SENATE—*Thursday, December 6, 1979*

(Legislative day of Thursday, November 29, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the acting President pro tempore (Mr. HEFLIN).

PRAYER

The Reverend Henry L. H. Myers, D. Min., rector, Christ Church, Washington Parish on Capitol Hill, offered the following prayer:

Let us pray.

O Lord our Governor, bless the leaders of our land, that we may be a people at peace among ourselves and a blessing to other nations of the Earth.

Lord, keep this Nation under Your care.

We thank You for the natural majesty and beauty of this land. They restore us, though we often destroy them.

Heal us, good Lord.

We thank You for the great resources of this Nation. They make us rich, though we often exploit them.

Forgive us, good Lord.

We thank You for the men and women who have made this country strong. They are models for us, though we often fall short of them.

Inspire us, good Lord.

We thank You for the torch of liberty which has been lit in this land. It has drawn people from every nation, though we have often hidden from its light.

Enlighten us, good Lord.

We thank You for the faith we have inherited in all its rich variety. It sustains our life, though we have been faithless again and again.

Renew us, good Lord.

Help us to finish the good work here begun. Strengthen our efforts to blot out ignorance and prejudice, to abolish poverty and crime.

Finally, O Judge of the nations, we remember before You with gratitude the men and women of our country who in the day of decision ventured much for the liberties we now enjoy. Grant that we may not rest until all the people of this land share the benefits of true freedom and gladly accept its disciplines.

And hasten the day, good Lord, when all our people in one united chorus will glorify Your holy name.

Amen.

—COMMON PRAYER.

RECOGNITION OF THE MAJORITY LEADER

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

THE JOURNAL

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

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

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

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

Mr. TOWER. Mr. President, I reserve the remainder of my time.

RECOGNITION OF SENATOR HATCH

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Utah (Mr. HATCH) is recognized for not to exceed 15 minutes.

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

Mr. ROBERT C. BYRD. Mr. President, I ask that the time be charged against the order for 15 minutes for Mr. HATCH.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

S. 2086 AND S. 2087—THE LAW ENFORCEMENT AND PUBLIC SECURITY ACT AND THE PRIVACY ACT OF 1974

Mr. HATCH. Mr. President, I introduce and send to the desk for reference to the appropriate committees two bills, one entitled the "Law Enforcement and Public Security Act," and the other to amend the Privacy Act of 1974. The purpose of these bills is to amend the Freedom of Information Act, and the Privacy Act and to effect other changes in the law for the purpose of increasing the ability of law enforcement agencies to protect the public security.

I want to say a few words about the background of these bills.

Over the course of 1977 and 1978, I participated in a series of hearings dealing with the erosion of law enforcement intelligence and the impact this erosion has had on all aspects of public security—from the physical security of the patient in a hospital to the security of nuclear powerplants. The hearings were held under the auspices of, first, the Senate Subcommittee on Internal Security, and after July of 1978, under the auspices of the Subcommittee on Criminal Laws and Procedures. In these hearings we took the testimony of scores of law enforcement officials at the Federal, State, and local levels. A good deal of the testimony had to do with the impact of the Freedom of Information Act and the Privacy Act.

I want to emphasize that I strongly support the basic purposes of the Freedom of Information Act and Privacy Act. But it is in the nature of new legislation that it is frequently impossible to predict its precise consequences and that it may be as much as 4 or 5 years before a reasonably accurate assessment can be made of its pluses and minuses. As often as not, new legislation has to be amended after such a trial period. I believe that the time has come for a reexamination of the privacy legislation now on the books and of the entire question of security in our society.

The law enforcement witnesses whose testimony we took agreed on the point that the Freedom of Information Act and Privacy Act had brought some genuine benefits. Among other things they said that this legislation had assisted in the restoration of public confidence in Government and in criminal justice law enforcement. Witness after witness, however, testified that the FOIA and the Privacy Act, as they are written and as they are currently administered, have crippled law enforcement intelligence and hobbled law enforcement in general. They all recommended that these laws be amended with a view to striking a a better balance between the right of privacy and the needs of law enforcement. Only several months ago, FBI Director Webster formally submitted a carefully drawn set of amendments which, he felt, were essential to more effective law enforcement.

No one proposes the abolition of the FOIA or Privacy Act. As Prof. Charles Rice of the University of Notre Dame Law School told the subcommittee:

> What is necessary now is not a dismantling of those statutes but rather corrective surgery to bring them more into line with their original and laudable purpose.

Mr. President, in the paragraphs that follow, I intend to describe the major provisions of my legislation, in each case stating the justification for the provision and the purpose it is intended to accomplish.

TITLE I, SECTION 101

As matters now stand, Government agencies are required to respond within 10 days to freedom of information requests. It is universally recognized that this time limit is arbitrary and unachievable with the best of intent. Government agencies today will in most in-

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

stances acknowledge the receipt of a request within 10 days of its arrival. In the very great majority of cases, however, requests take substantially more than 10 days to process. In part, this is because of the serious backlog of requests in most Government agencies; in part, it is due to the fact that those responsible for writing the laws simply failed to take into account the enormous amount of time that would be required to go through files containing sensitive information on a page-by-page, paragraph-by-paragraph, word-by-word basis.

All of the witnesses from Government agencies who testified before the Senate Subcommittee on Internal Security, later the Subcommittee on Criminal Laws and Procedures, agreed on the point that the 10-day time limit was completely unworkable. The amendment to FOIA suggested in section 101—which closely parallels the recommendations of the FBI on this point—is designed to provide agencies with more realistic time limits in which to respond. The time limit in the case of each request would be prorated against the number of record pages encompassed by the request.

Section 103: FOIA exempts certain categories of information from the requirement of release. The purpose of section 103 of the Law Enforcement and Public Security Act is to expand the list of exemptions to cover areas not now exempted by FOIA.

Testimony taken by the Subcommittee on Internal Security established that the U.S. Customs had been obliged to release a roster of women custom inspectors, in response to a request from the women's division of the ACLU. DEA also testified that they were concerned that they might have to release rosters of law enforcement personnel—although they said that they would bitterly resist such a release.

The proposed amendment would put a blanket exemption on the release of rosters of law enforcement personnel and the personnel of national intelligence agencies.

Witnesses before the subcommittee also testified that they would favor a blanket prohibition on the release of confidential law enforcement training manuals, investigative handbooks, and manuals dealing with confidential investigative technologies. This is an area where FOIA is ambiguous and subject to varying interpretations. DEA, for example, testified that they had been obliged to release to a felon, serving time in prison on a drug offense, a copy of a confidential DEA manual dealing with methods used by drug traffickers to manufacture liquid hashish.

The proposed amendment provides for a blanket exemption covering all confidential law enforcement training manuals, investigative handbooks, and manuals dealing with confidential investigative technologies.

The subcommittee took much testimony relating to the increasing reluctance of State and local government agencies and of foreign governments to share law enforcement intelligence with the U.S. agencies because of the fear that this information might be disclosed pursuant to a Freedom of Information or Privacy Act request. The proposed amendment (para. (12), page 4) seeks to deal with this situation by exempting from disclosure all information received from foreign governments or from State and local government agencies on a confidential basis.

Section 104: Under FOIA, requests for information from foreign nationals have precisely the same status as requests for information from U.S. citizens. It was pointed out in the course of the subcommittee's hearings that not only could criminal elements in other countries conducting operations in the United States, or tied in with criminal operations in the United States, discover how much Federal law enforcement agencies knew about their activities, but that this provision of the law could also be used to good advantage by members of foreign intelligence agencies. The proposed amendment establishes that "the provision of information to foreign nationals, other than those admitted for legal residence to the United States, shall not be mandatory, but each agency may, at its discretion, promulgate regulations that provide for access to records and the availability of information to foreign nationals and corporate entities."

Section 105: Law enforcement agencies have complained that when applicants under FOIA bring court challenges against decisions by law enforcement or intelligence agencies to withhold records on the basis of exemptions specified in FOIA, the court procedure itself has sometimes brought about de facto release of the information they sought to protect. Section 105 seeks to remedy this situation by specifying, first, that in all such cases the court examination of the material for which an exemption is claimed shall take place in camera, and second, that the court shall maintain under seal any affidavits submitted to the court by a law enforcement or intelligence agency requesting an in camera examination. This parallels one of the basic recommendations of the FBI.

Section 106: Point 7 of this section is motivated by the need to protect law enforcement intelligence and to protect informants against the possibility of identification as the result of the release of information under FOIA. As testimony before the subcommittee established, informants have become a nearly extinct species in consequence of the growing apprehensions about the jeopardy in which they have been placed by FOIA and the Privacy Act. The proposed amendment closely follows the provisions of one of the amendments by FBI Director Webster. It calls for a blanket ban on the release of records maintained, collected, or used for law enforcement purposes, for a period of 10 years after termination of an investigation without prosecution, or for a period of 10 years after the disposition of a case, or, where a prison sentence was imposed, for a period of 10 years after the termination of the sentence.

This provision will make it much more difficult for criminal elements to utilize FOIA for their own purposes, and will at the same time, when coupled with the other restrictions on the release of information, provide a much higher degree of protection for informants.

Section 107: Witnesses before the subcommittee complained that their agencies are in many cases plagued by requests for records that consist primarily of newspaper clippings, magazine articles, court records, and other items which are publicly available, but which now have to be xeroxed and copies sent to the requesting parties. They also complained about the burden of repetitive requests from the same parties, each request requiring not just an updating of the previous response but the copying of all the file material which was not subject to exemption. Finally, they thought it would be better, even where agency records contain no confidential information obtained from other agencies, that the burden of disclosure be imposed on the originating agency.

To deal with these criticisms of FOIA as it operates today, the proposed amendments, paragraphs 7, 8, and 9 stipulate that:

First. In cases in which a portion of a record requested, consists of newspaper clippings, magazine articles, court records, or any other item which is public record. The agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

Second. Any person making a request to an agency for records under FOIA shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person shall make more than one request per year per agency on any one subject. In any case in which a person makes more than one request on the same subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor. It shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to these requirements.

