149.2 million for the same 12 A-7K aircraft.

Conferees agreed to authorize \$123.35 million for 12 A-7K's and \$8.5 million for spares. The \$3.65 million in advance procurement contained in the House bill was deleted.

#### E-3A (airborne warning and control system (AWACS))

Although the Senate authorized three E-3A Airborne Warning and Control System (AWACS) aircraft requested for fiscal year 1980, it deleted \$68 million requested for advance procurement for three AWACS planned in fiscal year 1981. The House amendment contained the \$68 million requested in advance procurement as well as authorization of the three E-3A's requested.

During conference, the Senate conferees pointed out that the AWACS program had been restructured and the Air Force planned to buy only two E-3A's in fiscal year 1981, two in fiscal year 1982 and two in fiscal year 1983 instead of three aircraft in fiscal year

1981 and three in fiscal year 1982. Therefore, only \$55 million would be needed for advance procurement authorization for fiscal year 1981 and the conferees agreed to that amount.

#### C-130H (Hercules)

The Air Force budget submission did not contain a request for C-130H aircraft. The House added \$77.22 million for procurement of eight aircraft and \$2.47 million for spares for a total authorization of \$79.69 million. The Senate bill contained a total of \$79.0 million for eight C-130H aircraft.

The conferees agreed to \$79.69 million in authorization, as provided in the House amendment, for eight C-130H aircraft and spares.

The Senate recedes.

#### Modification of aircraft

The budget request contained \$1,575.1 million for the modification of Air Force aircraft. The Senate bill provided an authorization of \$1,590.1 million, with the addition of \$15 million for reengining the KC-135 tanker aircraft. The House amendment provided an authorization of \$1,495.1 million, a net reduction of \$80.0 million after the addition of \$87.0 million for EF-111 electronic countermeasures modification and \$15.0 million for reengining the KC-135 aircraft and the imposition of a general reduction of \$182.0 million.

The conferees agreed to authorization of \$1,637.9 million for Air Force aircraft modifications including the addition of \$15.0 million for KC-135 reengining and \$47.8 million for EF-111 electronic countermeasures modifications.

#### General reduction

The House amendment reduced the authorization for the Air Force aircraft modification account by \$182 million as a general reduction. The Senate bill made no similar reduction.

The conferees agreed to a general reduction in the aircraft procurement account of \$100 million to be distributed at the discretion of the Air Force with the exception that no reduction is to be taken against the KC-135 reengining modification account.

#### MISSILES

#### ARMY

#### Hawk

The House amendment authorized \$71.9 million for procurement of 397 Hawk missiles and replacement rocket motors. The Senate bill authorized \$36.5 million for procurement of 197 missiles.

The House recedes.

#### Roland

The House amendment authorized no funds for procurement of the Roland missile system. The Senate bill authorized \$283.3 million for procurement of 18 fire units and 410 missiles.

The House recedes.

#### Patriot

The House amendment authorized \$396 million for procurement of 5 fire units and 155 missiles. The Senate bill authorized \$426 million.

The Senate recedes.

#### Stinger

The House amendment authorized \$106 million for procurement of 3,200 missiles. The Senate bill authorized \$81 million for procurement of 2,400 missiles.

The House recedes.

#### TOW

The House amendment authorized \$28.7 million for procurement of 6,260 missiles. The Senate bill authorized \$13 million for procurement of 2,060 missiles.

The Senate recedes.

#### Pershing IA

The House amendment authorized no funds for procurement of Pershing IA mis-

siles. The Senate bill authorized \$70.6 million.

The Senate recedes.

#### Chaparral modifications

The House amendment authorized \$28.1 million for Chaparral modifications, including \$12 million to expedite the fielding of the Forward Looking Infrared (FLIR) modifications. The Senate bill authorized \$16.1 million.

The Senate recedes.

#### Hawk modifications

The House amendment authorized \$103.3 million for Hawk modifications. The Senate bill authorized \$44.1 million.

The conferees agreed to authorize \$84.9 million for Hawk modifications, including \$26.7 million to complete procurement of the tracker adjunct system; \$4 million for procurement of passive decoy sets; and \$10 million for Hawk mobility improvements.

#### Spares and repair parts

The House amendment authorized \$128.9 million for missile spares and repair parts. The Senate bill authorized \$117.5 million.

The House recedes.

#### Defense acquisition radar

The House amendment authorized \$29.7 million for procurement of 9 Defense Acquisition Radars. The Senate bill contained no authorization for this radar.

The Senate recedes.

#### Other financing

The House amendment reduced the fiscal year 1980 missile request by \$65 million based upon the assumption that termination of the Roland program would make this amount in the fiscal year 1979 Roland appropriation available for financing the 1980 Army missile program.

The Senate bill contained no such financing adjustment, since the Senate bill continued the authorization for the Roland.

The conferees agreed to continue the procurement of the Roland system, and therefore, the House recedes.

#### NAVY

#### BGM-109 Tomahawk

The Department of Defense requested no authorization for procurement of either the land-attack or anti-ship versions of the Tomahawk missile. An authorization of \$3.3 million was requested for long-lead items for 24 anti-ship missiles to be procured in fiscal year 1981.

The Senate bill authorized \$19.4 million for the procurement of six land-attack missiles in fiscal year 1980 and approved the \$3.3 million requested for long-lead items.

The House amendment provided \$19.3 million for the procurement of six anti-ship missiles and \$19.4 million for six land-attack missiles in fiscal year 1980. The House amendment also included authorizations of \$3.3 million for long-lead items for 24 anti-ship and \$7.4 million for 24 land-attack missiles to be procured in fiscal year 1981. In addition, \$11.2 million was authorized for Tomahawk missile support.

The conferees agreed to an authorization of \$19.4 million for the procurement of three anti-ship and three land-attack missiles in fiscal year 1980 and an authorization of \$10.7 million for long-lead items for 24 missiles of each version in fiscal year 1981. The conferees urge the Department of Defense to preserve an initial operating capability for the land-attack and anti-ship Tomahawk in 1982.

The House recedes.

#### AIM-7F/M (Sparrow), AIM-9L/M (Sidewinder), AIM-54A/C (Phoenix)

The budget request contained \$64.3 million to procure 240 AIM-7F and AIM-7M Sparrow missiles. The Senate bill provided an authorization of \$48.9 million to procure 120 AIM-7M missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an

authorization of \$64.3 million for the Sparrow missile procurement program as requested.

The budget request contained \$21.3 million to procure 320 AIM-9L and AIM-9M Sidewinder missiles. The Senate bill provided an authorization of \$16.3 million for 160 AIM-9M missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of \$21.3 million for the Sidewinder missile procurement program as requested.

The budget request contained \$101.4 million to procure 180 AIM-54A and AIM-54C missiles. The Senate bill provided an authorization of \$89.3 million for 60 AIM-54C missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of \$101.4 million for the Phoenix missile procurement program as requested. The Senate recedes.

#### AIR FORCE

##### Ground launched cruise missile (GLCM)

The budget request contained \$25.0 million for the Ground Launched Cruise Missile (GLCM) procurement program. The Senate bill approved the amount requested for procurement. The House amendment approved \$8.2 million for GLCM procurement and transferred \$16.8 million to the Air Force research, development, test and evaluation account. The conferees agreed to adopt the House position.

The Senate recedes.

##### AIM-7F/M (Sparrow)

The budget request contained \$144.2 million for 1,320 AIM-7F and improved AIM-7M Sparrow missiles. The Senate bill authorized \$84.5 million for 660 AIM-7M missiles. The House amendment authorized the amount and numbers of missiles requested. The conferees agreed to an authorization of \$124.2 million for the AIM-7F/M Sparrow missile procurement program.

##### AIM-9L/M (Sidewinder)

The budget request contained \$86.8 million for 2,050 AIM-9L and improved AIM-9M Sidewinder missiles. The Senate bill authorized \$71.8 million for 1,025 AIM-9M missiles. The House amendment authorized the amount and numbers of missiles requested. The conferees agreed to an authorization of \$86.8 million for the Sidewinder missiles procurement program as requested. The Senate recedes.

##### Other missile support

The budget request contained \$599.6 million for other missile support. The Senate bill authorized \$611.6 million for these programs. The House amendment authorized \$596.6 million. The conferees agreed to an authorization of \$611.6 million.

The House recedes.

#### NAVAL VESSELS

The House amendment authorized a shipbuilding program totaling \$6,790.4 million. The Senate approved a shipbuilding program totaling \$5,791.6 million.

The conferees agreed on a compromise shipbuilding program totaling \$6,706.8 million as follows:

Authorization (number)	Millions
SSN-688 class attack submarine (2)	\$809.6
CVN repeat Nimitz class nuclear powered carrier (1)	2,094.0
TAGOS ocean surveillance ships (3)	104.0
Outfitting	82.7
Escalation on prior year programs	97.7
LSD-41 long lead funding	41.0
LPH conversion (1)	49.5
Financing adjustment, DDG-2 conversion	—55.0
Financing adjustment, SSN nuclear submarine	—21.2
Programs not in dispute	3,504.5
Total, Naval vessels, Navy	6,706.8

The conference agreement relating to major areas of difference is further discussed below.

##### SSN-688 nuclear attack submarine

The House amendment authorized \$831.5 million for two SSN-688 nuclear attack submarines.

The Senate bill authorized \$429.6 million for one SSN-688 nuclear attack submarine. The Senate bill also contained authorization for long lead funding for another SSN-688 submarine.

The conference agreement provides \$809.6 million for two SSN-688 attack submarines and advanced procurement for future submarines.

##### CVN Nimitz nuclear-powered aircraft carrier

A major difference in conference was the propulsion system for a new aircraft carrier. The Senate bill authorized \$1,760 million for a Kennedy class conventionally powered carrier.

The House amendment contained \$2,094 million for a Nimitz class nuclear-powered aircraft carrier.

The conferees agreed on the nuclear-powered ship.

##### LSD-41 landing ship dock

Advance procurement for the Landing Ship Dock (LSD-41) was a conference item due to a difference of \$500,000 between the amounts authorized by the House and Senate. The Senate receded to the House figure, authorizing \$41 million in fiscal year 1980 for procurement of long lead items associated with procurement of the lead ship of this class. The decision of the managers to adopt the lower figure is a financial adjustment and implies no lessening of congressional support for this program. The conferees strongly endorse the report language adopted by both the Senate Armed Services Committee (S. Rept. 96-197) and the House Armed Services Committee (H. Rept. 96-166) which called for construction of the first LSD-41 in fiscal year 1981, leading to an expeditious replacement of the LSD-28 class ships now approaching block obsolescence.

##### LPH conversion

The Senate bill authorized \$49.5 million for conversion of one LPH amphibious assault ship to a light carrier.

The House amendment provided no authorization for this purpose.

The conferees noted Navy testimony that antisubmarine warfare and mine countermeasure platforms are inadequate. The conferees agreed that priority should be given to addressing these serious shortages and that the Navy must move more rapidly toward providing air-capable platforms.

Conversion of one LPH assault ship to a light carrier is authorized at the cost of \$49.5 million. A light carrier will add to the Navy's at-sea air capability and complement existing fleet carriers. It can be converted to undertake a variety of missions such as anti-submarine warfare, mine countermeasures operations and amphibious assault.

Before any actual conversion is undertaken, the Secretary of the Navy shall report to the Committees on Armed Services of the House and Senate on the cost and details of the conversion, and the advantages and disadvantages of the proposed conversion, in sufficient detail to allow the committees to review and further evaluate the conversion. The conversion shall not be undertaken until the expiration of a period of thirty days of continuous session of Congress following the submission of the Secretary's report.

##### TAGOS ocean surveillance ships

The House amendment provided \$104 million for three TAGOS ocean surveillance ships.

The Senate bill authorized no funds for these ships.

The Senate recedes.

#### Financing adjustment

Section 106 of the House amendment authorized financing adjustment of \$55 million for an additional SSN-688 nuclear attack submarine from unobligated funds previously appropriated for the DDG-2 destroyer modernization program.

The Senate bill authorized financing adjustments of \$76.2 million.

The House recedes.