Third. In any case in which the records requested contain information which has been received on a non-confidential basis from another agency, the agency to which the request is addressed may notify the person seeking access to the records that the information requested is available with the original agency, and the burden of disclosure shall be with originating agency.

These three provisions are repeated in

title II of the proposed bill, which deals with amendments to the Privacy Act of 1974.

Section 109: This section, which is to be added to FOIA, has to do with access to criminal background information of prospective employees. Witnesses for the American Society for Industrial Security testified that there is nothing illegal about doing a criminal background check on a prospective employee—but while such information is publicly available at the county courthouse and district court level, it becomes unavailable when the bits and pieces are brought together under Federal control from all over the country. This makes it possible to lose a criminal background record simply by moving from one part of the country to another. The result of this is that hospitals have no way of knowing whether they are employing applicants who have prior convictions for rape, arson, or drug offenses; insurance companies have no way of knowing whether an applicant has a prior conviction for conspiracy to commit fraud; nuclear powerplants have no way of knowing whether applicants have records as terrorists. Frequently employers will discover that employees have prior criminal background records only at the point where these employees are apprehended and indicted in connection with the commission of some new crime.

The proposed amendment stipulates that Federal law enforcement agencies shall be required, upon request under FOIA, to release criminal background information to prospective employers—subject to two important limitations:

First. Such information shall be available only to prospective employers who are engaged in work which relates to the national security in the cases of hospitals or nursing homes, gives employees access to drugs or physical access to residents.

Second. The second qualification has to do with the nature of the information that is to be released. In the interest of protecting young people who may be picked up for pot smoking, shoplifting, or other misdemeanors, all information relating to misdemeanors, under the terms of this provision, are barred from release. With this across-the-board exception, Federal law enforcement agencies shall be required to release the criminal history record of a prospective employee reflecting convictions, reflecting arrests for charges that have not resulted in convictions, but only where there have been three or more such arrests.

It frequently happens that criminal elements are arrested and indicted a number of times—even many times—for similar or related crimes before they are finally convicted. While one or even two arrests without conviction may signify nothing, at the point where there has been three or more such arrests, prudence suggests that there is serious reason for concern. Again it is to be emphasized that this provision talks about arrests other than for misdemeanors.

Under this section, but in the case only of business related to the national security—the FBI and other law enforcement agencies, if they have intelligence on file which gives serious reason for believing that an applicant for employment is or has been involved in terrorist or terrorist support activities, or in espionage, or that he is a knowing, active and purposive member of a group about which the FBI maintains intelligence for national security purposes, shall be authorized, upon the approval of the Attorney General or his designee, to release such information to a prospective employer, even in the absence of an arrest or conviction.

This section contains a strong stipulation of confidentiality. It provides that criminal background information shall be released to prospective employers on the strict understanding that it is for the use of the employer, and that the release of this information to any third party shall be a violation of the law punishable by a fine of up to $10,000.

Section 203: Under the FOIA and Privacy Acts, requesters can be charged for the costs of copying the records for which they have requested access, but not for the other labor involved—which generally far exceeds the cost of copying. Agencies receive numerous frivolous requests or repetitive requests from the same citizen, all of which have to be accorded precisely the same treatment as serious requests. In order to discourage frivolous or repetitive requests, it is proposed in this section that, in addition to the cost of duplication, applicants be charged a flat fee of $10 for processing their request. This will not eliminate all abuses of FOIA—but it will eliminate a significant volume of them.

This same section is repeated in the amendments to the Privacy Act.

Section 204: Under the Privacy Act of 1974 and under FOIA, applicants may be denied access to the information contained in their files if they are the subject of current investigations. The trouble is that, in invoking this exclusion, responding Government agencies must, in effect, let the applicants know that they are under current investigation. The release of such information to criminal elements obviously undermines the hand of law enforcement.

The proposed amendment stipulates that "in the interests of not alerting applicants to the fact that they are under criminal investigation, responding law enforcement agencies shall be required to develop a standard form response, applicable both to applicants about whom there is no information and applicants who are the subject of current investigations."

Mr. President, I earnestly hope that the Senators will give this legislation the careful attention which it merits. I note that it incorporates all of the major amendments recommended by FBI Director Webster—but to these are added a number of amendments recommended by the various law enforcement witnesses who testified, and several other provisions that have been developed in the course of discussions with my staff.

In connection with this legislation I would strongly urge the Senators to carefully examine the report on "The Erosion of Law Enforcement Intelligence and Its Impact on the Public Security" which was distributed to them in January of this year.

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

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2086

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 "Law Enforcement and Public Security Act".

AMENDMENTS TO THE FREEDOM OF INFORMATION ACT

SEC. 2. Section 552(a)(6)(A) of title 5, United States Code, is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

"(i) within 30 days after receipt of the request, notify the person making the request of such receipt, the number of pages encompassed by the request, and the time limits imposed upon the agency under clause (ii) for responding to the request;

"(ii) determine whether to comply with the request and notify the person making the request of such determination and the reasons therefor, within 60 days from receipt of the request (excepting Saturdays, Sundays, and legal public holidays) if the request encompasses less than 200 pages of records, with an additional 60 days (excepting Saturdays, Sundays, and legal public holidays) permitted for each additional 200 pages of records encompassed by the request, up to a maximum period of one year;

"(iii) notify the person making the request of the right of such person to appeal to the head of the agency any adverse determination; and"; and

(2) by redesignating clause (ii) as clause (iv).

SEC. 3. The first and second sentences of section 552(a)(6)(B) of title 5, United States Code, are amended to read as follows: "Any person making a request to any agency for records under paragraphs (1), (2) or (3) of this subsection shall be deemed to have exhausted his administrative remedies with respect to such request if the agency fails to comply with the applicable time limit provisions of this paragraph. If the agency can show that exceptional circumstances exist and that the agency is exercising due diligence in attempting to respond to the request, the court shall allow the agency additional time to complete its review of the records.".

SEC. 4. Section 552 (b) of title 5, United States Code, is amended—

(1) in paragraph (8), by striking out "or" at the end thereof;

(2) in paragraph (9), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"rosters of law enforcement personnel or of the personnel of any national intelligence agency;

"(11) confidential law enforcement training manuals, investigative handbooks, and manuals dealing with investigative technologies, developed by the department or agency, or developed through research contracts entered into by the department or agency; or

"(12) any information received on a confidential basis from a foreign government or from a State or local government agency.".

Sec. 5. (a) Section 552(e) of title 5, United States Code, is amended—

(1) by inserting "(1)" immediately after "(e)"; and

(2) by adding at the end thereof the following:

"(2) For the purposes of this section, the term 'person' means a 'United States person' as defined by the Foreign Intelligence Surveillance Act of 1978.".

(b) Section 552 of that title is amended by adding at the end thereof the following:

"(f) The head of each agency may promulgate regulations which provide for access to records by, and the availability of information to, foreign nationals and foreign corporate entities under the provisions of this section. This section does not require the provision of information or access to records to foreign nationals or to foreign corporate entities.".

SEC. 6. Section 552(a)(4)(B) of title 5, United States Code, is amended by inserting the following immediately after the second sentence: "If the court examines the contents of any records of a law enforcement or intelligence agency withheld by the agency under any of the exemptions set forth in subsection (b)(1), (b)(3), or (b)(7), the examination shall be in camera. The court shall maintain under seal any affidavit submitted to the court by a law enforcement or intelligence agency to examine in camera.".

SEC. 7. (a) Section 552(b)(7) of title 5, United States Code, is amended to read as follows:

"(7) subject to the provisions of subsection (f), records maintained, collected, or used for law enforcement purposes, but only to the extent that the production of such law enforcement records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy or the privacy of a natural person who has been deceased for less than 25 years, (D) tend to disclose the identity of a confidential source, including a State or local government agency or foreign government which furnished information on a confidential basis, and in the case of a record maintained, collected, or used by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished by the confidential source, (E) disclose investigative techniques and procedures, (F) endanger the life or physical safety of any natural person, or (G) disclose information relating to any investigation of organized crime, espionage, or any conspiratorial activity specified by the Attorney General;".

(b) Section 552 of such title is amended by adding at the end thereof the following:

"(f) A law enforcement agency shall not make available any records maintained, collected, or used for law enforcement purposes which pertain to a law enforcement investigation until the date which is—

"(1) 10 years after the termination of any investigation not resulting in prosecution;

"(2) if the person who is the subject of the record has been the subject of two or more investigations not resulting in prosecution, 10 years after the termination of the last investigation; or

"(3) if the person who is the subject of the record has, as a result of an investigation, been convicted and subject to probation or a sentence of imprisonment or fine, 10 years after the termination of probation, the term of imprisonment, or the imposition of the fine, as the case may be.

SEC. 8. Section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(7) In any case in which a portion of a record requested under this subsection consists of newspaper clippings, magazine articles, court records, or any other item which is public record or otherwise available, the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

"(8) Any person making a request to an agency for records under this section shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person may make more than one request per year per agency on any general subject. In any case in which a person makes more than one request on the same general subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor but shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to the requirements of this paragraph.

"(9) In any case in which the record requested contains information which has been received from another agency and such information has not been received on a confidential basis, the agency may notify the person requesting the record that such information is available with the originating agency and the burden of disclosure under this section shall be with the originating agency.".

SEC. 9. Section 552(a)(4)(A) of title 5, United States Code, is amended to read as follows:

"(4)(A) Each person requesting a record under this section shall be charged a fee of $10 plus the costs of duplication. Documents shall be furnished without charge or at a reduced charge in any case in which the agency determines that a waiver or reduction of the fee is justified upon a showing of financial hardship.".

SEC. 10. (a) Section 552(b) of title 5, United States Code, is amended by striking out "This section does not" and inserting in lieu thereof "Subject to the provisions of subsection (g), this section does not".