#### TRACKED COMBAT VEHICLES, ARMY

##### Fighting vehicle systems

The House amendment authorized \$225.4 million for procurement of 208 fighting vehicles and \$2 million for a cost reduction study. The Senate bill authorized \$225.4 million for the fighting vehicle systems and directed a cost reduction study but authorized no funds for such study.

The conferees agreed to authorize \$226.4 million for fighting vehicle systems, including \$1 million for a cost reduction study.

The cost reduction study should be conducted cooperatively by the Army and the Office of the Secretary of Defense to explore all promising manufacturing options (to include competitive procurement), rates of production and manufacturing techniques.

The House and Senate Armed Services Committee reports directed the results of this study be submitted to the Armed Services Committees by December 31, 1979. However, since additional time may be required to insure a quality study effort, the Army should submit the study to the Armed Services Committees of the House and Senate by April 1, 1980.

##### Combat engineer vehicle

The House amendment authorized \$51.5 million for procurement of 56 combat engineer vehicles (CEV's). The Senate bill authorized no CEV's.

The Senate recedes.

##### M60A3 tank production

The House amendment authorized \$216.8 million for procurement of 251 M60A3 tanks. The Senate bill authorized no new M60A3 tank production.

The conferees agreed to authorize \$55 million for procurement of 64 new M60A3 tanks.

##### XM-1 tank

The House amendment authorized \$576.9 million for procurement of 352 XM-1 tanks. The Senate bill authorized \$562.7 million for procurement of the same number of tanks.

The Senate recedes.

##### M60 modifications

The House amendment authorized \$117.4 million for M60 tank modifications. The Senate bill authorized \$177.4 million, including \$60 million for conversion of an additional 251 tanks from the M60A1 to the M60A3 configuration.

The conferees agreed to authorize \$162 million for M60 tank modifications including \$44.6 million for conversion of an additional 187 M60A1 tanks to the M60A3 configuration.

##### Spares and repair parts

The House amendment authorized \$140.4 million for tracked combat vehicle spares and repair parts. The Senate bill authorized \$106.2 million.

The Senate recedes.

##### Depot maintenance facilities

The House amendment authorized \$20.1 million for depot maintenance facilities. The Senate bill authorized \$6.6 million.

The Senate recedes.

#### TORPEDOES, NAVY

##### Torpedo MK-48

The Senate bill authorized \$121.7 million for 144 MK-48 torpedoes.

The House amendment provided \$46.6 million only for continuing testing and engineering support of previously approved MK-48 torpedo programs.

The House recedes.

**Torpedo MK-48 modifications**

The Senate bill authorized \$5.3 million for MK-48 torpedo modifications.  
The House amendment provided for \$10.8 million for MK-48 torpedo modifications.  
The House recedes.

**OTHER WEAPONS**

**ARMY**

**M198 howitzer**

The House amendment authorized \$54.7 million for procurement of 208 M198 howitzers. The Senate bill authorized \$28.8 million for procurement of 107 M198 howitzers.  
The House recedes.

**NAVY**

**MK-15 close-in weapon systems (CIWS)**

The Senate bill authorized \$109.4 million for 61 CIWS gun units.  
The House amendment provided for \$114.4 million for 61 CIWS units.  
The House recedes.

**MARINE CORPS**

**M198 howitzer**

The House amendment authorized \$15 million for procurement of 55 M198 howitzers. The Senate bill authorized \$21.5 million for procurement of 80 M198 howitzers.  
The House recedes.

**Report on B-52 modification program (sec. 102)**

Section 103 of the House amendment to the Senate bill directed that the Secretary of Defense provide to the Congress at the earliest possible date a report on all uncertainties in the effectiveness of the B-52 aircraft as a cruise missile carrier including the requirement for maintaining the defense penetration capability of the B-52 and the options available during the next decade to maintain such capability.

The report was required to be submitted no later than September 30, 1979.

The conferees agreed that a study and report on the effectiveness of the B-52 as a cruise missile carrier and as a penetrating bomber over the next decade would be helpful in arriving at decisions regarding strategic aircraft during the next several years. The conferees agreed to extend the reporting date to no later than November 30, 1979.

The Senate recedes with an amendment.

**E-3A NATO airborne early warning and control system (AWACS) (sec. 103)**

The budget request contained \$250.2 million in the Air Force aircraft procurement account for the NATO Airborne Early Warning and Control System (AWACS) program. The Senate bill authorized \$243.1 million for the NATO AWACS within the Air Force aircraft procurement account and prohibited the reprogramming of funds appropriated for that purpose. The Senate also denied \$7.1 million of the amount requested, since this amount was proposed to pay the costs of administrative expenses not properly included in a defense procurement act.

The House amendment authorized the amount requested in a separate section and contained no provision regarding reprogramming of funds.

The conferees agreed to authorize \$243.1 million for the NATO AWACS program in a separate section which provides that the funds authorized to be appropriated shall be available only for the United States' contribution of its share of the cost of this program for fiscal year 1980.

**Authority provided Secretary of Defense in connection with the NATO airborne warning and control system (AWACS) program (sec. 104)**

With the fiscal year 1980 budget submission, the President requested special legislation authorizing the Secretary of Defense to take necessary actions to implement an international agreement signed in December 1978 for the procurement of the NATO AWACS. The Senate bill and the House amendment differed in the following respects as to the legislation approved for this purpose.

The Senate bill authorized the Secretary of Defense to assume contingent liability for losses resulting from the gross negligence of U.S. contracting officers. The House amendment provided that the authority granted the Secretary in this section be limited to the extent provided in appropriations acts as required by the Congressional Budget Act of 1974. The conferees agreed to accept the additional authority provided in the Senate bill and also to accept the requirement for implementing appropriations legislation contained in the House amendment.

**Restriction on obligation of aircraft modification funds**

Section 102 of the House amendment to the Senate bill provided that the amounts authorized to be appropriated for the modification of aircraft shall be available only for aircraft modification and that none of the funds specified could be obligated or expended for any other purpose.

The Senate bill contained no similar provision.

After considerable discussion, the conferees agreed to delete the House provision. The Department of Defense is directed to submit a full accounting, by program, of the obligations and expenditures of funds authorized to be appropriated for aircraft modifications to the Committees on Armed Services of the Senate and House of Representatives concurrently with the submission of the budget request for fiscal year 1981 and subsequent years.

The House recedes.

**Structural soundness of the KC-10A advanced tanker cargo aircraft (ATCA)**

Section 103 of the Senate bill contained language providing that no funds authorized to be appropriated for the KC-10A Advanced Tanker Cargo Aircraft (ATCA) may be obligated until the Federal Aviation Administration had reinstated the type certification for the commercial operation of the DC-10 aircraft and until the Secretary of Defense notifies the Congress that the KC-10 aircraft is structurally sound.

The House amendments contained no similar provision.

The conferees agreed to delete the Senate provision since the Federal Aviation Administration rescinded the grounding orders relating to the DC-10 aircraft on July 13, 1979.

The Senate recedes.

**TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION**

**GENERAL**

The Department of Defense requested authorization of \$13,541,441,000 for the fiscal year 1980 Research, Development, Test and Evaluation appropriations. The following table summarizes the Senate and House modifications to the Research and Development budget request:

**R.D.T. & E. SUMMARY**

[In thousands of dollars]

	Request	House	Senate	Conference
Army	2,927,000	2,772,422	2,933,900	2,866,461
Navy	4,489,341	4,569,544	4,524,396	4,542,992
Air Force	5,005,100	4,940,265	4,994,100	4,994,046
Defense agencies	1,086,600	1,064,118	1,076,600	1,068,118
Director, Test and Evaluation	33,400	42,500	33,400	42,500
<b>Total, R.D.T. &amp; E.</b>	<b>13,541,441</b>	<b>13,388,649</b>	<b>13,562,396</b>	<b>13,514,117</b>

<sup>1</sup> Includes \$5,341,000 in special foreign currency.

As shown, the conferees agreed on a total of \$13,514,117,000 which is \$27,324,000 less than the amount requested for fiscal year 1980.

The details of the differences between the Senate bill and the House amendment and the positions adopted by the conferees are reflected in the following tables:

**RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—FISCAL YEAR 1980**

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1980	House authorization	Senate authorization	Change from House	Conference
<b>ARMY</b>						
101	Defense research sciences	118,680	110,335	118,680	+8,345	114,000
102	Missile technology	29,350	27,850	29,350	+1,500	27,850
103	Communication-electronics	13,291	8,000	13,291	+5,291	10,500
104	Recovery from injury (A813)	4,957	3,465	4,957	+1,492	4,500
105	Test, measurement, and diagnostic equipment technology	700	0	700	+700	0
106	Medical systems in chemical defense	1,890	3,600	1,890	-1,710	3,600

Table continues.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—FISCAL YEAR 1980—Continued

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1980	House authorization	Senate authorization	Change from House	Conference
107	Military energy technology.....	2,635	0	2,635	+2,635	1,000
108	Very high speed integrated circuits.....	12,000	0	12,000	+12,000	0
109	Terminal homing systems.....	9,500	0	9,500	+9,500	9,500
110	Advanced land mobility system concepts (D188).....	15,936	1,560	15,936	+14,376	15,936
111	Advanced technology demonstration of test, measurement, diagnostic equipment.....	700	0	700	+700	0
112	Night vision advanced development (DK70).....	14,017	11,863	14,017	+2,154	14,017
113	Advanced development of automatic test equipment and systems.....	2,800	0	2,800	+2,800	1,400
114	Fuels and lubricants (advanced development).....	600	600	3,600	+3,000	2,000
115	Ballistic missile defense advanced technology.....	113,668	120,855	113,668	-7,187	120,855
116	Ballistic missile defense systems technology program.....	114,784	120,840	114,784	-6,056	120,840
117	Surface-to-surface missile rocket system (D216).....	72,250	69,250	72,250	+3,000	70,250
118	Assault breaker.....	9,200	3,000	9,200	+6,200	9,200
119	Antitank guided missile (ATGM) improvements.....	12,000	0	12,000	+12,000	12,000
120	Field artillery cannon system (D285).....	3,306	2,306	3,306	+1,000	2,306
121	Special purpose detectors.....	3,000	0	3,000	+3,000	0
122	Tactical operations system (TOS).....	36,482	0	36,482	+36,482	1,000
123	Command and control.....	18,590	0	18,590	+18,590	9,000
124	Aircraft avionics.....	756	0	756	+756	756
125	CH-47 modernization.....	23,146	20,146	23,146	+3,000	22,500
126	Roland.....	11,299	0	11,299	+11,299	11,299
127	Heliborne missile—Hellfire.....	58,000	61,000	58,000	-3,000	61,000
128	Fire and forget—Hellfire.....	15,000	0	15,000	+15,000	0
129	Countermine and barriers (D300).....	4,593	3,393	4,593	+1,200	3,393
130	Tank systems.....	31,569	49,569	63,369	+13,800	49,569
131	High mobility weapons carrier.....	2,500	0	2,500	+2,500	2,500
132	Cavalry fighting vehicle (CFV) XM3.....	331	0	331	+331	0
133	Tank gun cooperative development.....	51,890	39,390	47,490	+8,100	43,090
134	Tactical data system interoperability (D324).....	6,984	4,984	6,984	+2,000	4,984
135	Family of military engineer construction equipment (FAMECE).....	25	0	25	+25	0
136	Battlefield systems integration.....	3,300	0	3,300	+3,300	0
137	Chaparral.....	6,052	10,052	6,052	-4,000	10,052
138	Standoff target acquisition systems.....	66,460	66,460	52,960	-13,500	66,460
139	Mechanized infantry vehicle.....	0	0	3,000	+3,000	0
140	Classified programs.....	34,946	27,546	32,946	+5,400	27,546
141	U.S. Army Training and Doctrine Command (TRADOC) studies and analyses.....	2,300	2,200	2,300	+100	2,200
142	Theater nuclear force survivability (TNF/S) analysis.....	2,480	0	2,480	+2,480	0
143	Technical information activities.....	4,890	3,915	4,890	+975	3,915
144	TRADOC operational testing.....	26,935	26,935	24,935	-2,000	24,935
145	OTEA operational testing.....	12,613	12,613	11,613	-1,000	11,613
146	Programwide activities.....	52,210	52,210	49,210	-3,000	49,210
147	Viper.....	3,000	18,100	3,000	-15,100	18,100
148	Advanced diesel engine development.....	0	0	0	0	14,200
	Other, Army.....	1,895,385	1,890,385	1,890,385	0	1,890,385
	<b>Total.....</b>	<b>2,927,000</b>	<b>2,772,422</b>	<b>2,933,900</b>	<b>+161,478</b>	<b>2,866,461</b>

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1980	House authorization	Senate authorization	Change from House	Conference
201	Defense research sciences.....	204,716	191,000	204,716	+13,716	198,000
202	Command and control technology.....	26,870	0	26,870	+26,870	26,870
203	Energy and environmental protection technology.....	11,686	2,400	11,686	+9,286	3,000
204	Very high speed integrated circuits.....	10,430	0	10,430	+10,430	0
205	Avionics.....	10,396	12,896	10,396	-2,500	11,896
206	Antiradiation missile (ARM) system technology.....	3,513	0	3,513	+3,513	1,500
207	Air-to-air missile technology demonstration.....	6,883	0	6,883	+6,883	0
208	Advanced air launched air-to-surface missile system (W0627).....	6,956	3,915	6,956	+3,041	3,915
209	Surface launched munitions.....	5,618	8,618	5,618	-3,000	5,618
210	Laser countermeasures/counter countermeasures.....	3,010	0	3,010	+3,010	0
211	Environmental protection.....	5,053	3,000	5,053	+2,053	3,000
212	Manufacturing technology.....	5,500	0	5,500	+5,500	0
213	Surface electromagnetic/optical systems (X0665).....	10,114	3,359	10,114	+6,755	3,359
214	Laser communications study.....	0	0	2,000	+2,000	0
215	Extremely low frequency (ELF) communications.....	13,494	0	6,750	-6,744	6,750
216	Trident missile system.....	40,640	0	40,640	+40,640	25,640
217	High speed collision avoidance and navigation system.....	1,429	2,429	1,429	-1,000	1,429
218	Air launched/ship launched antiship missile Harpoon.....	7,970	0	7,970	+7,970	0
219	Modular glide weapon improvement program.....	9,317	2,000	9,317	+7,317	2,000
220	Maritime patrol aircraft (MPA) program.....	4,024	0	4,024	+4,024	0
221	Vertical/short takeoff and landing (V/STOL) aircraft development.....	16,779	0	14,779	-2,000	3,000
222	NATO identification system.....	2,000	0	2,000	+2,000	0
223	Medium range air-to-ground standoff weapon.....	15,844	30,844	9,644	-21,200	30,000
224	Air control.....	2,521	0	2,521	+2,521	1,250
225	Advanced identification techniques (AIT).....	3,595	0	3,595	+3,595	0
226	Hydrofoil craft (advanced).....	442	0	442	+442	442
227	Landing vehicle assault (LVA).....	17,797	14,115	17,797	+3,682	14,115
228	Navy energy program (advanced).....	17,180	6,100	17,180	+11,080	8,000
229	Avionics development (W0572).....	5,881	4,072	5,881	+1,809	4,072
230	Airborne tactical signal exploitation.....	2,000	0	1,000	-1,000	0
231	Area air defense (S0854).....	25,307	15,067	11,907	-3,150	15,057
232	Air-to-air missile (AAM) systems engineering.....	44,711	32,000	44,711	+12,711	32,000
233	Close-in weapon system (Phalanx).....	2,114	1,000	2,114	+1,114	1,500
234	NATG Seasparrow.....	5,091	2,000	4,191	+2,191	4,191
235	Computer systems engineering development.....	1,126	0	1,126	+1,126	0
236	Point defense improvements.....	2,121	0	2,121	+2,121	0
237	Joint Army/Navy guided projectile.....	22,072	25,072	22,072	-3,000	22,072
238	Gun systems improvement (S0178).....	15,170	11,870	15,170	+3,300	15,170
239	Navy energy program (engineering).....	9,015	4,000	9,015	+5,015	5,000
240	AV-8B+.....	0	0	5,000	+5,000	5,000
241	Surface effect ship.....	0	100,000	0	-100,000	60,000
242	Major caliber lightweight gun.....	0	32,000	0	-32,000	1,000
243	Submarine ASW standoff weapon.....	8,049	8,049	0	-8,049	7,000
244	Advanced ASW target.....	11,104	11,104	5,000	-6,104	5,000
245	Submarine tactical warfare system.....	42,782	42,782	38,612	-4,170	38,612
246	SSNX.....	10,000	10,000	9	-10,000	5,000
247	Radar surveillance equipment (advanced).....	13,375	13,375	4,575	-8,800	7,500
248	Combat system architecture.....	10,000	10,000	8,800	-1,200	8,800
249	Combat system integration.....	12,054	12,054	8,054	-4,000	8,054
250	Combat system engineering development site.....	44,818	44,818	41,818	-3,000	44,818
251	5-in rolling frame missile.....	19,051	19,051	18,051	-1,000	19,051

Footnotes at end of table.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—FISCAL YEAR 1980—Continued

[In thousands of dollars]

Item No.	Program element	Budget request, fiscal year 1980	House authorization	Senate authorization	Change from House	Conference
252	Radar surveillance equipment.....	14,993	14,993	7,993	-7,000	7,993
253	A-6 squadron.....	3,446	3,446	2,246	-1,200	3,446
254	Tactical information system.....	17,819	17,819	14,519	-3,300	14,519
255	Advanced design submarine nuclear propulsion plant.....	7,854	7,854	0	-7,854	5,000
256	Ship development (advanced).....	14,219	14,219	12,419	-1,800	27,419
257	Ship development (engineering).....	63,953	63,953	54,953	-9,000	59,953
258	Penguin.....	9,284	9,284	0	-9,284	8,500
259	Marine ground combat supporting arms.....	1,554	1,554	6,554	+5,000	6,554
260	Light carrier design.....	0	0	25,000	+25,000	10,000
261	SEAMOD.....	0	0	8,000	+8,000	8,000
262	APRAPS.....	0	0	3,100	+3,100	3,100
263	Advanced target systems development.....	1,037	0	1,037	+1,037	0
264	Aerial target fund.....	7,447	0	7,447	+7,447	6,500
265	Surface warfare training device.....	23,691	3,940	10,000	+6,060	10,000
266	International R.D.T. & E.....	1,316	621	1,316	+695	1,316
267	Test and evaluation support.....	191,516	191,516	184,516	-7,000	187,516
268	Navy studies and analyses (reduction).....		-12,000		+12,000	-12,000
269	Advanced computer technology.....					12,000
270	30 mm gun pod.....					2,000
	Financing adjustment from fiscal year 1979:					
	ELF communications.....			-13,250	-13,250	-20,000
	Surface effect ship.....			-44,000	-44,000	0
	Other, Navy.....	3,361,594	3,542,495	3,542,495		3,542,495
	<b>Total</b> .....	<b>4,489,341</b>	<b>4,569,544</b>	<b>4,524,396</b>	<b>-45,148</b>	<b>4,542,920</b>
<b>AIR FORCE</b>						
301	Defense research sciences.....	113,184	107,000	113,184	+6,184	110,000
302	Aerospace avionics.....	63,200	55,200	63,200	+8,000	55,200
303	Training and simulation technology.....	11,400	10,500	11,400	+900	10,500
304	Personnel utilization technology.....	4,800	4,500	4,800	+300	4,500
305	Advanced simulator technology.....	0	2,000	0	-2,000	2,000
306	Advanced computer technology.....	2,700	4,700	2,700	-2,000	4,700
307	Advanced drone/remotely piloted vehicles development (2233).....	5,500	3,500	5,500	+2,000	3,500
308	Advanced avionics for aircraft.....	12,000	12,000	8,300	-3,700	12,000
309	Cruise missile carrier aircraft.....	30,000	0	30,000	+30,000	30,000
310	Penetrating manned bomber.....	5,000	0	5,000	+5,000	0
311	Strategic bomber enhancement.....	12,800	0	12,800	+12,800	0
312	AN/ALQ-161 defensive avionics system.....	0	15,000	0	-15,000	0
313	Strategic weapons launcher/AMST competitive flyoff.....	0	30,000	0	-30,000	0
314	Missile surveillance technology.....	21,800	4,400	21,800	+17,400	4,400
315	Minuteman squadrons.....	30,300	40,300	30,300	-10,000	40,300
316	Postattack command and control system (E-4)(2212).....	25,500	24,500	25,500	+1,000	24,500
317	PARCS range extension.....	5,000	0	5,000	+5,000	0
318	WWMCCS ADP/E-4.....	800	0	800	+800	0
319	Air Force satellite communication system.....	70,600	19,200	60,600	+41,400	19,200
320	Bomber penetration evaluation.....	54,900	54,900	30,000	-24,900	54,900
321	SAC communications.....	18,000	18,000	12,000	-6,000	18,000
322	Combat aircraft technology (2600).....	8,000	2,000	8,000	+6,000	2,000
323	Enforcer aircraft.....	0	6,000	0	-6,000	6,000
324	Theater ballistic missile.....	4,000	0	4,000	+4,000	2,000
325	Engine model derivative program.....	26,000	39,300	26,000	-13,300	39,300
326	FAC-X.....	1,000	0	1,000	+1,000	1,000
327	Ground launched cruise missile.....	44,100	60,900	44,100	-16,800	60,900
328	Low level laser guided bomb.....	12,000	8,000	12,000	+4,000	8,000
329	Common NATO munitions (2639; 2641).....	16,700	2,200	12,800	+10,600	2,200
330	Reconnaissance equipment (2057; 2368).....	20,400	4,900	20,400	+15,500	4,900
331	Precision location strike system (PLSS).....	24,900	70,200	0	-70,200	15,000
332	Combat rescue replacement helicopter.....	500	0	500	+500	0
333	F-4 squadrons.....	500	2,000	500	-1,500	2,000
334	30-mm gun pod.....	0	7,000	0	-7,000	0
335	Advanced attack weapon.....	35,800	35,800	34,800	-1,000	34,800
336	Pave mover.....	5,700	6,700	4,000	-2,700	6,700
337	Close air support system.....	54,000	54,000	60,000	+6,000	60,000
338	Advanced communication system.....	12,000	12,000	6,000	-6,000	12,000
339	Aircom.....	500	0	500	+500	0
340	Special activities.....	353,139	368,239	467,739	+99,500	440,739
341	Development planning.....	2,100	1,100	2,100	+1,000	1,100
342	Next generation trainer aircraft.....	1,900	0	1,900	+1,900	1,900
343	Management headquarters, research and development.....	19,751	17,800	17,751	-49	17,751
344	Productivity, reliability, availability and maintainability (PRAM).....	7,900	3,000	5,900	+2,900	5,900
345	Public affairs.....	300	0	300	+300	300
346	General reduction.....			-12,500	-12,500	-12,500
347	Very high-speed integrated circuits.....					30,430
348	Advanced warning systems.....					12,000
349	Night attack aircraft.....	12,800	12,800	12,800	0	25,300
	Other, Air Force.....	3,852,626	3,820,626	3,820,626		3,820,626
	<b>Total</b> .....	<b>5,005,100</b>	<b>4,940,265</b>	<b>4,994,100</b>	<b>+53,835</b>	<b>4,994,046</b>

[In thousands of dollars]

DEFENSE AGENCIES

401	Foreign weapons evaluation (OSD/JCS).....	9,100	0	9,100	+9,100	0
402	Technical support (OSD/OJCS).....	19,982	10,000	19,982	+9,982	14,000
403	Laser communication experiment (DARPA).....	0	5,000	0	-5,000	5,000
404	Classified program (NSA).....	1,200	0	1,200	+1,200	0
405	WWMCCS ADP (DCA).....	4,694	2,614	4,694	+2,080	2,614
406	WWMCCS system engineering (DCA).....	34,166	29,046	24,166	-4,880	29,046
407	Director, test, and evaluation.....	33,400	42,500	33,400	-9,100	42,500
	Other, defense agencies.....	1,017,458	1,017,458	1,017,458		1,017,458
	<b>Total</b> .....	<b>1,120,000</b>	<b>1,106,618</b>	<b>1,110,000</b>	<b>+3,382</b>	<b>1,110,618</b>

1 Without prejudice.

2 Includes \$5,341,000 in special foreign currency.

## ARMY

*Advanced diesel technology engine*

The Senate bill authorized \$14.2 million for development of a diesel engine within the XM-1 tank development program. The House amendment did not include authorization for diesel-engine development. The conferees agreed to an authorization of \$14.2 million in a new program, Advanced Diesel Technology Engine.