(b) Section 552 of such title is amended by adding at the end thereof the following:

"(g)(1) Notwithstanding any provision of subsection (b), upon a written request which otherwise meets the requirements of this section from a prospective employer engaged in (A) production, distribution, research, special studies or other activities related to the national security, or (B) in the case of a hospital or other health care facility, a business which provides employees access to drugs or physical access to patients or residents, a law enforcement agency shall furnish the prospective employer the following criminal history information with respect to a prospective employee:

"(i) Prior convictions other than for misdemeanors, including the date, location, charge, and sentence imposed for each conviction.

(ii) Prior arrests which have not resulted in conviction, other than for misdemeanors, including date, location, charge, and disposition, if three or more such arrests are reflected in the records.

"(2)(A) If a law enforcement agency has serious reason to believe that a prospective employee is engaging or has been engaged in espionage, terrorist or terrorist support activities, or that such prospective employee is a knowing, active, and purposive member of a group about which the Federal Bureau of Investigation maintains intelligence for national security purposes, the agency, upon a written request which otherwise meets the requirements of this section by any prospective employer, engaged in production, distribution, research, special studies, or other activities related to the national security, shall so inform such prospective employer unless the release of such information might prejudice the national security.

"(B) No information may be released under subparagraph (A) without the approval of the Attorney General or his designee.

"(3) Any information provided to a prospective employer in accordance with this subsection shall be used only by such employer, and the release of such information to any third party by an employer shall be an offense punishable by a fine of not to exceed $10,000.".

SEC. 11. Section 552(b) of title 5, United States Code, is amended by adding at the end thereof the following: "Each agency which carries out law enforcement functions shall prepare and furnish the same general standardized written response for issuance to any person making a request for records under this section to be used both in cases where the agency does not have the records requested and in cases where the records are protected from disclosure because disclosure would reveal that a criminal investigation concerning the person is in progress.".

S. 2087

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 552a of title 5, United States Code, is amended by adding at the end thereof the following:

"(r) PUBLIC RECORD.—In any case in which a portion of a record requested under this subsection consists of newspaper clippings, magazine articles, court records or any other item which is public record or otherwise available, the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

"(s) REQUEST HISTORY.—Any person making a request to an agency for records under this section shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person may make more than one request per year per agency on any general subject. In any case in which a person makes more than one request on the same general subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor but shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to the requirements of this paragraph.

"(t) INFORMATION FROM OTHER AGENCIES.—In any case in which the record requested contains information which has been received from another agency and such information has not been received on a confidential basis, the agency may notify the person requesting the record that such information is available with the originating agency and the burden of disclosure under this section shall be with the originating agency.".

SEC. 2. (a) Section 552a(k)(2) of title 5, United States Code, is amended to read as follows:

"(2) subject to the provisions of subsection (u), records maintained, collected, or used for law enforcement purposes, but only to the extent that the production of such law enforcement records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy or the privacy of a natural person who has been deceased for less than 25 years, (D) tend to disclose the identity of a confidential source, including a State or local government agency or foreign government which furnished information on a confidential basis, and in the case of a record maintained, collected, or used by a criminal law enforcement authority in the course of a criminal

investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished by the confidential source, (E) discloses investigative techniques and procedures, (F) endanger the life or physical safety of any natural person, or (G) disclose information relating to any investigation of organized crime, racketeering, espionage, or any conspiratorial activity specified by the Attorney General;".

(b) Section 552a of such title is amended by adding at the end thereof the following:

"(u) LAW ENFORCEMENT RECORDS.—A law enforcement agency shall not make available any records maintained, collected, or used for law enforcement purposes which pertain to a law enforcement investigation until the date which is—

"(1) 10 years after the termination of any investigation not resulting in prosecution;

"(2) if the person who is the subject of the record has been the subject of two or more investigations not resulting in prosecution, 10 years after the termination of the last investigation; or

"(3) if the person who is the subject of the record has, as a result of an investigation, been convicted and subject to probation or a sentence of imprisonment or fine, 10 years after the termination of probation, the term of imprisonment, or the imposition of the fine, as the case may be.".

SEC. 3. Section 552(f)(5) of title 5, United States Code, is amended to read as follows:

"(5) provide that each person requesting a record under this section shall be charged a fee of $10 plus the cost of duplication, except that documents shall be furnished without charge or at a reduced charge in any case in which the agency determines that a waiver or reduction of the fee is justified upon a showing of financial hardship.".

SEC. 4. Section 552a(e) of title 5, United States Code, is amended by adding at the end thereof the following: "Each agency which carries out law enforcement functions shall prepare and furnish the same general standardized written response to a person making a request for records under this section both in cases where the agency does not have the records requested and in cases where the records are protected from disclosure because disclosure would reveal that a criminal investigation concerning the person is in progress.".

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will begin at 10 o'clock on legislation with respect to Rhodesia. Until then, I know of no Senator who wishes to speak. I think I might take this occasion to say that it is going to be necessary to find some way to speed up the action on the windfall profit tax bill. The Senate began its consideration of that bill 3 weeks ago today, November 15, on a Thursday, 3 weeks ago today.

We have 2 weeks remaining before Christmas week, and in that 2 weeks the Senate should complete action on the windfall profit tax bill and on the Chrysler legislation. I have not made any decision pro or con on the Chrysler legislation itself; I prefer to wait until such time as it comes before the Senate. But I think that the Senate has a duty to discuss it and work its will on the legislation, and time is just running out.

Early in the year, I knew that we would find ourselves in a time bind when we neared the end of the session, but even though I knew that, I said we would have no Friday sessions through June. We had only two Friday sessions during the first 6 months of this year. That gave committees an opportunity to meet and do their work on important legislation. I think the Senate has done very well. It has acted on a great number of important bills this year.

But I urge all Senators to think about the problem that confronts us. Today is the beginning of the fourth week on this bill. We still have the Chrysler bill ahead of us. If the Senate does not complete action on these two measures by the 21st, which is Friday 2 weeks from tomorrow, whereas I had hoped that the Senate could go out for a month and come back in late January, I do not think that the Members of the Senate could, under these circumstances, go home for Christmas and stay out a month.

I just do not think that we could do that. I think that the Senate would subject itself to public obloquy and opprobrium and justified criticism.

I still hope that we can be out a month. After all, we need to make some preparations for the next session, which is going to be a grueling one. Now, with cooperation and understanding and a strong effort on the part of all Senators, the Senate can complete floor action on this bill and can complete action on the Chrysler legislation before the Christmas break.

Now, keep in mind that the Chrysler legislation also needs to go to conference. Time is of the essence, I am told, in connection with Chrysler, although there are those who are opposed to the legislation who would not be moved by that statement.

But, as far as I am concerned, the Senate ought to act on the legislation one way or the other, up or down. Simply because we are caught in a time vise at this point does not mean that we will not be able to come back immediately after New Year's Day and continue our work if these two bills are not passed beforehand.

This is not a threat. I am simply attempting to lay out for the record the problem that confronts us.

Senator LONG is willing to manage the excess profits tax bill this Saturday. Senator DOLE, who is the ranking member, for good reason, cannot be here Saturday. I had hoped that we could have a day of business on Saturday, because we do not have many days left.

This is the 6th of December. We have today and tomorrow. That is 2 days. And then, if we are in session next Saturday, the 15th, that is 6 days. Then if we are in session through the 21st, that is 5 additional days, or a total of 13 days. That is all the time we have before Christmas, unless we should also be in session on Saturday the 22d, and that would be 14 days. So time is running out.

I am merely calling this to the attention of Senators. I know they are busy. But we need to take occasion to reflect on the job that is still ahead of us.

Now, if there is any disposition on the part of any Senators to delay action on the windfall profit tax bill or on Chrysler, hoping, thereby, to avoid any debate on the SALT treaty this year, they might just as well disabuse themselves of the thought, because there just is not any time left this year to proceed with SALT. We have our platter full with the two bills that I have mentioned.

How is the Senate going to look if it goes home for Christmas and stays out a month and has not passed the excess profits tax bill? How is the Senate going to look if it goes out for Christmas and does not come back until the latter part of January and has not acted upon the Chrysler legislation?

I hope that during the day we can discuss these matters among ourselves and determine if we can find a way to dispose of these two matters and then go home for Christmas and come back in the latter part of January; obviously we cannot now take up the SALT treaty this year, if that is a factor in delaying the action on the pending measure.

Mr. TOWER. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. Mr. President, may I say that there is no disposition on the Republican side of the aisle to delay action on the measure that we are currently engaged in debating and amending, the so-called windfall profit tax bill.

There are some strong feelings about Chrysler. But I believe that we can probably get agreements that would permit us to take up and dispose of Chrysler in an expeditious manner.

I agree with the distinguished majority leader that it is incumbent on us to act on Chrysler one way or the other and dispose of the matter, because I think delay does not work to anyone's particular benefit. I hope, along with the majority leader, that we can dispose of that matter and, if necessary, even set aside the tax bill for such time as we may require to dispose of Chrysler, because it is a matter of the greatest urgency.

A little delay probably would not be fatal to anybody, in terms of the so-called windfall profit tax bill. But Chrysler certainly should be dealt with in a very timely fashion, because time is running out for Chrysler.

So I would suggest that we are prepared to cooperate on this side of the aisle in trying to seek agreements that would result in expeditious disposition of the Chrysler legislation.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader. We will be talking about this as we proceed later on today.

Mr. TOWER. Will the distinguished majority leader yield again?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. The Senator from Minnesota (Mr. DURENBERGER), has a little morning business that he wanted to dispose of. Is it possible that we could have a brief morning business session now?

Mr. ROBERT C. BYRD. Yes.

ROUTINE MORNING BUSINESS

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

tine morning business, that it close in accordance with the order previously entered, and that Senators may speak during that period.

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

The Senator from Minnesota (Mr. DURENBERGER) is recognized.