The conferees intend that this authorization be directed toward completing advanced technology work on the AVCR-1360 diesel engine by building two new engines and rebuilding two existing engines and to conduct design, test, and durability improvements on those engines.

This program should follow the proposals the Under Secretary of Defense made to the House and Senate Committees in May of 1979 and would include modification of two prototype test vehicles to accept the AVCR-1360 engine with modified controls, cooling systems, and to include automotive testing. The program would also include Army field tests, lab tests, and program support for the above-mentioned effort.

*Anti-tank guided missile*

The Senate bill authorized \$12 million for the Anti-Tank Guided Missile program as requested by the Department of Defense. The House amendment did not include authorization for this program.

The conferees authorized \$12 million for continued support of technology, rather than a structured development program, in view of the inability of the Department of the Army to propose a specific program. The technology supported should be selected for its potential to improve anti-tank weapon operational effectiveness. Weapon lethality and reducing exposure of missile-launching troops should be emphasized. The Army should also use funds provided in this program to explore interoperability and standardization of anti-armor weapons within NATO.

In order to reduce confusion over the Army's requirements and plans, work performed during fiscal year 1980 should be structured to complete a comprehensive plan for an expedited development program so that the Congress can act on a specific proposal in the fiscal year 1981 budget request.

*Tactical operations system (TOS)*

The Army requested \$36.5 million for the Tactical Operations Systems. The Senate bill authorized the full amount. The House amendment did not authorize any funds. The Senate receded to the House. The conferees support the concept of the TOS but not the program as presented by the Army. The conferees, therefore, deleted the request for authorization without prejudice.

*Tank gun cooperative development*

The Senate bill authorized \$47.49 million of the \$51.89 million requested for the Tank Gun Cooperative Development program. The House amendment authorized \$39.39 million. The conferees agreed to authorize \$43.09 million.

The authorization of \$43.09 million approved by the conferees is \$8.8 million below that requested. The reduction is the amount identified by the Army as excess to the authorization required for fiscal year 1980.

The Senate insisted on providing authorization of \$3.7 million for continued development of an interim round for the 120-mm smooth bore gun, and the House receded.

*Terminal homing systems*

The Senate bill authorized the full Army request of \$9.5 million to initiate development of the 8-inch anti-radiation projectile.

The House amendment deleted the entire request.

The House action was based on the Army's plan to develop an entirely new 8-inch guided projectile with an anti-radiation seeker without consideration of previous Navy efforts that resulted in the successful development of an 8-inch guided projectile.

Subsequent to passage of the House amendment and Senate bill, the Army advised the Committees on Armed Services that an investigation of the Navy's 8-inch guided projectile resulted in the selection of the Navy's projectile body for the anti-radiation projectile. Consequently, the House receded to the Senate position with the understanding that the Army will proceed with the Navy 8-inch guided projectile body.

*Theater nuclear force survivability analysis*

The Senate bill authorized \$2.48 million as requested for the Theater Nuclear Force Survivability Analysis program. The House amendment denied all authorization.

The conferees denied Army authorization for this program with the understanding that theater nuclear force survivability analysis may be continued in programs approved for Department of Defense agencies, including the Defense Nuclear Agency.

## NAVY

*Advanced computer technology*

The Senate bill authorized the Navy request for \$26.87 million and \$1.126 million for the Command and Control Technology and Computer Systems Engineering Development programs, respectively.

The House amendment authorized \$30.87 million, an addition of \$4 million to the Navy request for Command and Control Technology and deleted the entire request of \$1.126 million for the Computer Systems Engineering Development program.

The conferees authorized \$26.87 million for the Command and Control Technology program but provided no authorization for the Computer Systems Engineering Development program. In addition, the conferees agreed that funds are required for continued development during fiscal year 1980 for advanced computers.

The conferees established a new program element, Advanced Computer Technology, with an accompanying authorization of \$12 million of which \$7 million is for the large-scale integrated circuit (LSI) 43/44 project and \$5 million for the Advanced S-1 computer project. The \$5 million for the S-1 is in addition to the \$1.5 million authorization requested and approved for this project under the Command and Control Technology program. The authorization of the LSI 43/44 is predicated on the availability of funds for the S-1 project.

*Light carrier design*

The conferees authorize \$10 million in R&D funding for continued design work on a Light Carrier. The conferees expect the Navy to move as rapidly as possible to develop a Light Carrier design to the point where a Light Carrier can be authorized. These funds may not be applied to any purpose other than Light Carrier design without a reprogramming action.

*Surface electro-magnetic/optical system (project X0665)*

The Senate bill authorized the full Navy request for \$10.114 million which included \$6.755 million for the continued development and testing of an infrared search tracker (IRST) system.

The House amendment deleted the \$6.755 million requested for this project. Last year, the conferees, in the joint explanatory statement accompanying the conference report on H.R. 10929, conveyed to the Navy the necessity for technology exploitation that culminates in an operationally deployable system. The basis for this concern emanated

from the Navy's long-term research and development investment in infrared systems with no substantive deployment of hardware in the fleet. The conferees agreed that the authorization for the IRST project be deleted without prejudice. In the event the Navy continues this project during fiscal year 1980, the conferees expect that a shipboard implementation plan for infrared systems including IRST and forward-looking infrared (FLIR) be provided in conjunction with the fiscal year 1981 budget submission.

*Trident II*

The Senate bill authorized the full Navy request for \$40.64 million for the Trident II missile system.

The House amendment deleted the entire request in the absence of a requirement for the Trident II missile, or a description of the Trident II system alternatives, and on the basis of the high cost of the system considering other Navy requirements for funds.

The conferees agreed to an authorization of \$25.64 million for the improved accuracy program, tradeoff studies and concept design of the Trident II missile.

The conferees requested that the Secretary of Defense provide to the Committees on Armed Services by March 1, 1980, a report on the requirement for the missile, the design alternatives of the total missile system, its affordability—that is, how the program will be funded within the constraints of the Navy budget—and a management plan for competing the development and production of the missile system components and integration.

## AIR FORCE

*Bomber penetration evaluation*

The Air Force requested \$54.9 million to continue evaluation of the B-1 as a penetrating bomber. The House authorized the full amount; the Senate authorized \$30 million. The Senate receded to the House. The conferees agreed that this would be the final authorization for the Research, Development, Test and Evaluation for the B-1 as a penetrating bomber unless the Department of Defense could demonstrate that such testing was part of an approved program to develop a penetrating bomber. The future requirement to test the effects of electromagnetic pulse on the B-1 should be funded in the aircraft survivability program.

*Common NATO munitions/night-attack program*

The Air Force requested \$16.7 million for the Common NATO Munitions program which included \$12.5 million for the Airborne Tracker Laser Illuminator System (ATLIS II) project. The Senate bill authorized \$12.8 million which included \$12.5 million for the ATLIS II project. This authorization was predicated upon a reduction of \$12.5 million from the overall Air Force research and development account.

The House amendment deleted the request for authorization for the ATLIS II program.

The conferees agreed on the requirement for a Laser Designator capability for the F-16 aircraft.

The conferees, therefore, agreed to authorize \$12.5 million under the Air Force Night-Attack System program element for the purpose of a competition for the selection of a laser designator-equipped pod for the F-16 and other aircraft.

The conferees are concerned over the proliferation of the electro-optical pods and request that the Air Force, Army, and Navy provide a coordinated report to the Congress, as part of the fiscal year 1981 budget submission, on a plan to reduce the types of pods being developed and procured for the three services in order to achieve maximum commonality.

*Missile surveillance technology*

The Senate bill authorized \$21.8 million as requested for the Missile Surveillance Technology program and the House amendment authorized \$4.4 million.

The conferees agreed to a reduction of \$17.4 million in the authorization requested for the Missile Surveillance Technology program and provided authorization of \$12 million to initiate a new program titled Advanced Warning Systems. The conferees also agreed to authorize \$4.4 million for the Missile Surveillance Technology program to allow continuation of the infrared background measurements program.

The conferees have been advised that prior to January 1980, Defense Systems Acquisition Review Council meetings will be convened to address the requirement to improve or replace the Defense Support Program system and which new technologies should be pursued if a requirement is established. This authorization is provided to give the Department of Defense the funding flexibility required to make a decision and present schedule and cost estimates for a new warning satellite program to Congress, if such a program is required.

All appropriations provided through this authorization are to be used only for continuing base technology efforts until the requirement, the system characteristics and the technologies to be incorporated in a new warning satellite have been established and presented to Congress by the Secretary of Defense. The funds authorized are intended to be used to maintain all feasible technical options that might be used in the new system.

*The M-X missile*

The House amendment in section 201(1) identified \$670 million only for concurrent full-scale engineering development of the Multiple Protective Structure (MPS) basing system and the M-X missile. The Senate bill contained no such provision.

The Senate recedes.

Section 202 of the House amendment required the Secretary of Defense to submit a report to Congress by March 1, 1980, evaluating the ability of the MPS missile basing to survive attempts by the Soviet Union to neutralize such a system. The Senate bill section 202 authorized appropriations of \$670 million for research and development of the M-X missile and required the President and the Secretary of Defense to report no later than October 1, 1979, on the final characteristics of the missile system. The Senate bill further stated that if a final basing system chosen was other than a land-based system, the President or his designee would be required to certify to Congress that a land-based system is not in the best interest of national security and that the approved basing system is either militarily more effective than any land-based system or less costly and equally or more militarily effective than any land-based system. Additionally, the Senate bill stipulated that no funds may be expended for the program for 60 days after receipt of such a report unless both Houses passed a resolution of approval within that period.

In view of the President's decision and his report to Congress on the selection of a M-X basing mode subsequent to Senate action on the bill, the Senate agreed with the House position to include the House language in section 202.

*Precision location strike system (PLSS)*

The Air Force requested \$24.9 million for the development of a PLSS for detection and location of enemy air defense radars. The House authorized \$70.2 million; the Senate deleted the entire amount.

The conferees agreed to authorize \$15.0

million, the reduction made without prejudice, with the direction that no funds are to be obligated or expended until a report on the restructured program is submitted to the Congress by the Secretary of Defense.

DEFENSE AGENCIES

*Blue/green laser communications*

The Senate bill authorized \$2 million for a joint office of Naval Research and Defense Advanced Research Projects Agency (DARPA) analysis of the potential of blue-green laser technology for communicating with patrolling submarines. The House amendment authorized \$5 million for DARPA to initiate a feasibility demonstration.

The conferees agreed to authorize \$5 million for DARPA to be used for both the feasibility demonstration and a review of the potential of this technology. The conferees ask that a report be submitted by March 1, 1980, that defines the cost, risk, schedule and capability of an operational system.

*Technical support OSD/OJCS*

The Senate bill authorized \$19.982 million as requested by the Department of Defense, and the House amendment authorized \$10 million. The conferees agreed to authorize \$14 million of which \$2.5 million is to be used specifically by the Under Secretary of Defense for Research and Engineering to establish a list of "Military Critical Technologies." This list is to be provided to the Secretary of Commerce in compliance with the Export Administration Act of 1979.

*Very high-speed integrated circuits*

The Senate bill authorized \$12.0 million for the Army, \$10.43 million for the Navy, and \$8.0 million for the Air Force to begin development of very high-speed integrated circuits. The House amendment provided no authorization for this work. The conferees agreed to authorize the full amount requested.

In approving the authorization for \$30.43 million, the conferees established a new program line in the Air Force titled Very High-Speed Integrated Circuits. Management of this tri-service program, including funding control, is to be executed by the Under Secretary of Defense for Research and Engineering.