(The remarks of Mr. DURENBERGER at this point in connection with the introduction of legislation, are printed under Statements on Introduced Bills and Joint Resolutions.)

COMMUNITY EDUCATION, 10TH ANNIVERSARY

Mr. DURENBERGER. Mr. President, I wish to call to the attention of my colleagues in the Senate and of the Nation the 10th anniversary of community education in the State of Minnesota.

Ten years ago this week, then Gov. Harold LeVander, whom I was privileged to serve as executive assistant, opened the Nation's first "Governor's Conference on the Lighted School"—an event which recognized our need and ability to expand the use of facilities and other resources already committed to elementary and secondary education in each community, by using them for providing educational opportunities to older citizens.

Following that commitment of support by one of our State's great Governors, the legislature, under the leadership of Senator Jerry Hughes, authorized formation of what was to become the Nation's first statewide advisory council on continuing and community education.

With funding assistance from the Mott Foundation of Flint, Mich., and staff and program development initiatives by St. Thomas College in St. Paul, 320 school districts during the ensuing decade developed evening and weekend program, tailor made to the needs and interests of adults and senior citizens who wish to pursue a program of personal enrichment.

The objective of the developing statewide network of local and regional education programs in Minnesota is to provide every individual with an opportunity for lifelong learning—continuing their education not in areas directly related to job or profession, but relating to leisure or academic or personal development interests.

Continuing and community education works in Minnesota. This year the State had more school districts with lifelong education programs than any other State in the Nation. Nearly 2 million adults, including about 180,000 senior citizens, enrolled.

Today it is the fastest growing program for which the State department of education has responsibility.

The people of Minnesota are confident that community education is worthwhile enough to voluntarily spend their tax dollars on local programs that have wide popular acceptance and respect. Currently, participating school districts levy from $1 to $2.50 for every adult and child within the community while the State contributes 75 cents per individual to assist the programs which thereafter become largely self-supporting.

Mr. President, for Members of the Senate and others who have an interest in becoming more familiar with the Nation's finest community education programs, I recommend that they request the loan of two films entitled "To Touch a Child" and "Sense of Community" available through the State Department of Education in St. Paul, Minnesota.

It is with much pride, Mr. President, that I congratulate my State on its 10th anniversary of the "Lighted School" and that I broadcast this event to my colleagues in the Senate and to the Nation which, every year, is looking more to Minnesota as a model for continuing/community education.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

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

TERMINATION OF SANCTIONS AGAINST ZIMBABWE-RHODESIA

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10 a.m. having arrived, the Senate will now proceed to the consideration of S. 2076, which the clerk will state by title. The time for consideration of this bill is limited to a total of 1 hour.

The legislative clerk read as follows:

A bill (S. 2076) to require the President to terminate sanctions against Zimbabwe-Rhodesia under certain circumstances.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. The time is equally divided between the Senator from Delaware and the Senator from New York.

Mr. JAVITS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, when Senator HELMS arrives in the Chamber, or his designee, I will yield the time which has been allocated to me to him or to his designee. In the meantime, Mr. President, I yield the floor and reserve my time.

Mr. BIDEN. Mr. President, I would like to begin by presenting a very noncontroversial request. I would like unanimous consent to have Pauline Baker and David Johnson, of the Foreign Relations Committee staff, be admitted to the floor during the consideration and debate on this issue.

Mr. JAVITS. And will the Senator add Esther Kirk, of my staff?

Mr. BIDEN. And Esther Kirk, of Senator JAVITS' staff.

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

Mr. BIDEN. Mr. President, at a time when events elsewhere seem particularly grim, we are greeted this morning with happy news from London: A settlement has finally been reached on every major issue of the Rhodesian conflict. As you know, Mr. President, the Committee on Foreign Relations has been considering the question of Rhodesian sanctions over the past few weeks, and we have always worked in the hope that the London Conference on Rhodesia would succeed. It appears that our hopes have been met. It is in the spirit of compromise and cooperation that I am pleased to introduce, on behalf of the Foreign Relations Committee, an original bill S. 2076 requiring the President to terminate sanctions against Zimbabwe-Rhodesia under certain circumstances.

Mr. President, under the terms of the State Department Authorization Act for 1980 and 1981, which the Senate passed last summer, the President was required to lift sanctions against Rhodesia by November 15, 1979, unless he determined that doing so would not be in the best interests of the United States.

As the date approached, it became clear that the November 15 deadline was an unfortunate one. In London, all parties to the Rhodesian Conference had already agreed upon a new constitution and even upon transition arrangements for a new government. Only the details of the cease-fire remained to be worked out. After 14 years of frustrated attempts to reach agreement on a settlement for Rhodesia, this conference had nearly achieved an astounding success. But not quite. As long as a new final issue remained, the British Government—which has primary responsibility for Rhodesia—decided to leave the bulk of sanctions in force. Other countries also left sanctions in place.

Thus, if the President had acted to lift sanctions on November 15, the United States would have been the first country in the world to take such a significant step. Since events in London had reached a critical stage, a striking move by the United States could well have disrupted the final phase of delicate negotiations. The President determined that he would not presently lift sanctions but would do so "once a British governor assumes authority in Salisbury and a process leading to impartial elections" had begun.

This Presidential determination placed the Congress in a difficult situation. Under the terms of the State Department Authorization Act, Congress had 30 days to override the President's decision by a concurrent resolution. If it did not act within 30 days, the President's decision would stand and Congress would lose the opportunity under the act for direct control over the decision on Rhodesian sanctions. Seeking to exercise congressional authority, my distinguished colleagues, Senator HELMS and Senator HAYAKAWA, introduced resolutions to reject the President's determination, and these were referred to the Foreign Relations Committee.

The committee has now met over three long sessions to work out a proper and prudent course. In the course of our deliberations, the members of the committee have sought to achieve sev-

eral objectives. First, the committee believes it is important for the United States to coordinate its policy with that of Great Britain without taking steps that would compromise the integrity and the independence that the United States must have in its actions abroad.

Second, the committee seeks to give serious attention to the administration's concerns over the potentially negative impact which Senate action on sanctions could have on the London settlement.

Third, we want to respect the full range of congressional views, including the strong affirmation so well articulated by Senator JAVITS that the executive and legislative branches should maintain a spirit of equal partnership in arriving at a final decision.

I should not parenthetically that, as usual, whenever any difficult impasse is reached on a touchy question requiring timing and diplomacy, in my 5 years on that committee it is always Senator JAVITS who finds us a way out which is both honorable and makes sense. Once again he brought to bear his not inconsequential powers on the resolution of a legislative impasse on this matter.

By avoiding prejudice to any Senator's rights, we believe that the Senate can take effective action on Rhodesia without needing to exercise our present power to overturn the President's determination.

The committee unanimously agrees that the present bill, S. 2076, meets all of the demanding goals for effective action in Rhodesia at this time. The administration also fully supports the position we have reached.

The bill is directly responsive to current, important events. Rather than conditioning the lifting of sanctions upon a single, future date, the bill sets January 31 as an outside deadline for a Presidential determination and then directs the President to terminate sanctions against Rhodesia at an earlier time if a British governor arrives in Salisbury and assumes his duties. With the remarkable progress now being made, there is every indication that this new condition for a Presidential lifting of sanctions will come much quicker than January 31—perhaps as soon as a few days or a week from now.

The bill also gives the President and the Congress the crucial flexibility to gear U.S. actions on sanctions with those taken by other Members of the international community. Great Britain and several other countries have indicated that they will lift all sanctions against Rhodesia when a British governor arrives in Salisbury. This bill recognizes that event as one of signal importance. The President has indicated that he will lift sanctions when the British governor arrives and assumes his duties. However, if unanticipated circumstances arise which prevent him from doing so, the Congress will have the opportunity to override the President's determination, if it so chooses. By this formula, we recognize the importance of the resumption of British authority in Rhodesia—without losing sight of our right to make our own foreign policy judgments.

Finally, in passing this bill, Congress remains a full partner in the sanctions determination process. The President is given the authority to make the initial determination on sanctions. Through the Secretary of State, the President has already indicated to members of the Foreign Relations Committee that "when the British governor arrives in Salisbury to implement an agreed Lancaster House settlement and the electoral process begins," he will then "take prompt action to lift sanctions" and the administrative details of ending the embargo will be complete "within 1 month after the governor's arrival." The Secretary of State goes on to promise that if an agreed settlement is not reached in London—which now scarcely seems possible—the administration will "consult with the respective committees of the Senate and House regarding the course of action which best serves the national interest." If—after all this—the President still issues a determination on Rhodesian sanctions which the Congress does not like, then we can overrule the President by concurrent resolution within 30 days.

So, by voting for this bill, we are giving away nothing. Yet we are gaining a great deal. We are helping the United States to coordinate efforts and to join in one of the few real successes which the West has recently had in the Third World. We are sending a timely, clear signal that this body and this Nation prize peaceful, negotiated solutions and reject chaotic reactions in crises abroad. We are voting for a triumph in London of statesmanship and diplomacy. And so, by voting for S. 2076, we are voting for peace.

At this point Mr. President, I ask unanimous consent that the two newspaper articles published this morning, one in the New York Times and the other in the Washington Post, be printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. BIDEN. I also point out that back in August, a few of my colleagues and I met privately for a few hours with Lord Carrington in his chambers and discussed the matter, among other things. At that time, Lord Carrington and the British had just initiated this action. They were not overly optimistic but, in the fine British tradition, committed to be tenacious on this point.

I should like to extend publicly what I have done privately in a letter, my congratulations to Lord Carrington on what I believe to be a very, very statesmanlike solution that the British have reached in the best traditions of the British and Lord Carrington in particular.

[From the New York Times, Dec. 6, 1979]

EXHIBIT 1

BRITISH AND REBELS AGREE ON CEASE-FIRE IN THE RHODESIA WAR

(By R. W. Apple, Jr.)

LONDON, December 5.—Tentative agreement was reached tonight on a cease-fire in the guerrilla struggle in Zimbabwe Rhodesia, raising hopes for a peaceful conclusion to 14 years of bitter racial conflict in a strategically significant part of southern Africa.

Lord Carrington, the British Foreign Secretary, said that the Patriotic Front guerrilla alliance had accepted the broad outlines of Britain's cease-fire proposals in the final major phase of the 13-week-old Lancaster House negotiations on the future of Zimbabwe Rhodesia. A new constitution and arrangements for the transition from war to all-party elections was agreed upon earlier.

"What we have got to do now is to tie up the details, and they oughtn't to take very long," Lord Carrington said "With good will, and I am sure that after today there is good will, we ought to be able to tie up the details in a few days. Then all the mechanics and all the opportunities for a lasting peace will be there."

WAR'S END SEEN ONLY DAYS AWAY

The Foreign Secretary was evidently jubilant at having reached an objective toward which his predecessors had vainly striven. His associates seemed genuinely convinced that an end to the war, which has taken 21,000 lives, was only a matter of days away.

But the details of which Lord Carrington spoke are matters of grave concern not only to the Patriotic Front but also to the Government of Prime Minister Abel T. Muzorewa in Salisbury. They could affect the outcome of the elections and their aftermath, and therefore a hitch is still possible. Among the central issues are the timing of the cease-fire and the number of "assembly points" where the guerrillas will be required to gather before the voting.

MUGABE SPEAKS OPTIMISTICALLY

Eddison Zvobgo, a senior Patriotic Front spokesman, emphasizing that the front could not permit arrangements whereby the military strength of the guerrillas was neutralized while the Zimbabwe Rhodesian Army remained in its forward operational bases, said that "red flags" lay ahead.

Robert Mugabe, one of the co-leaders of the front, declared that tonight's breakthrough "provides the basis for an agreement and for moving on quickly to settle the details of the implementation." But even if his optimism and that of Lord Carrington prove justified, and the conference does not dive rapidly once again from euphoria into gloom, enormously difficult problems will remain.

Because there will be no armed force to step between the combatants if a ceasefire breaks down, all parties to any ultimate agreement will have to muster not only the will to prevent a renewal of hostilities but also a degree of control over their forces that they have not often exercised in the past. There are frictions between the guerrilla armies of Mr. Mugabe and those of his co-leader, Joshua Nkomo, that are paralleled by similar rivalries between black and white elements of the Zimbabwe Rhodesian armed forces.

And no one can be sure, of course, that the losers in the elections will give up their arms and readily agree to accept the verdict of the voters.

ENABLING LEGISLATION EXPECTED

Nonetheless, British officials predicted tonight that a British Governor, probably Lord Soames, the Conservative leader in the House of Lords and a son-in-law of Sir Winston Churchill, would leave for Salisbury over the weekend, and that a formal agreement would be signed early next week. Enabling legislation, which will mention no specific date for the elections or for independence, is to be introduced in the House of Commons tomorrow.

Today's dramatic developments began after lunch when Mr. Mugabe and Mr. Nkomo called unexpectedly on Lord Carrington at the Foreign Office in Whitehall, a few blocks from the Houses of Parliament. More than 14 hours of intense, carefully concealed diplomacy, including an important mediation effort by Shriadath Ramphal, Sec-

retary General of the Commonwealth, were about to bear fruit.

To break a deadlock that had lasted for a week and had seemed likely at one point to undo all the progress that had come before, the Foreign Secretary provided "clarifications" to the Patriotic Front leaders on two key points. He told them they need not worry about intervention by either the South African Army or the air force of the Salisbury Government.

A 15-minute plenary session of the conference followed, at which the front signified its tentative agreement. Bishop Muzorewa's delegation agreed on Nov. 19.

1,200-MEMBER FORCE ENVISIONED

"There will be no external involvement in Rhodesia under the British Governor," Lord Carrington said. "The position has been made clear to all the governments involved, including South Africa. The Rhodesian Air Force will be monitored effectively, and we have in mind a monitoring force adequate to the overall task, in the vicinity of about 1,200 men."

That is four times as many monitors as the British originally envisioned. They gave way on the numbers, but refused to yield to the front's demands that the monitoring organization be changed to one empowered to intervene if the need arises. The organization will be composed of troops from Britain, which will supply the largest contingent, Kenya, Fiji, Australia and New Zealand.

According to authoritative sources, Lord Carrington came to acknowledge during the last 24 hours that the front's concerns over intervention by the South Africans or the Zimbabwe Rhodesian Air Force were real and not merely delaying tactics. Although he went so far as to suggest on Monday that a Governor might be sent to Salisbury, and the election process set in motion, even without Patriotic Front agreement to a cease-fire, he reportedly also came to believe that such a maneuver might involve Britain in a shooting war.

If all the details are wrapped up in the days ahead, the British expect to take control over Zimbabwe Rhodesia sometime next week.

[From the Washington Post, Dec. 6, 1979]

RHODESIAN CEASE-FIRE NEGOTIATED

(By Leonard Downie Jr.)

LONDON, December 5—Britain and the Patriotic Front guerrillas reached agreement tonight on a cease-fire plan to end the civil war in Zimbabwe-Rhodesia.

While significant details of the plan's implementation must now be worked out in negotiations involving the commanding generals of the opposing forces, tonight's agreement is regarded here as the key breakthrough in the three-month-old peace talks.

"I don't think anybody will turn back now," said British Foreign Secretary Lord Carrington, the conference chairman. "With good will," he said, "and I'm sure after today there is good will, I think we can tie up the details in a few days."

A formal cease-fire document is to be presented by the British Thursday to Patriotic Front guerrilla leaders Robert Mugabe and Joshua Nkomo and to the delegation of the present Salisbury government of Prime Minister Abel Muzorewa.

Once the two warring sides agree on a cease-fire date and precisely how their forces will disengage, this document is to become the final peace agreement. It will be signed by the two sides and by the British at a formal ceremony here, ending the long war and making possible new elections under a British governor to produce a legally independent Zimbabwe with a black majority government.

British and diplomatic sources here still expect tough bargaining by the Patriotic Front leaders on the cease-fire date and the positioning of the rival forces after the cease-fire. The Front is trying to gain as much time as possible for its supporters to continue infiltrating back into Zimbabwe-Rhodesia from exile in neighboring African nations.

But everyone today, including Front spokesmen, predicted the cease-fire agreement would be signed sometime next week at the latest. "I don't think there is now anyone who doesn't believe we are now going to have a final settlement," said one well-placed British source. "A political process has begun that cannot be reversed."

The British government already is promulgating the independence constitution agreed on earlier here and is making arrangements for the British governor to go to Salisbury "in the next few days," possibly before the final peace agreement is signed.

This process was begun this week to push the Patriotic Front into accepting the British cease-fire plan after nearly a week of deadlock and ignored ultimatums.

The British also made significant concessions to gain tonight's agreement. A compromise was negotiated in intensive behind-the-scenes negotiations by Shridath Ramphal, the London based secretary general of the British Commonwealth, which includes African countries who back the Patriotic Front.

Through Ramphal, the British and the Patriotic Front agreed to carry over into the negotiations on the details of implementing the cease-fire the Front's objection to having its forces rounded up into 15 assembly places while Muzorewa's forces remain in far more numerous bases.

The British also agreed to enlarge the force of British and Commonwealth troops monitoring the cease-fire to about 1,200 men to reassure Mugabe and Nkomo that their forces will be safe.

Commonwealth sources indicated tonight that the monitoring force may be enlarged still further and include troops from a Commonwealth country in Asia along with those already allocated by Britain, Australia, New Zealand, Fiji and Kenya.

Finally, Carrington agreed to make a public promise that South African troops now in Zimbabwe Rhodesia will be withdrawn when the British government goes to Salisbury. This was the last point to be settled when tonight's deal was sealed at a meeting Carrington called with Mugabe and Nkomo.

Mugabe had been reluctant all along to agree to the compromise being negotiated through Ramphal, according to informed sources. They said he now objected that Carrington's proposed statement would not name South Africa, whose prime minister, Pieter Botha, publicly acknowledged last week that its troops had been "actively protecting" trade routes inside Zimbabwe-Rhodesia.

Carrington had intended to state only that "I can assure you again that there will be no external involvement in Rhodesia under the British governor. The position has been made clear to all the governments concerned."

With Mugabe still not satisfied and Carrington committed to reporting to Parliament within minutes on the progress of the negotiations, Carrington agreed to add "including South Africa" at the end of the statement.

Ramphal, whom Carrington commended for his role in reaching tonight's agreement also met recently with Prime Minister Margaret Thatcher. She told him, according to informed sources, that she was determined to achieve a final peace settlement and to make it work through the interim British governor in Salisbury.

The silent partner in today's agreement was the Salisbury delegation currently led by Deputy Prime Minister Silas Mundawarara, who had accepted the British cease-fire plan 10 days ago. Mundawarara had become impatient with the Patriotic Front's delaying tactics and yesterday he threatened to take his delegation home.

Tonight, Mundawarara said it was his pleasure to "compliment our brothers" in the Patriotic Front for "this real progress."

Carrington, who has played the heavy during the tense negotiations of the past few days, said the word "brothers" was encouraging. "Nobody had called me their brother," he told the two delegations at the brief formal conference session at which agreement was announced tonight "but perhaps that is the fate of the chair."

Mr. BIDEN. Mr. President, I yield to my distinguished colleague from New York.

Mr. JAVITS. Mr. President, does Senator TSONGAS wish to speak on this matter?

Mr. TSONGAS. I wish to speak, but I can wait until the Senator has finished.

Mr. JAVITS. Will the Senator from Delaware yield me 5 minutes, then?

Mr. BIDEN. Surely.

Mr. JAVITS. First, Mr. President, I should like to yield to Senator HELMS the half-hour which has been assigned to me in this debate and ask that it be put under his control. I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. HELMS. I thank my friend from New York. Now I wish to yield to him for his remarks. I thank him for his courtesy.