The conferees concurred in the concerns of the House and approved authorization for this program with the following understanding:

The export of the technology developed in this program would be controlled where applicable by the International Traffic in Arms Regulations until the state-of-the-art for such technology progresses to the point where national security permits its transfer to other controls for export.

The contracts awarded for this program must include the clauses contained in amendment number 0003 dated September 24, 1979, to the Request for Proposals issued for this program on June 22, 1979. These clauses provide the Government the option of having licenses granted so that the technology developed under this program can be used in practice by the Department of Defense and its contractors as needed for future programs.

*World wide military command and control system (WWMCCS)*

The Defense Communications Agency requested authorization of \$4.694 million for the WWMCCS Automatic Data Processing—Joint Technical Support Activities (ADP-JTSA) program and \$34.166 million for the WWMCCS System Engineering Program. The Senate bill authorized the full request for the WWMCCS ADP-JTSA but levied an undistributed reduction of \$10 million against the WWMCCS System Engineering Program. The House amendment reduced the

WWMCCS ADP-JTSA program request by \$2.08 million and the WWMCCS System Engineering program by \$5.12 million.

The conferees accepted the House authorization levels but agreed to provide the Department of Defense the flexibility to apply the reduction across the full set of Defense Communication Agency WWMCCS activities.

The reports accompanying the Senate bill and the House amendment, both expressed concern about the WWMCCS program. The Senate report requested that the Department of Defense undertake a critical review of all strategic surveillance, warning and command and control programs and submit a report on its findings by January 15, 1980. The House report requested that the Department of Defense present an integrated plan with the fiscal year 1981 budget submission that clearly indicated what type of ADP capability is required by the various commands for their command and control functions and how the Defense Department plans to modernize both the computer hardware and software elements of the WWMCCS in support of these requirements.

The conferees agreed to the authorization with the understanding that the Department of Defense will address the concerns expressed in both reports.

*Advanced self-protection system*

Section 201 of the House amendment provided that \$13.19 million be authorized only for the joint Navy/Air Force development of a common electronic self-protection system for integration into, but not limited to, the Navy F-18 and Air Force F-16 aircraft.

The Senate bill did not contain any such provision.

The conferees agreed with the intent of section 201 of the House amendment, but concluded that specific language was not required in the law and, therefore, the House recedes. It is the clear intent of the conferees of both Houses that the joint Navy/Air Force development of a common electronic self-protection system should go forward.

TITLE III—ACTIVE FORCES

Active duty military strengths in the Senate bill and House amendment differed by a total of 10,100. The conferees' agreement is summarized in the following table:

	House	Senate	Conference
Army.....	780,337	776,700	776,700
Navy.....	529,002	524,000	528,000
Marine Corps.....	189,000	189,000	189,000
Air Force.....	558,761	557,300	558,000
Total.....	2,057,100	2,047,000	2,051,700

The conference agreement is 4,700 above the Senate position and 5,400 below the House. The changes from the Administration request are in the Army, for which the conference agreement is 2,700 above the Administration request in order to accommodate the President's decision to defer troop withdrawals from Korea in fiscal year 1980, and in the Air Force.

*Double counting of reserve general officers (sec. 302)*

The House amendment contained a provision (sec. 804) that amends current law to provide that a Marine Corps reserve general officer who is serving on extended active duty—and charged against the active duty ceiling—will not be charged against the reserve general officer strength while so serving.

The Senate bill (sec. 303) amends current law in a similar manner but extends the amendment to include all services.

*Officer grade distribution reporting requirement (sec. 303)*

Current law requires each of the Service Secretaries to submit an officer grade distribution report and promotion plan to Congress by April 30 of each year. Section 304 of the Senate bill required that this information be included as part of the Manpower Requirements Report rather than as separate reports.

No similar provision was contained in the House amendment.

The House recedes.

**TITLE IV—RESERVE FORCES**

Section 401(b) of the bill contains the authorization for the number of reservists on full-time active duty for the purpose of organizing, administering, recruiting, instructing and training the Reserve components. The House and Senate differed on the strength for such full-time active duty Reserve personnel in the Naval Reserve. The Senate increased the Administration request by 1,500 personnel for a total of 1,707. The House amendment had authorized 207, the amount requested. The conferees agreed to an increase of 500 (bringing the total in the bill to 707). The additional full-time support personnel should be used in a test program involving high-priority missions of the Naval Reserve or to offset deficiencies in critical skills in the active Navy.

The conferees expect the Naval Reserve to be provided full-time support consistent with the average strength of 87,000.

The conferees believe that critical types of units with important capabilities such as deployment-related units, aviation, ship and aircraft maintenance, intelligence and other highly professional skills should be retained in the force structure consistent with modernization programs and that 17 Reserve Naval Mobile Construction Battalions should be retained.

There were no other differences between the Senate bill and the House amendment on Reserve component strengths.

*Amendments to the reserve educational assistance program (sec. 402)*

Section 402 of the House amendment amended the current Reserve Educational Assistance Program (section 2131(b)—2135 of title 10, United States Code.) The House amendment increases from 50 to 100 percent the reimbursement for a year's education expenses, although still limited to the existing limit of \$500 per year. The recoupment provision of the Reserve Educational Assistance Program is revised in order to take into account the amount of time a participant serves satisfactorily in the Selected Reserve in computing the amount to be refunded.

The Senate recedes.

*Retention of reserve veterinary officers to age 60 (sec. 403)*

Section 403 of the House amendment granted permissive authority to the Secretary of the Army and the Secretary of the Air Force to retain reserve veterinary officers to age 60 under the same conditions as reserve officers of other health professions and chaplains.

No similar provision was included in the Senate bill.

The House recedes.

*Administrative duty pay (sec. 404)*

The Senate bill contained a provision (sec. 402) that would terminate the authority to pay Administrative Duty Pay to reserve and national guard commanders for performing administrative functions.

The House amendment contained no similar provision.

The House conferees expressed concern that unilateral action at this time terminating this authority would have an adverse impact on these individuals who spend significant time above and beyond their normal paid

drill periods performing administrative tasks. However, the House conferees agreed payment is no longer functional and eventually should be terminated.

In order to minimize the impact of this termination, the conferees agreed to an amendment delaying for one year termination of this authority and request the Secretary of Defense to submit a report evaluating possible changes to the overall Reserve Compensation System by December 31, 1980.

The House recedes with amendment.

**TITLE V—CIVILIAN PERSONNEL**

For fiscal year 1980, the Department of Defense requested an end strength of 985,100. The House authorized a Department-wide end strength of 986,292. The Senate authorized a civilian end strength for each of the services totaling 980,900. The conferees agreed to provide for an overall Department of Defense-wide authorization for civilian personnel of 983,600—a reduction of 1,500 from the Administration request. The conferees agreed that in allocating civilian manpower spaces in fiscal year 1980, the Department of Defense should follow the specific recommendations made by the respective committees concerning increases for Naval Air Rework Facilities and for medical support activities. In accommodating the reduction, the Department of Defense should include a reduction in support personnel for dependent activities overseas and give consideration to the areas addressed in the reports of the House and Senate Committees on Armed Services concerning civilian personnel.

**CIVILIAN MANPOWER FOR MAINTENANCE-RELATED ACTIVITIES**

The Senate bill contained a section which provides that the Secretary of Defense shall manage manpower resources in a manner that will insure that activities engaged in maintenance, construction, engineering acquisition, or repair are provided sufficient civilian manpower to perform the work for which funds have been appropriated.

The House recedes.

**INTELLIGENCE ANALYSIS**

The conferees agree on the need to improve intelligence analysis capabilities. The conferees strongly recommend that the services set a goal for fiscal year 1980 of increasing the number of production analysts in the intelligence community by 300 active duty military in the military services and Defense Intelligence Agency, and a related increase of 100 civilians for the Army and 100 civilians for the Defense Intelligence Agency. The United States must continue to invest in high technology systems for intelligence collection, but it must not neglect the need to train and maintain an adequate number of expert analysts to give meaning to the intelligence data collected. These increases should provide additional top quality line analysts and are specifically not to be used for other intelligence activities.

**TITLE VI—MILITARY TRAINING STUDENT LOADS**

The Senate bill and the House amendment differed on military training student loads for the Army, Army National Guard, and Army Reserve.

The Senate bill specifically authorized a portion of the requested student loads for utilization solely for One Station Unit Training.

The House amendment, although containing the same numbers overall, authorized these training loads without any specific allocation for One Station Unit Training.

The House recedes.

**TRAINING LOAD ADJUSTMENTS**

The Senate bill contained a provision requiring the Secretary of Defense to adjust the military training student loads in order to be consistent with the manpower strengths

authorized in Titles III, IV, and V of this act. The House amendment contained no such provision.

The House recedes.

**SCHOLARSHIPS FOR MILITARY JUNIOR COLLEGES**

The conferees agreed to endorse the language of the Senate report which recommends that 30 of the additional two-year R.O.T.C. scholarships requested by the Army for fiscal year 1980 be allocated to military junior colleges.

**TITLE VII—CIVIL DEFENSE**

The House provided \$138 million for civil defense. The Senate authorized \$106.8 million. The House recedes.

The House version also contained a five-year authorization for civil defense. The multi-year authorizations included a provision containing a new civil defense policy statement and related program elements. The Senate conferees were unable to accept the House provisions for a series of specific authorizations totaling \$989.9 million over a five-year period for civil defense operations without any hearings having been held on the nature of the programs that would be funded by such authorizations. The House recedes.

However, the conferees do agree that civil defense is a vital and necessary part of a sound deterrent posture, and therefore, recommend to the appropriate executive agencies that earnest efforts be made over the next five years to increase the commitment to and effectiveness of the nation's civil defense, with funding each successive year at a level that reflects both the inflation rate and the Soviet threat.

The House amendment contains a provision to eliminate various limitations on appropriations for personnel and administrative expenses, student travel, radiological instrument procurement and personal equipment for state and local civil defense workers. The Senate bill contains a provision that increases the limitation on appropriations for personnel and administrative expenses from \$35 million to \$40 million and retains the existing limitations on other activities. The House recedes.

The Senate amendment to the Federal Civil Defense Act establishing a Federal-State matching requirement for the construction of emergency operations centers was not agreed to. The Senate recedes.

**TITLE VIII—GENERAL PROVISIONS**

*Amendments to the Uniform Code of Military Justice to improve military discipline (sec. 801)*

The Senate bill contained a provision (sec. 801) intended to improve military discipline by limiting the right of an accused to raise defects in the enlistment process to defeat court-martial jurisdiction, and to clarify the President's authority to issue a manual of procedure not only for trial procedures, but pre-trial and post-trial procedures as well. The House amendment has no similar provision.

The House recedes.

The House conferees were reluctant to take a step which might be misinterpreted as providing further encouragement to an already serious recruiting malpractice problem. However, it is inappropriate to address the issue of malpractice in a court-martial proceeding.

The conferees agree that the current management technique of using recruiting quotas has increased the likelihood of recruiting malpractice. The Secretary of Defense is urged to review the management of recruiting in the military services and to consider an alternative approach to the current quota system.

The conferees have also agreed that a more effective administrative process to permit

enlistees to raise questions of the validity of their enlistment is necessary. The conferees expect the Secretaries of each of the services to establish an administrative process that will provide each enlistee a voluntary opportunity to raise any improper matters in his or her enlistment, as well as permit service management to uncover recruiting malpractice. The general framework of this process shall permit an enlistee at the end of his basic training period, or at a similarly appropriate point, the opportunity to raise such matters.

The service secretaries shall report back to each of the Committees on Armed Services by December 31, 1979 on the process that will be established to uncover recruiting malpractice.

*Waiver of OMB Circular A-76 for contracting out of certain research and development activities (sec. 802)*

Section 801 of the House amendment contained a provision exempting most research and development (R&D) activities from the application of Office of Management and Budget (OMB) Circular A-76. This circular establishes the policies and procedures to be used by executive branch departments for implementing the general policy that the Government will rely on competitive private enterprise where practicable to supply the products and services it needs. Only those support activities for R&D which are more structured in nature, such as facility and equipment maintenance, are excluded from the prohibition contained in the House provision.