Mr. JAVITS. Mr. President, I thank Senator BIDEN very much for his kind comments about me. I hope that all of this may be crowned with success. Relatively speaking, what we do here on the issue is really minor, but it is gratifying when we work our way out of a legislative thicket, which we do by the proceedings this morning which, hopefully, will be successful. I thank him for his cooperation, and the chairman of our committee, our committee counsel, Pauline Baker, who is sitting with Senator BIDEN, and my own staff, Miss Kurz and others, who have helped in this matter.

The Senator from Delaware has properly described our situation, except for one point. The procedure developed, which is now the law in this particular matter, gave Congress the last word on whether or not sanctions would be lifted. That is contained in section 408(a) of Public Law 96–60 of August 15, 1979, the State Department authorization bill, representing concurrence in the Senate-House conference between the leader on this issue on this side (Mr. HELMS) and the leader on this issue on the House side, Representative SOLARZ.

It is a great tribute to our colleagues' statesmanship. Senator HELMS' persistence, I think, made a contribution to the resolution of this matter in London. Hopefully, the issue is resolved and continues to keep Congress in, as it were, the driver's seat.

When the President, pursuant to the law I have just referred to, notified us

that he wished sanctions to continue, we had the power to overrule him. That decision would have been final and sanctions would have been lifted. But it was recognized in our committee by Senator HELMS and the other members that this would be inadvisable in view of the progress which was being made under the brilliant—and I call it brilliant advisedly—leadership and direction of Lord Carrington, the British chairman in these negotiations. So we had to contrive a way which would, at one and the same time, preserve the Senate's and the House's rights to say the final word and yet give the necessary time to allow an agreement to be consummated if it were possible. We could not do that under the procedure of the law under which we functioned. There we either had to accept or reject the President's findings. So a concurrent resolution was introduced by Senator HELMS, also one by Senator HAYAKAWA, which would have overridden the President's determination.

We did not wish to act on those resolutions, so—and this is the one missing point—they will remain on the Calendar. They may be acted on if anything untoward happens, I think by the 19th of December; is that correct?

Mr. BIDEN. The 14th, I advise the Senator.

Mr. JAVITS. I correct that, the 14th of December. So it is essential that this matter move to the House promptly and that the House concur in the bill, because the law should be one which preserves our jurisdiction and continues to give us the last word in this matter. Hence, the importance of passing S. 2076.

Senate Concurrent Resolution 151 will continue on the calendar as I indicated. But the bill should be passed and sent right over to the House so it can go to the President promptly and we can meet this date of the 14th, which we should meet.

The critical point about the bill is that the President has agreed to sign it. That would not have been necessary with a concurrent resolution of rejection under the original law. But this is a bill which extends the power which we have in Congress and, hence, it must be signed by the President.

A letter was written to the chairman of the Foreign Relations Committee and also sent to me as the ranking minority Member by the Secretary of State, which says, "In this regard"—that is, in regard to the legislation necessary to extend the congressional power—"Senator JAVITS requested that the committee be assured that the President would not disapprove this legislation if it is passed by the Congress. I have been authorized to give you that assurance on behalf of the President."

So we now have an agreement between the Senate Committee on Foreign Relations, the Senate hopefully, now shortly, and the President, hopefully also—and we have every reason to suppose that it is all entrained, a concurrence by the House in the bill, S. 2076, dispatching it on to the President promptly.

Mr. President, at a time of grave crisis for our country respecting Iran, when things seem to be going wrong everywhere, it is an enormous triumph of the free world and of democracy that we have arrived this far, within sight of our goal of democratic elections in Rhodesia, with participation of all parties in choosing a government. That was the original plan laid out by Senator Case and myself in the original legislation which determined Rhodesian policy. It is now being brought to fruition.

I pay great tribute to my colleague, who is no longer here, Senator Case, for devising that plan with me. It is a great tribute to the processes of democratic societies, and I hope very much that it may be consummated successfully. It will be a fine example of how, when matters are settled in a democratic way, they are settled peaceably and equitably. There is now hope for a long future stretching ahead of relief from war and peril for the people of Rhodesia. This is a triumph for their right to determine how they should live, under what government and under what form of society.

Mr. President, I yield the floor and thank my colleague for yielding.

Mr. BIDEN. Mr. President, before I yield to the Senator from Massachusetts (Mr. TSONGAS), I thank him for not moving forward in introducing a resolution along the same lines as the one we are discussing at this time. He had planned to introduce it.

Senator TSONGAS is one of the few Members of this body who has actual experience on the Continent of Africa. Although he is not a member of the Foreign Relations Committee, he has followed this matter very closely and is very informed on foreign policy issues with relation to this country.

I yield 8 minutes to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I say to Senator JAVITS that I do not know how he judges his career in the Senate, but nothing else he has done surpasses his legislative skill and foresight on this issue. Literally, there are thousands of Zimbabweans who will be alive in the future because of what he has done. He should be very proud of his accomplishment in this endeavor.

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

Mr. TSONGAS. I yield.

Mr. JAVITS. The Senator has moved me deeply by that statement.

Mr. TSONGAS. Mr. President, I rise to speak in favor of this bill. I am well aware of how hard the committee has worked to prepare a measure which would meet the objectives of all concerned. I include myself among those who see in this bill a sensible and fair resolution of the sanctions issue.

I spoke in this Chamber yesterday on the subject of Rhodesia and economic sanctions. The reason I spoke yesterday was to register my admiration and gratitude to Prime Minister Thatcher for her masterful management of the Rhodesia Conference in London. Yesterday morning that conference concluded with a brilliant success. All parties to the Rhodesia conflict agreed on cease-fire terms, thus clearing the last obstacle in the way of a comprehensive agreement.

In my statement yesterday, I also said that the issue before the Senate was one of timing, not direction. The success of the London Conference leaves little choice in the matter. The President should remove economic sanctions. The only question is when. In my view, Mr. President, sanctions should be lifted as soon as the British Governor arrives in Rhodesia. The British have requested that we remove sanctions to coincide with the Governor's arrival. I can think of no valid reason to delay beyond that point. I introduced a resolution to that effect yesterday. In the interests of a united approach to this important issue, I am withdrawing that resolution No. 301 from Senate consideration. The bill before us today includes instructions to the President to remove sanctions when the British Governor arrives. I regard that provision as crucial and worthy of support.

Sanctions should be removed for many reasons.

The terms of the U.N. Security Council resolutions will have been satisfied. The rebel colony of Southern Rhodesia will have returned to legality and a process of self-determination set in motion. I feel that the U.N. has demonstrated great consistency of judgment on this question, and I am sure that member nations also will support a prompt removal of the economic sanctions imposed some 11 years ago.

Great Britain deserves our full support in return for the remarkable success achieved in London. To perpetuate sanctions beyond the arrival of the British Governor conveys a lack of faith in the conference settlement, and might be construed as a slight to the integrity and sincerity of the conference participants.

As Rhodesia moves into the transition process which will bring genuine independence to that war ravaged land, we in the U.S. Congress must take stock of the new situation in Rhodesia. With all parties in agreement on the political foundation of a new Zimbabwe, we must look closely at the economic foundation. The war has destroyed much of Rhodesia's agricultural resources. A long history of white privilege has thwarted black African economic development. The new leaders of Zimbabwe will face a formidable task of reconstruction and development. America can be of great assistance in this effort.

The first step is to remove the legal obstacles to American trade and communication with Zimbabwe. This means lifting economic sanctions as soon as is practically possible. The second step is to organize a significant foreign assistance program for the new government of Zimbabwe, including a program of refugee relocation. We must insure that the democratically elected leaders of Zimbabwe turn to the United States for assistance and friendship. As the peaceful process unfolds in Zimbabwe, the United States is in a position to compete very effectively with the Soviet Union. I remind my colleagues that the Soviet Union is a reliable supplier of arms and munitions to the Third World, but when it comes to reconstruction and economic

development, the United States leaves the Soviet Union far behind.

I believe that we are now presented with a ripe opportunity to advance our interests and to serve humane purposes at the same time. I deeply hope that Congress and the Executive will not waste this rich opportunity.

Mr. President, I have been an active participant on this issue for some time. Over this past year, I have been unable to persuade my distinguished colleagues to exercise caution, restraint, and cool judgment on the sanctions issue. As a result, the Senate has voted on several occassions to lift sanctions.

I hate to think of what would have happened had that gone through the House. Now that the time has arrived for such action—now, not before but now—I support the removal of sanctions. I feel certain that President Carter will do all he can to expedite action on this matter. I am confident that he, too, knows it is time to end the debate on this issue. I think it is appropriate at this moment to give credit where credit is due. President Carter has exercised excellent judgment and considerable courage on this issue. He has consistently opposed the precipitate lifting of sanctions, and I commend him. His patience and judgment have been vindicated. I also recognize the wisdom and leadership of Representative STEPHEN SOLARZ, whose cool-headedness saved the U.S. Senate from its own folly. If the House had done what we did and lifted sanctions, we would not have peace today in Rhodesia. There would be war. There is an agreement not because of what we did but because of what STEVE SOLARZ and his committee did to save us from our own actions. I hope we remember that.

Mr. President, as news of mob terrorism and crumbling governments bombard our senses, I think that many of us are tempted to see an age of anarchy replacing the rule of reason and law in the world. Today, however, we can be reassured that the ayatollah and his like are not the sole actors on the world stage. In Rhodesia, we are about to see the end of a bitter, brutal conflict by means of an impartial and free democratic process.

Mr. HELMS. Mr. President, will the Senator yield so that I may request the yeas and nays?

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

Mr. HELMS. I will be glad to yield some of my time to the Senator.

Mr. TSONGAS. I yield so that the Senator may request the yeas and nays.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield the Senator such time as he may need, from my time.

Mr. TSONGAS. I thank the Senator from North Carolina.

I am not saying that the transition to independence will be trouble free, but I feel strongly that we should be encouraged and uplifted by the success of the London talks.

I think it also should indicate to us, if we are going to get past the next few decades in dealing with the Third World, that we have to deal with it in terms of a kind of realism and not in terms of ideology. I hope that the success of Rhodesia will give us some hope that we can deal not in symbols, not in slogans, not in rhetoric, but rather in how the world indeed operates.

Finally, Mr. President, I think it is appropriate to mention that there is another African conflict in need of a negotiated solution. I refer to the war in Namibia where South African troops have battled nationalist guerrillas for several years. Since 1976 the U.N. has worked diligently to bring all parties together for a negotiated settlement and a peaceful transition to independence. South Africa, in particular, should respond to the inspiring precedent set in London yesterday. I look forward to the cooperation of South Africa and the nationalist guerrilla group, SWAPO, in the speedy implementation of the U.N. plan.

I will be over there the latter part of this month and hope to make that point there as well.

I also add, finally, that I hope the President indicates the same kind of judgment and wisdom on the issue of recognition of Angola so we may have peace not only in Zimbabwe but in southern Africa generally.

Mr. President, the number of individuals who have labored on this issue are many and I hope that in an era of a lot of very unhappy news they can take some comfort in knowing that it is possible for the Senate working with Congress and the administration to do something that in the long term we can be quite proud of.

I thank the Senator from North Carolina and the Senator from Delaware for their time.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me.

The Senator from North Carolina sees little point in rehashing the history of the sanctions imposed by our Government against a friend and ally in Africa. In this matter we have, and have had, two distinctly opposing viewpoints. There have been some who felt that we should keep the sanctions on and on and on, like Tennyson's brook. There have been some of us, demonstrably the majority, in vote after vote, who have felt the sanctions should be lifted. The Senator from North Carolina is in the latter category.

As a matter of fact, this Senator believes that it was enormously ill-advised to have applied sanctions in the first place.

But what we have in Africa is a posture of the United States, as perceived by many of our allies and our adversaries around the world, a posture of having put every possible roadblock against the Muzorewa government, a posture which, of course, worked to the advantage of the so-called Patriotic Front which has been supported with arms and materiel from the Soviet Union from the outset.

As my friend from New York has often said, we are not children around here; we know what the Soviet Union is up to in Africa. The Soviet Union's goal is to take over Africa and to destroy and demolish any government that is friendly to the United States and the rest of the free world.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. HELMS. I yield, gladly.

Mr. JAVITS. I wish to make one observation on that point.

Mr. HELMS. Yes, I am delighted to yield to my friend.

Mr. JAVITS. I know the Senator will agree with me, but it is important to cement it for the record. He said we had different points of view, which we did. I agree with the Senator that the Soviet Union's purpose is "to take over." By that we mean control Africa. But that is not our purpose. That is the one point I wanted to make clear which all Africans should understand. We consider it antithetical to our interests to take over Africa.

Mr. HELMS. That is correct.

Mr. JAVITS. We want Africa to take itself over and live in peace and in accord with us and every other nation on earth.

It is the difference between day and night.

Mr. HELMS. The Senator is absolutely correct and if he inferred that I intended even to imply that the United States wanted to take over Africa, I want to disabuse his mind of that.

But the fact remains that what we have in Africa, as well as other parts of the world, is a confrontation between tyranny and freedom. This Senator has never been able to see how or why we could advance the cause of freedom and those who are trying to achieve it by placing roadblocks in the pathway of our friends.

We have been up and down the road in this Chamber long before I came to the Senate, Mr. President, on the question of chrome. The distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) has fought that battle valiantly and successfully for many years.

I remember as a private citizen watching with regret and puzzlement the actions of this Government of ours in refusing to buy chrome from Rhodesia, chrome which we need for our national defense and for other important purposes. So what happened? We ended up buying our chrome from the Soviet Union. The Soviet Union was buying chrome from Rhodesia and then selling it to us at a big markup in price.

As my friend Chub Seawell down in North Carolina says so often, "That does not even make good nonsense."

But all of that, Mr. President, is, to use the cliche, water over the dam.

I wish to say for the RECORD that I have spent a great deal of time with the Prime Minister of Rhodesia, a Methodist bishop, Abel Muzorewa, and I think I know as well as any Member of this Senate the motivations of this man and the instincts that guide him.

I have related in this Chamber once before a little episode that occurred last year when Bishop Muzorewa came to the

United States. While I was visiting him he told me about the little lady missionary who converted him to Christianity and who taught him English. He mentioned that this little lady is now in a Methodist home in Asheville, N.C. Very quietly I arranged for a plane to take Bishop Muzorewa and me to Asheville. We went to that Methodist home. I saw the reunion of Bishop Muzorewa and that lovely little lady. I will tell you, Mr. President, that was one of the most touching scenes that I have ever observed.

We hear so often, "What can I do, what can one person do," and then I think the life of that little missionary in Asheville pretty well answers that question for us. It may well be that she—one person—has had far more impact in Africa than any Senator or any President or any Secretary of State, or anyone in the Soviet Union, because she instilled in what was then that black African lad the qualities of decency and honor.

Sure, I am a supporter of Bishop Muzorewa, and I think it can be fairly said that the Muzorewa government has made every concession it can possibly make to achieve accord in the London Conference. As a matter of fact, the Muzorewa government had nothing else to concede.

So nobody can ever say that the Muzorewa government has not done all it could to achieve harmony and peace in Zimbabwe-Rhodesia.

What Zimbabwe-Rhodesia needs now and has needed all along is simply a chance to develop its schools, its commerce, its industries, its business, in fact, its civilization. The sanctions that have been imposed since 1965 have restrained and retarded that development and have given false hope to the guerrillas of the Patriotic Front who have been killing and maiming thousands upon thousands of innocent civilians in Zimbabwe-Rhodesia.

So I do not tip my hat to anybody, Mr. President, who has played a role in maintaining and retaining sanctions against Zimbabwe-Rhodesia. I hope I never hear anybody boast again that he had a role in it, because what the United States has done, by meddling in the internal affairs of a friend, an ally, borders on being reprehensible.

But, as I say, that is water over the dam, and now we have reached an accord—far too late to satisfy this Senator—but an accord has been reached. Assurances have been given to me by the Secretary of State and others that these sanctions will be lifted, and that is why I am not going to push Senate Concurrent Resolution 51 at this time. I do not want to cause the President of the United States any further international problems. He has a plateful of problems already.

So in good faith I have accepted the assurances of the State Department about the early lifting of sanctions, and I expect the State Department and the President to operate in equally good faith with this Senator, and I am sure they will.

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

Mr. HELMS. I am delighted to yield.

Mr. JAVITS. I think what the Senator has said is eminently fair, makes good sense, and represents the good faith with which he has handled this matter throughout.

Mr. HELMS. I thank the Senator.

Mr. JAVITS. He could have made it very complicated and very difficult, but he chose not to, thus redeeming his own view of the high public interest involved in not complicating the national life at this moment.

I would like to, therefore, in that same spirit clarify one thing.

Mr. HELMS. I am happy to yield to the Senator.

Mr. JAVITS. It will be noted that in Secretary Vance's letter to you, Senator HELMS, respecting the initiation of the process of terminating sanctions, that is, when the earlier of two conditions has been satisfied; either on January 31, 1980, or, the words in Vance's letter are:

> When the British Governor arrives in Salisbury to implement an agreed Lancaster House settlement and the electoral process begins, the President will take prompt action to lift sanctions.

It will be noted that the bill says—

> • • • a date by which a British Governor has been appointed, has arrived in Zimbabwe-Rhodesia, and has assumed his duties.

Now, do we agree, Senator HELMS, that although the words are different the intention is the same, that is "assumed his duties" and "starting the electoral process" are the same thing, because that is what he is there for and those are his duties?

Mr. HELMS. I will say to my friend from New York that we do agree if he will include the private assurances that I have had, and that I am sure that he also has had. I do not feel that the President or the State Department has any taste for continuing sanctions——

Mr. JAVITS. Right.

Mr. HELMS (continuing). Any longer than may be absolutely necessary under the circumstances. With that assurance, privately and publicly, you and I and others worked out this agreement in the committee.

Mr. JAVITS. Agreed.

Mr. HELMS. I was happy to do so.

Mr. JAVITS. I thank the Senator.

Mr. HELMS. Mr. President, I believe at least two of my colleagues desire some time for comments.

I want to pay my respects to the distinguished Senator from California (Mr. HAYAKAWA) for the persistent way in which he has pursued this issue. No man in this Senate has done more to try to be of assistance to Zimbabwe-Rhodesia than he. I want to commend him publicly and to thank him. If he desires time, I will be glad to yield to him.

Mr. HAYAKAWA. I thank my distinguished colleague and friend from North Carolina.

Mr. HELMS. Mr. President, if the Senator will yield, did the Senator from New York place Secretary Vance's letter in the RECORD?

Mr. JAVITS. I would be happy to do so, but I think the Senator should do so.

Mr. HELMS. I simply wanted to avoid putting it in twice. Mr. President, I ask unanimous consent that a letter I received on December 3, 1979, from Secretary Vance be printed in the RECORD at this point.

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

THE SECRETARY OF STATE,
Washington, D.C., December 3, 1979.

Hon. JESSE HELMS,
U.S. Senate.

DEAR SENATOR HELMS: During the hearings before the Foreign Relations Committee this week, I understand that you reiterated your desire, expressed to me earlier in the week, for an explicit statement of the President's position with respect to when he would lift sanctions against Zimbabwe-Rhodesia. Assistant Secretary Moose has reported to me that a clarification of this point would make possible a consensus within the Committee in support of the pending legislative proposal, a copy of which is enclosed.