The Senate bill had no similar provision.

The Senate recedes.

*Uniformed Services University of the Health Sciences (sec. 803)*

Section 802 of the House amendment requires that the Secretary of Defense take actions to insure the Uniformed Services University of the Health Sciences operates at full capacity, upon recommendations of the Board of Regents and consistent with academic capabilities. It also makes a technical correction (changes "uniform" to "uniformed") and clarifies original Congressional intent to allow up to 20% of graduates to serve in civilian Federal service in lieu of military service by clarifying the language to indicate that authority is *permissive* in nature.

No similar provision was included in the Senate bill.

The Senate recedes.

*Stipend increase for health professions scholarship program (sec. 804(a))*

The House amendment contained a provision (sec. 806(a)) that would increase the stipend for the Health Professions Scholarship Program participants to the same level as that received by participants in the National Health Service Corps Scholarship Program—administered by the Department of Health, Education, and Welfare—(\$453 per month) and provide for annual adjustments thereafter at the same time and in the same amount as the HEW stipend.

The Senate bill contained a provision (sec. 807) that would adjust the current stipend (\$400 per month) in the future.

The Senate recedes.

*Special pay for medical officers during periods of obligation (sec. 804(b))*

The House amendment contained a provision (sec. 806(b)) that provides \$9,000 per year to military physicians who are not in internship or residency training but who are serving their initial active duty obligation.

No similar provision was included in the Senate bill.

The Senate recedes.

CXXV—1838—Part 22

*Six-year military service obligation for persons enlisting after age 26 (sec. 805)*

The House amendment contained a provision that extends the 6-year statutory military obligation to all enlistees by terminating the exception for enlistees age 26 and over. The Senate bill contained no similar provision.

The Senate recedes.

*Restrictions on contracting out (sec. 806)*

The Senate bill declared that it was United States policy that the provisions of the Office of Management and Budget Circular A-76 prohibiting the use of private contractors to avoid personnel or salary limitations and prohibiting personnel actions in violation of Civil Service personnel regulations are binding on the Department of Defense. Further, commercial or industrial type functions being performed by Department of Defense personnel at Davis-Monthan Air Force Base on January 1, 1979, may be contracted out to a private contractor only if such action does not affect technical skills necessary to critical military capabilities, mobilization capabilities, or accountability in the Department of Defense.

The Senate bill also required an annual report by the Secretary of Defense on conversion of commercial or industrial type functions to performance by private contract for the year preceding the fiscal year in which the report is provided and an estimate of such conversion for the fiscal year in which the report is provided.

The House amendment contained language that provides that no commercial or industrial type function may be converted from performance by Department of Defense personnel to performance by private contractor to circumvent a civilian personnel ceiling or unless the Secretary of Defense—

(1) Notifies the Congress of a decision to study a function for conversion;

(2) Submits a report showing the economic impact of such a conversion on the community, the employees affected, and the military mission or function; and

(3) Notifies the Congress of a final decision to convert a function to performance by private contractor, and submits the amount of the bid accepted and the cost of performance by government personnel, together with all other costs and expenditures the government could incur by such conversion.

The House amendment also provided that no funds may be obligated or expended for a contract after a decision to convert until the appropriate congressional committees have had 30 legislative days to review the decision.

The conferees agreed on language similar in most respects to that contained in the House amendment without the requirement for the 30 legislative day delay before obligation of funds can occur and with the requirement for an annual report of such conversions as contained in the Senate bill.

*Advanced housing allowance (sec. 807)*

Section 807 of the House amendment authorized the Department of Defense to make advanced payments of the overseas housing allowance.

No similar provision was included in the Senate bill.

The Senate recedes.

*Annual report of NATO readiness (sec. 808)*

This section of the House amendment required the Secretary of Defense to assess annually and report to the Congress on the readiness status of the military forces of the North Atlantic Treaty Organization (NATO), including an annual assessment of deficiencies, a reporting of planned corrections in the identified readiness deficiencies and the portion of the budget which is allocated for

such corrections, and a reporting of commitments made by other member nations to correct their readiness deficiencies. There was no similar provision in the Senate bill.

The conferees agreed that the Secretary of Defense should also include within the required report an assessment of the readiness status and deficiencies relating to NATO tactical and theater nuclear capabilities.

The Senate recedes.

*Selected acquisition reports (sec. 809)*

Both the Senate bill (sec. 804) and the House amendment (sec. 809) contained provisions requiring quarterly selected acquisition reports to the Congress. Both provisions contained essentially the same language and the technical differences were resolved by the conferees.

*Assistance to the 1980 Winter Olympic Games (sec. 810)*

Both the Senate bill (sec. 805) and the House amendment (sec. 810) authorized an amount not to exceed \$10 million for providing assistance under certain conditions to the 1980 Winter Olympic Games.

The Senate provision required specific appropriations to carry out the provisions of the section. The House provision had a similar requirement but excluded pay and non-travel related allowances.

The Senate recedes.

*Presidential recommendations for Selective Service (sec. 811)*

The House amendment contains a requirement for the President to provide a report on his recommendations for reform of the Selective Service System. The Senate bill contains no similar provision.

The Senate recedes with an amendment.

The President's recommendations with regard to the feasibility of establishing a registration plan through a centralized automated system should specifically address court decisions with respect to the requirement for issuing induction orders in the proper "order of call," as well as those dealing with conscientious objectors, classification procedures, and other relevant court decisions.

Both the House and Senate Committee on Armed Services have made a detailed review of the plan presented with the President's fiscal year 1980 budget for registration and induction under the Selective Service System following mobilization. Both committees have concluded that this ambitious plan will not work and that peacetime registration is needed. If the President intends to rely on this or some other post-mobilization registration plan as the foundation of our mobilization capacity at time of emergency, then the report called for in section 811 should also address the extent of testing of the plan that will be done, the acquisition schedule, and capability of computers, and other necessary equipment, the extent of agreements with state election officials or other non-Federal agencies, the schedule for training Federal and non-Federal personnel who would be involved in registration, and the likelihood that induction orders issued under such a plan would survive potential court challenges.

*Preservation of the Selective Service System as an independent agency (sec. 812)*

The House amendment contained a provision (sec. 813) that expresses the Congress' view that the Selective Service System should remain an independent agency. The Senate bill contains no similar provision.

The Senate recedes.

*Study of Titan II (sec. 813)*

Section 814 of the House amendment requested a study of the physical condition of Titan II facilities and maintenance pro-

cedures. Findings and recommendations of the studies were to be furnished to the Committees on Armed Services and to the Members representing the districts in which Titan facilities are located within 180 days of enactment.

No such provision was included in the Senate bill.

The Senate recedes with an amendment deleting the requirement that the studies be furnished to the Members representing the districts in which Titan facilities are located.

*Junior enlisted dependents (sec. 814)*

The Senate bill contained a provision (Sec. 302) that would have allowed reimbursement for travel and transportation of dependents only to service members above the pay grade of E-4 who have over two years of service in an effort to reduce the number of dependents overseas. This provision would be less favorable to junior enlisted personnel than current law.

The House amendment contained a provision (Sec. 814) that would have prohibited the Service Secretaries concerned from differentiating among members (or dependents of members) on the basis of a member's grade, rank, rating or years of service, with respect to these benefits. This provision would be more favorable to junior enlisted personnel than current law.

The conferees, after lengthy discussion, agreed to drop both provisions from the bill (in effect retaining current law) and to include a provision mandating the Secretaries to undertake a program to reduce the total number of dependents including the use of discretionary authority in the granting of travel entitlements by prohibiting payment after September 30, 1980, of travel and transportation benefits to members assigned overseas when the total number of dependents authorized to be overseas and entitled to receive travel allowances exceeds 325,000. This level would represent a reduction of about 10,000 in the current number of so-called command sponsored dependents and addresses, in part, the intent of the provision contained in the Senate bill.

The House conferees reluctantly dropped the language contained in the House amendment with the understanding that the language of the conference report leaves the implementation of any restrictions resulting from the ceiling to the discretion of the Service Secretaries concerned. It is the intent of the conferees that the Service Secretaries implement any restrictions on travel entitlements fairly and in a manner in the best interest of the United States. The conferees agreed that junior enlisted members should not bear the unilateral burden of restrictions in travel entitlements or in reductions of dependents overseas, but that the Secretary in his discretion can consider such factors as age, size of family, length of service, number of overseas tours and overall morale of the service in implementing travel restrictions.

The conferees unanimously expressed concern with the current capability to evacuate the dependent population from overseas during a period of hostilities. In view of this concern, the Secretary of Defense, by March 31, 1980, is requested to submit and certify as to its effectiveness to the Committees on Armed Services of the Senate and House of Representatives, an evacuation plan for military dependents in Europe. This plan should address not only the dependents of U.S. service members, but also the impact of the other noncombatant U.S. citizens who would be competing for the limited evacuation resources during a time of extreme emergency, including the potential impact of the requirement to evacuate combat casualties.

*Gasohol (sec. 815)*

The House amendment contained a provision designed to encourage the use of al-

cohol and alcohol-blends as a fuel in military motor vehicles.

The Senate bill contained no such provision.

The Senate recedes.

*Extension of cut-off for electing coverage under the reserve survivor benefit plan (sec. 816)*

The House amendment contained a provision (sec. 819) that would extend the cut-off date for electing into the Reserve Survivor Benefit Program for 6 months, from September 30, 1979, to March 31, 1980.

No similar provision was included in the Senate bill.

Public Law 95-397 modified the Survivor Benefit Plan to permit reservists who have completed 20 years of satisfactory service to provide survivor benefit coverage in the event they die before reaching age 60. Those reservists who had already completed 20 years of service by October 1, 1978, were given until September 30, 1979, to elect coverage before age 60.

The Senate recedes.

*Extension in time period for reductions in high grade civilians (sec. 817)*

The House amendment contained a provision (sec. 820) that would extend for one year the period of time during which reductions in high grade civilians (GS-13 and above) mandated under Public Law 95-79 are required.

No similar provision was included in the Senate bill.

Enactment of the Civil Service Reform Act resulted in certain restrictions on reducing the grades of high grade civilians. The conferees agree that this extension is granted only for this reason and that further extensions of the required reduction will not be considered.

The Senate recedes.

*Sense of Congress expression concerning importation of strategic and critical materials from Zimbabwe-Rhodesia (sec. 818)*

The Senate bill contained a provision to amend the Strategic and Critical Materials Stock Piling Act to require the cessation of restrictions on importation of strategic materials from Zimbabwe-Rhodesia and further to lift all trade sanctions against that country. Subsequent to the passage of the bill in the Senate, Congressional action was taken on other legislation providing procedures for ending sanctions against Rhodesia and the House conferees, therefore, declined to yield.

The conferees agreed, however, on a new section 818 expressing the sense of Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense of the United States and that every effort should be made to remove artificial impediments to the importation of such materials from Zimbabwe-Rhodesia.

*Requirement for reporting salaries of officers of Federal Contract Research Centers (sec. 819)*

Section 806 of the Senate bill directs that the Secretary of Defense report to Congress annually on all employees of Federal Contract Research Centers whose salaries are in excess of that paid to Government employees at the pay grade of level II of the Executive Schedule and the reasons for their salaries being above that amount. This reporting requirement would begin September 30, 1979, according to the Senate bill.

The House amendment had no similar provision.

The conferees agreed to include the provision in the conference report but changed the date establishing the reporting requirement to January 31, 1980.

The House recedes with an amendment.

*Technical amendments to Defense reorganization order (sec. 820)*

The House amendment makes technical amendments to several sections of titles 5 and 10, United States Code, to reflect changes made by the Department of Defense reorganization order of March 7, 1978.

The Senate recedes.

*Correction of erroneous section designation on prohibition against military unions (sec. 821)*

The House amendment corrects an erroneous section designation in title 10, United States Code.

The Senate recedes.

*Extension of Polaris program*

Section 903 of the Senate bill contained language which would prohibit the deactivation of any Polaris submarines prior to one year following the enactment of this legislation.

The House amendment provides no such provision.

The Senate recedes.

*Limitation on reduction of forces at Guantanamo Bay*

Section 811 of the House amendment contained a provision to prohibit the use of any funds authorized by the bill for reduction of personnel support or equipment levels at Guantanamo Bay, Cuba, or reducing military function supported by Guantanamo Bay.

No such provision was included in the Senate bill.

The House recedes.

*Pay of administrators and instructors in Junior ROTC*

Senate bill contained a provision (sec. 809) that would require the Department of Defense to reimburse schools with Junior ROTC units for 60 percent (vice 50 percent) of the difference between the salary of administrators and instructors and military retired pay.

No similar provision was included in the House amendment.

The House conferees indicated that no problem is apparent in recruiting personnel, no programs have been terminated based on financial conditions, and no complaints have been received from the schools.

The Senate recedes.

MELVIN PRICE,  
CHARLES E. BENNETT,  
SAMUEL S. STRATTON,  
RICHARD ICHORD,  
LUCIEN N. NEDZI,  
CHAS. H. WILSON,  
RICHARD C. WHITE,  
BILL NICHOLS,  
BOB WILSON,  
WILLIAM L. DICKINSON,  
G. WILLIAM WHITEHURST,  
FLOYD SPENCE,  
ED BEARD,

When difference regarding intelligence related activities are under consideration only:

BILL D. BURLISON,  
CLEMENT J. ZAELOCKI,  
NORMAN Y. MINETA,  
EDWARD P. BOLAND,  
J. K. ROBINSON,  
G. WILLIAM WHITEHURST,

*Managers on the Part of the House*

JOHN C. STENNIS,  
H. M. JACKSON,  
HARRY F. BYRD, Jr.,  
SAM NUNN,  
JOHN CULVER,  
GARY HART,  
JOHN TOWER,  
STROM THURMOND,  
JOHN WARNER,  
GORDON HUMPHREY,

*Managers on the Part of the Senate*

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLEVELAND (at the request of Mr. RHODES), for October 22 and 23, on account of a death in the family.

Mr. SCHEUER (at the request of Mr. WRIGHT), for the balance of the week, on account of a death in the family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROTH) to revise and extend their remarks and include extraneous material:)

Mr. SOLOMON, for 60 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. FROST) to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. MAGUIRE, for 5 minutes, today.

Mr. AU COIN, for 5 minutes, today.

Mr. REUSS, for 5 minutes, today.

Mr. WIRTH, for 5 minutes, today.

Mr. BENJAMIN, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mr. PREYER, for 5 minutes, today.

Mr. WON PAT, for 5 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Ms. HOLTZMAN to insert extraneous material at the end of her comments on H.R. 4943.

Mr. ASHBROOK, to revise and extend following the statement of Mr. BROWN of Ohio on Senate 1030 today.

The following Members (at the request of Mr. ROTH), and to include extraneous matter:)

Mr. YOUNG of Alaska.

Mr. WILLIAMS of Ohio in two instances.

Mr. ASHBROOK in three instances.

Mr. MCCLORY.

Mrs. HOLT.

Mr. BEARD of Tennessee.

Mr. CONTE.

Mr. WYDLER.

Mr. KEMP.

Mr. BETHUNE.

Mr. DEVINE.

Mr. QUAYLE.

Mr. MICHEL.

(The following Members (at the request of Mr. FROST), and to include extraneous material:)

Mr. MURPHY of New York.

Mr. STARK in two instances.

Mr. WRIGHT.

Mr. GUARINI.

Mr. STACK.

Mr. KILDEE.

Mr. CONYERS.

Mr. PANETTA in two instances.

Mr. FORD of Michigan in two instances.

Mr. MOAKLEY in two instances.

Mr. EDGAR.

Mr. ADDABBO.

Mr. STEWART in two instances.

Mr. BRODHEAD.

Mr. PATTERSON.

Mr. MAVROULES.

Mr. FOUNTAIN.

Mr. SIMON.

Mr. CHARLES H. WILSON of California.

Mr. OTTINGER.

Mr. GARCIA.

Mr. MINETA.

Mr. DINGELL.

Mr. AMBRO.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 436. An act to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority; and

S. 1030. An act to establish an emergency program for the conservation of energy and to provide for a standby rationing plan for motor fuel.

## ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3923. An act to amend chapter 25 of title 44, United States Code, to extend for 1 year the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes;

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

## BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on October 22, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 1825. To protect archaeological resources on public lands and Indian lands, and for other purposes.

## ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock) and 7 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 24, 1979, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2683. A letter from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize training of personnel of the armed forces of NATO member countries; to the Committee on Armed Services.

2684. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize ordering reserve commissioned officers of the Army on active duty (other than for training) to serve on active duty in a grade to which promoted; to the Committee on Armed Services.

2685. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of \$28,898.05 in excess gas royalty payments to the Gulf Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

2686. A letter from the Deputy Assistant Secretary of the Interior, transmitting an announcement of the matching fund water research and development areas of interest for fiscal year 1981 funding consideration, pursuant to section 411 of the Water Research and Development Act of 1978; to the Committee on Interior and Insular Affairs.

2687. A letter from the Acting Assistant Secretary of the Interior, transmitting a revised draft of proposed legislation, previously submitted, to provide for additional authorization for appropriations for the Tincum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

2688. A letter from the Secretary of Commerce; transmitting the annual report of the National Marine Fisheries Service for calendar year 1978, pursuant to section 9(a) of the Fish and Wildlife Act of 1956, as amended; to the Committee on Merchant Marine and Fisheries.

2689. A letter from the Deputy General Counsel of the Army (Military and Civil Affairs), transmitting a report on the investigation of allegations of mismanagement and prohibited personnel practices at Aberdeen Proving Ground, Md., pursuant to 5 U.S.C. 1206(b) (5) (A); to the Committee on Post Office and Civil Service.

2690. A communication from the President of the United States, transmitting a proclamation extending nondiscriminatory trade treatment to the products of the People's Republic of China, together with related reports, pursuant to section 407 of the Trade Act of 1974 (H. Doc. No. 96-209); to the Committee on Ways and Means and ordered to be printed.

2691. A letter from the Comptroller General of the United States, transmitting a report on ways the Western Area Power Administration should implement conservation practices and commercialization of solar and wind technology in its marketing area (EMD-79-73, October 16, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER. Committee on the Judiciary. S. 423. A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for

the resolution of consumer controversies, and for other purposes; with amendments (Rept. No. 96-492 pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee of conference. Conference report on Senate Concurrent Resolution 36. In disagreement (Rept. No. 96-541). Ordered to be printed.

Mr. BOLAND: Committee of conference. Conference report on H.R. 4394 (Rept. No. 96-542). Ordered to be printed.

Mr. GARCIA: Committee on Post Office and Civil Service. H.R. 5461. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; with amendments (Rept. No. 96-543). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5262. A bill to amend the act of December 22, 1974 (88 Stat. 1712; 25 U.S.C. 640d); with amendments (Rept. No. 96-544). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5505. A bill to simplify certain provisions of the Internal Revenue Code of 1954, and for other purposes; with amendment (Rept. No. 96-545). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee of conference. Conference report on S. 428 (Rept. No. 96-546). Ordered to be printed.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS:

H.R. 5670. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the St. Lucie River in Florida for potential addition to the Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. BENJAMIN:

H.R. 5671. A bill to amend the Disaster Relief Act of 1974 to provide for improvements in the operation and scope of snow emergency declaration procedures and reimbursement policies; to the Committee on Public Works and Transportation.

By Mr. FISHER:

H.R. 5672. A bill to provide that adjustments in the rates of pay for Members of Congress shall be considered in a manner separate from that for other employees and officials of the legislative, executive, and judicial branches of Government, and to provide that such adjustments in the rates to pay for Members of Congress shall take effect at the beginning of the Congress following the Congress in which they are approved and then only if approved by a concurrent resolution of the Congress; to the Committee on Post Office and Civil Service.

By Mr. FORD of Michigan (for himself, Mr. THOMPSON, Mr. CLAY, and Mr. CHARLES H. WILSON of California):

H.R. 5673. A bill to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO:

H.R. 5674. A bill to rescind certain budget authority contained in the message of the President of October 1, 1979 (H. Doc. 96-198) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. McCLORY:

H.R. 5675. A bill to amend the Safe Drinking Water Act to change the requirements

for establishing national primary drinking water regulations, to require the Environmental Protection Agency to conduct a study of the health effects of barium and radium in drinking water, to suspend the standards for barium and radium pending the completion of the study, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5676. A bill to amend the Safe Drinking Water Act to provide for a study of the health effects of barium and radium in drinking water and to suspend the national interim primary drinking water standards for such contaminants pending the completion of such study and the promulgation of new standards for such contaminants; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H.R. 5677. A bill to amend the Internal Revenue Code of 1954 to provide an additional \$750 exemption for certain volunteer firemen; to the Committee on Ways and Means.

By Mr. McHUGH:

H.R. 5678. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit for low and middle income taxpayers for amounts paid for the primary fuel used in their principal residences, and to establish a program under which the Secretary of the Treasury makes advance payments of such credit to suppliers of fuel to be so used; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. McCLOSKEY, Mr. FORSYTHE, and Mr. EDGAR):

H.R. 5679. A bill to provide for additional authorization for appropriations for the Tincum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

By Mrs. CHISHOLM:

H.R. 5680. A bill to amend the Higher Education Act of 1965 to strengthen and improve the student loan programs so as to assure the availability of funds to students to attend the institution of higher education of their choice, to strengthen the procedures for the repayment of such loans, and for other purposes; to the Committee on Education and Labor.

By Mr. WON PAT:

H.R. 5681. A bill to entitle foreign-built vessels registered to certain U.S. citizens and nationals pursuant to section 4132 of the Revised Statutes for employment in the fisheries within the territorial seas of American Samoa, Guam, and the Northern Mariana Islands and within that portion of the fishery conservation zone contiguous to the territorial seas of American Samoa, Guam, and the Northern Mariana Islands; to the Committee on Merchant Marine and Fisheries.

By Mr. HAMMERSCHMIDT:

H.R. 5682. A bill to extend for 4 fiscal years the authorization of appropriations for the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. MINETA (for himself, Mr. GIAIMO, Mr. GEPHARDT, Mr. NELSON, Mr. CONABLE, and Mrs. HOLT):

H.R. 5683. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs; to the Committee on Rules.

By Mr. UDALL (by request):

H.R. 5684. A bill limiting use of project water for production of excess crops; to the Committee on Interior and Insular Affairs.

By Mr. NATCHER:

H.J. Res. 427. Joint resolution making urgent supplemental appropriations for low-income energy assistance for the fiscal year

ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

By Mr. BIAGGI:

H.J. Res. 428. Joint resolution designating December 1979 as "National Child Abuse Prevention Month"; to the Committee on Post Office and Civil Service.

By Mrs. HOLT:

H.J. Res. 429. Joint resolution prohibiting the offering of floor amendments to continuing resolutions; to the Committee on Rules.

By Mr. HANSEN:

H. Con. Res. 203. Concurrent resolution expressing the sense of the Congress that the \$1 bill should remain in circulation and the \$1 coin should be produced in such volume as demand warrants; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ULLMAN (designated by the majority leader) and Mr. CONABLE (designated by the minority leader) (both by request):

H. Con. Res. 204. Concurrent resolution approving the extension of nondiscriminatory treatment to the products of the People's Republic of China; to the Committee on Ways and Means.

#### MEMORIALS

Under clause 4 of rule XXII,

316. The SPEAKER presented a memorial of the Legislature of the Territory of Guam, relative to the Presidential Task Force Report on Economic Development, Federal Assistance, Coordination of Federal Grants, Federal Organization and Federal Presence; to the Committee on Interior and Insular Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS:

H.R. 5685. A bill for the relief of Earl Tyler; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 5686. A bill for the relief of Mario U. Mentuano; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 5687. A bill for the relief of Michael G. Macdonald; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 5688. A bill to provide for the conveyance of certain surplus property of the National Aeronautics and Space Administration located in Erie County, Ohio, to the individuals from whom the United States acquired the property; to the Committee on Government Operations.

#### ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1078: Mr. KOGOVSEK.

H.R. 1644: Mr. ANTHONY and Mr. SAWYER.

H.R. 2191: Mr. EDGAR.

H.R. 2364: Mr. LEACH of Iowa.

H.R. 3105: Mr. BAFALIS, Mr. CORCORAN, Mr. FRENZEL, Mr. GRAMM, Mr. ROUSSELOT, Mr. STANGELAND, Mr. YATRON, and Mr. CARNEY.  
H.R. 3106: Mr. ROE, Mr. CARTER, Mr. GOLDWATER, Mr. DUNCAN of Tennessee and Mr. FROST.

H.R. 3685: Mr. MOLLOHAN and Mr. VOLKMER.

H.R. 3718: Mr. BAILEY and Mr. FINDLEY.

H.R. 3981: Mr. BUCHANAN and Mr. HOWARD.

H.R. 4156: Mr. EVANS of the Virgin Islands.

H.R. 4471: Mr. JEFFRIES, Mr. EDWARDS of Oklahoma, Mr. QUILLEN, and Mr. McCLOSKEY.

H.R. 4561: Mr. WOLFE.

H.R. 4842: Mr. COUGHLIN, Mr. OBERSTAR, and Mr. CAVANAUGH.  
 H.R. 5200: Mr. BAILEY.  
 H.R. 5225: Mr. BADHAM, Mr. ENGLISH, Mr. CORCORAN, and Mr. ROUSSELOT.  
 H.R. 5278: Mr. FAZIO.  
 H.R. 5282: Mr. BEVILL, Mr. CORRADA, Mr. HUGHES, and Mr. LAGOMARSINO.  
 H.R. 5327: Mr. LAGOMARSINO, Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. SPENCE, Mr. KINDNESS, Mr. BUTLER, Mr. HUGHES, Mr. GRADISON, Mr. BUCHANAN, Mr. WYATT, Mr. KEMP, Mr. KILDEE, Mr. STANTON, Mr. DEVINE, Mr. BROYHILL, and Mr. WON PAT.  
 H.R. 5341: Mr. GIBBONS.  
 H.R. 5440: Mr. LIVINGSTON, Mr. RUDD, Mr. MAZZOLI, Mr. DOUGHERTY, and Mr. McDONALD.  
 H.R. 5443: Mr. SEIBERLING and Mr. DOUGHERTY.  
 H.J. Res. 68: Mr. JEFFORDS.  
 H.J. Res. 343: Mr. ERDAHL, Mrs. SPELLMAN, Mr. HALL of Ohio, Mrs. HECKLER, and Mr. BUCHANAN.  
 H.J. Res. 372: Mr. MOFFETT, Mr. BLANCHARD, Mr. ROE, Mr. GREEN, Mr. AMBRO, Mr. PASHAYAN, Mr. YATES, Mr. ROSENTHAL, Mr. WEISS, Mr. DOUGHERTY, Mr. STOKES, and Mr. WOLFF.  
 H.J. Res. 382: Mr. ABDNOR, Mr. BETHUNE, Mr. ALEXANDER, Mr. DE LA GARZA, Mr. HOLLAND, Mr. BEREUTER, Mr. BROWN of Ohio, Mr. EVANS of Delaware, Mr. SEBELIUS, Mr. HALL of Texas, Mr. McCLOSKEY, Mr. FUQUA, Mr. KEMP, Mr. KINDNESS, Mr. ERDAHL, Mr. LAGOMARSINO, Mr. COLEMAN, Mr. PRICE, Mr. STOCKMAN, Mr. WALGREN, Mr. LEACH of Louisiana, Mr. JOHNSON of Colorado, Mr. FAZIO, Mr. COELHO, Mr. MATHIS, Mr. DODD, Mr. WHITTEN, Mr. JEFFORDS, Mr. FRENZEL, Mr. GINN, Mr. LOTT, Mr. KASTENMEIER, Mr. JOHNSON of California, Mr. BAFALIS, Mr. WINN, Mr. ROE, Mr. MURPHY of New York, Mr. SPENCE, Mr. FINDLEY, Mr. KRAMER, Mr. MADIGAN, Mr. EVANS of the Virgin Islands, Mr. WAMPLER, Mr. LOEFFLER, Mr. WHITTAKER, Mr. NEAL, Mr. McHUGH, Mr. HUTTO, Mr. GUYER, and Mr. HANCE.  
 H. Con. Res. 122: Mr. BONIOR of Michigan, Mr. SCHEUER, and Mr. MURPHY of New York.  
 H. Con. Res. 151: Mr. ABDNOR, Mr. ANNUNZIO, Mr. BADHAM, Mr. BEARD of Tennessee, Mr. BEILSON, Mr. BENJAMIN, Mr. BEREUTER, Mr. BETHUNE, Mr. BURGNER, Mr. JOHN L. BURTON, Mr. CAMPBELL, Mr. CARTER, Mr. CHENEY, Mr. CLAUSEN, Mr. CLINGER, Mr. COELHO, Mr. COUGHLIN, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DANNEMEYER, Mr. DASCHLE, Mr. DELLUMS, Mr. DORNAN, Mr. DOUGHERTY, Mr. ECKHARDT, Mr. ERDAHL, Mr.

EVANS of the Virgin Islands, Mr. FAZIO, Ms. FERRARO, Mr. FUQUA, Mr. GINGRICH, Mr. GOODLING, Mr. GORE, Mr. GRASSLEY, Mr. GRISHAM, Mr. GUYER, Mr. HALL of Texas, Mr. HINSON, Mr. HUCKABY, Mr. HYDE, Mr. JEFFRIES, Mr. JOHNSON of California, Mr. JOHNSON of Colorado, Mr. JONES of Tennessee, Mr. KEMP, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATA, Mr. LEE, Mr. LELAND, Mr. LEWIS, Mr. LLOYD, Mr. LOTT, Mr. LUJAN, Mr. MARRIOTT, Mr. MATSUI, Mr. McCLORY, Mr. McCLOSKEY, Mr. McKAY, Mr. MILLER of California, Mr. MINETA, Mr. MOORHEAD of California, Mr. MOTT, Mr. MYERS of Indiana, Mr. NATCHER, Mr. PANETTA, Mr. PATTEN, Mr. PATTERSON, Mr. PEPPER, Mr. PETRI, Mr. PEYSER, Mr. QUILLLEN, Mr. RITTER, Mr. ROBINSON, Mr. ROUSSELOT, Mr. ROYBAL, Mr. ROYER, Mr. RUDD, Mr. SAWYER, Mrs. SCHROEDER, Mr. SHUMWAY, Mrs. SMITH of Nebraska, Mrs. SNOWE, Mr. SOLARZ, Mr. SOLOMON, Mrs. SPELLMAN, Mr. STACK, Mr. STANGELAND, Mr. STENHOLM, Mr. STOCKMAN, Mr. SYMMS, Mr. TAUKE, Mr. TRIBLE, Mr. VANDER JAGT, Mr. WALKER, Mr. WAMPLER, Mr. WAXMAN, Mr. WEAVER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WOLPE, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska.  
 H. Con. Res. 202: Mrs. HECKLER, Mr. DODD, Mr. SOLARZ, Mr. AMBRO, Mr. EDWARDS of California, Mr. YATES, Mr. FRENZEL, Mr. LENT, Mr. OBERSTAR, Mr. LONG of Maryland, Mr. FISH, Mr. MARKEY, Mr. EVANS of the Virgin Islands, Mr. SKELTON, Mr. OTTINGER, Mr. STARK, Mr. DONNELLY, Mr. KILDEE, Mr. WAXMAN, Mr. ALBOSTA, Mr. THOMPSON, Mrs. SPELLMAN, Mr. BEILSON, Mr. PEYSER, Mr. AUCOIN, Mr. LAGOMARSINO, Mr. CARNEY, Mr. GRADISON, Mr. MATHIS, Mr. MURPHY of Pennsylvania, Ms. HOLTZMAN, Mr. GILMAN, Mr. ROE, Mr. FOWLER, Ms. FERRARO, Mr. CHARLES WILSON of Texas, Mr. GREEN, Mr. MITCHELL of Maryland, Mr. ADDABBO, Mr. SOLOMON, Mr. BIAGGI, Mr. MARKS, and Mr. WOLFF.

to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2608

By Mr. SEIBERLING:

—On page 12, line 18, strike "by October 1, 1979" and insert in lieu thereof: "within 90 days of enactment of this legislation".

H.R. 4904

By Mr. JEFFORDS:

—On page 109, after line 2, insert the following new subsection (c):

"(c) Notwithstanding any other provision of law, the Secretary of Agriculture, at the request of the governor, in accordance with arrangements entered into with the Secretary of Health, Education, and Welfare, shall pay each household—

"(1) of which every member is either over sixty-five or is eligible for grants to the blind or disabled in Guam, Puerto Rico, and the Virgin Islands;

"(2) which is eligible to participate in the food stamp program; and

"(3) which is not entitled to a payment under section 1619 of the Social Security Act;

an amount equal to the value of a coupon allotment to which the household is entitled under the Food Stamp Act of 1977. For the purposes of section 8(b) of the Food Stamp Act of 1977 pertaining to benefits provided being excluded as income or resources under other laws, an amount paid under this subsection shall be treated as the value of the coupon allotment. In the administration of such Act, a household which receives payments under this subsection for any month shall not be issued a coupon allotment for such month. Payments under this subsection shall be made at such time or times as the Secretary of Agriculture determines by rule and shall be designated (on any voucher or other record of payment) as 'Nutritional Supplement.'"

H.R. 5297

By Mr. SEIBERLING:

—On page 7, line 18 and 19, strike "by October 1, 1979" and insert in lieu thereof: "within 90 days of enactment of this legislation".

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

S. 212. By the SPEAKER: Petition of the Executive Director, American Public Works Association, relative to resolutions and policy statements of the association for 1979;

EXTENSIONS OF REMARKS

MORE ON ACTION: FROM SOCIAL SERVICE TO SOCIAL ACTIVISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 23, 1979

\* Mr. ASHBROOK. Mr. Speaker, it is no secret that I am not among the admirers of Sam Brown or his Action agency. During hearings before the Education and Labor Committee earlier this year, Mr. R. Kramer and I raised several questions about the administration of the program, particularly the widespread allegations about political activism under Mr. Brown's leadership. Many of our questions were glossed over by those who want to look the other way. Many remain unanswered.

The Republican Study Committee has published in its bulletin of this week,

an excellent study of the ACTION agency and some of its activities. Although the agency has won reauthorization, I intend to closely monitor the program. We all know that you can not teach an old dog new tricks and I think this column tells us why.

I urge my colleagues to read it.

ACTION'S PACE IS SLOWED; SHOULD BE EVEN SLOWER

Despite claims by agency officials that alleged illegal activities have been curtailed, ACTION staffers still manage to get into trouble by extending their activities beyond the legal scope of their job descriptions. Unfortunately, state and local officials have more of an idea of what goes on than we do here in Washington.

A small Arkansas paper, the Southern Standard, recently ran a story about a VISTA volunteer in Clark County who is paid through the state ACTION office and is assigned to an ACORN group as a community organizer. As has been noted in past Bulletin issues, ACORN was originally started in

Arkansas by a former member of the National Welfare Rights Organization; ACORN activities have always been oriented toward assisting the poor, and whenever possible ACORN has encouraged the poor to work through the political arena to achieve change. The state ACTION director is looking into alleged illegal activities by the VISTA worker, but no action has yet been taken. However, he said he was aware of the allegations of the illegal activities but did nothing until a group of local Clark County officials demanded some answers. City manager of Arkadelphia Hugo Blaas said after the meeting with the ACTION official, "From my personal viewpoint, and personal edification, I asked one basic question which is, by what authority does the federal government disperse federal monies as payroll to support groups who at times seem to go against the Democratic order of the right to choose and vote on matters? What activities are sanctioned under the Domestic Volunteer Service Act of 1973 under Section 403-b? It would appear that there is a conflict between the act and certain behavior of groups sponsored by the federal govern-

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