I have discussed this matter with the President and wish to assure you, on his behalf, that when the British Governor arrives in Salisbury to implement an agreed Lancaster House settlement and the electoral process begins, the President will take prompt action to lift sanctions. This will be done no later than one month after the Governor's arrival. If an agreed settlement is not reached at the conference, we will consult with the respective committees of the Senate and the House regarding the course of action which best serves the national interest.

The pending legislative proposal would require the President to terminate sanctions either (a) after the arrival of a British Governor, or (b) on January 31, 1980, whichever is earlier, unless the President were to determine that it would not be in our national interest to do so. Any such determination by the President would be subject to review by the Congress, which could reject the determination within thirty days after it is reported to the Congress, thereby terminating sanctions.

Thus, the pending legislative proposal would be compatible with the President's position on the lifting of sanctions as set forth above. Accordingly, as Mr. Moose testified on November 30, this proposal would be acceptable to the Administration.

Sincerely,

CYRUS VANCE.

Mr. JAVITS. Mr. President, if the Senator will yield to me for that purpose, I ask unanimous consent to put in the RECORD the letter of Secretary Vance to Chairman CHURCH in which the President agreed to sign this bill, which letter is dated December 3, 1979.

Mr. HELMS. Yes, of course.

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

THE SECRETARY OF STATE,
Washington, D.C., December 3, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate

DEAR MR. CHAIRMAN: I am pleased to enclose a copy of my letter to Senator Helms outlining the President's position with respect to sanctions on Zimbabwe-Rhodesia. I understand this should provide the basis for a consensus within the Committee in support of the legislation which Assistant Secretary Moose testified would be acceptable to the Administration.

In this regard, Senator Javits requested that the Committee be assured that the

President would not disapprove this legislation if it is passed by the Congress. I have been authorized to give you that assurance on behalf of the President.

I am sending a copy of this letter and the enclosure to Senator Javits, in view of his deep interest in this important matter.

Sincerely,

CYRUS VANCE.

Mr. HELMS. I thank the Senator from California for his patience.

Mr. HAYAKAWA. Mr. President, if the distinguished Senator from North Carolina will yield me 10 minutes, I would be grateful for the opportunity to make a few remarks.

Mr. HELMS. Certainly.

Mr. HAYAKAWA. I would like to look beyond the lifting of sanctions, which I never felt to be an unfriendly act toward the frontline states, and I would like to think of southern Africa, including Rhodesia, including the frontline states, as a unit, as a southern Africa.

It seems to me that a solution to the longrun problems, as we look beyond lifting sanctions by the United States, of an emergent Zimbabwe-Rhodesia must be sought by rising above tribal rivalries, rising even above national politics, and thinking of Zimbabwe-Rhodesia as part of a great and potentially rich and powerful region. The region of southern Africa, excluding the Republic of South Africa, covers an area almost equal in size to all of Europe. It includes Botswana, Lesotho, Swaziland, Zambia, Malawi, Zimbabwe, Mozambique, Angola, and Namibia. Only the last three have direct outlets to the sea. The climate ranges from the almost total aridity of great areas of Namibia and Botswana to the tropical rain forests of Angola and Mozambique. Seventy percent of the region consists of marginally arable grassland, which ranges in use from animal husbandry in central Malawi to crop production in Zimbabwe, Zambia, and Lesotho. The region is characterized by a small number of large rivers, so that there is a great unexploited potential for power and irrigation in the major basins. The natural resources of the region suggest the possibility of self-financed, rapid, socioeconomic growth and development. The region is so incredibly rich potentially if they would only stop their political squabbling.

Angola, Botswana, Mozambique, Namibia, Zimbabwe, and Zambia are known to have deposits of petroleum, coal, diamonds, copper, iron ore, chrome, bauxite, tungsten, and uranium.

At the present time these resources produce little or no income because of political turmoil, transportation difficulties, energy shortages and the lack of investment capital. Zimbabwe, Angola, Lesotho, and Mozambique have the potential to develop low-cost hydroelectric power in excess of their present installations. Reduction of energy costs in the region would encourage overall development, improve the quality of life, and provide thousands and thousands of jobs. It is all there to be exploited.

The U.S. Agency for International Development indicated that "there is reason for optimism about the future social and economic development of southern Africa." According to the Agency the region is sufficiently well endowed so that once political and institutional constraints are dealt with and an adequate infrastructure is provided, these countries should be able to finance their own development.

Undoubtedly the economy of Rhodesia is the most advanced of any of the countries in southern Africa except for the Republic of South Africa. In Zimbabwe the industrial sector has remained strong in spite of the difficulties caused by sanctions. By contrast the industrial sector of neighboring Zambia requires constant government subsidies and protection. Zambia is an economic disaster area, as is Mozambique. It is clear that sanctions, despite the problems they presented, have had the beneficial effect on Zimbabwe-Rhodesia or forcing industrial innovation and diversification, thereby contributing to the longrun strength of Rhodesia's economy. I think that Rhodesia now manufacturers more than 1,000 different products that they did not manufacture before the sanctions were imposed. Diversification has enhanced self-sufficiency and pride.

In an open regional economy, an independent Zimbabwe will be the most convenient and probably the least expensive source of many industrial products, especially manufactured goods, for most of the countries in the region. If Mrs. Thatcher and Lord Carrington should succeed in ending the guerrilla war—and it looks to me as if that guerrilla war is being brought to an end—and if a solution can be found that is acceptable to all, Zimbabwe will be the central force in the region's economy. The competitive edge that the country has had in the past will make itself felt again; exports will increase and thereby stimulate the overall economy. As the U.S. Agency for International Development recently pointed out, prosperity in Zimbabwe will spill over into the rest of the region. Rising incomes in Zimbabwe will create a growing market for its neighbors' products and auxiliary industries will appear in surrounding countries. The opening of the border will give Zambia easier access to the rest of the world, raising its income, which in turn will benefit its neighbors.

Therefore, as I see it, the lifting of the sanctions, Mr. President, means that if a regional pattern of economic cooperation can also be developed, along with the lifting of sanctions, an independent pacified Zimbabwe would give the entire region a forward push in which growth in one country will generate growth in others.

This means that if tribes, political factions and nations in southern Africa can bury the hatchet, there is a shining future ahead for Zimbabwe-Rhodesia and all her neighbor nations.

I have often thought, I say to the Senator from New York (Mr. JAVITS), that if these nations would stop their political rivalry, stop squabbling among themselves, and get down to the serious business of making money, they could lift the standard of living of the entire population. Goodness knows the entire population needs lifting up, and there is a shining future for that. The fact that we are on the verge of seeing pacification there means that there is a definite hope for the future, and I wish to express that hope, Mr. President, and put that into the RECORD as my hope for the future of the region.

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

Mr. HAYAKAWA. I am happy to yield to the Senator from New York.

Mr. JAVITS. The Senator from California always—sometimes we agree and sometimes we do not—endeavors to play a role which I admire greatly, a role which endeavors not to miss the forest for the trees, and which looks toward the ultimate vindication of our way of approaching problems in our society, which is the way of volunteerism. I thank the Senator very much for his remarks and his general attitude in this matter, and for his high-minded willingness to cooperate in the solution which we have sought to contrive and which is before us today.

Mr. HAYAKAWA. I thank the Senator from New York.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent that a statement by the Senator from Idaho (Mr. CHURCH), the chairman of the full committee, be printed in the RECORD. He is on the House side in a very important conference, and that is why he is not here.

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

STATEMENT OF SENATOR CHURCH

I am pleased to join my colleagues today in support of S. 2076, an original bill on Rhodesian sanctions from the Foreign Relations Committee. The timing of today's debate could not be better. From London, we hear the truly good news that, in a period of unrest and turmoil around the world, peace is on the way to Rhodesia. A settlement has been reached that will bring a stable and majority-ruled government to a country which has sparked international controversy for the past fourteen years. Many nations, including the United States, have tried to join in working out a Rhodesian peace. Until now, all those efforts had failed.

It is good to have news of such a positive event—and it is good that we here today can do something to lend our support to this remarkable achievement. S. 2076 focuses directly upon the new situation in Rhodesia. The bill requires the President to lift all sanctions by January 31 or when a British governor arrives and assumes his duties in Salisbury—whichever is earlier. From all the signs today, it appears that the British governor will arrive in Salisbury far earlier than January 31—perhaps as soon as next week.

This bill represents a compromise which we reached in the Foreign Relations Committee after many hours of hard work. We reported it out unanimously. We can also state that this bill has the full backing of the Administration.

All of us anticipate that the cease-fire will soon be implemented and that, around the world, nations including the United States will end the long embargo on Rhodesia. However, even if, at the last minute, something should go wrong with the Rhodesian peace, the President has made it clear that he regards the Congress as a full working partner

on the Rhodesia issue. He has pledged to consult directly with the Congress if unforeseen circumstances arise. Furthermore, if we do not like the President's final decision on sanctions, then we can override his determination by a concurrent resolution, within thirty days.

It is appropriate that the Senate conclude its long series of debates on Rhodesian sanctions on a note of victory. We offer here today a proposal on sanctions which has the support of senators representing a wide range of political viewpoints. This is a proposal which the Administration has endorsed. It is also a measure which co-ordinates U.S. actions on sanctions with the policies of Great Britain and other nations. By voting for S. 2076, we will both recognize and advance the important achievement of a badly needed Rhodesian peace.

Mr. BIDEN. Mr. President, I would like once again to express thanks to Pauline Baker of the committee staff for her efforts in this area extending over the last couple of years.

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

Mr. BIDEN. I am happy to yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I rise simply to express gratification over the action of the Senate Foreign Relations Committee.

The matter of U.S. policy toward Rhodesia has been a subject of debate for 14 years. Though I have not been in Zimbabwe-Rhodesia, I have been in many areas in Africa where efforts to solve problems have had tragic results, leading to the exodus of white citizens and much turmoil and tragedy. In this case we have a situation where reason appears to be winning out, and people are going to benefit as a result. Certainly reason has prevailed in the Foreign Relations Committee and in the Senate, and I pay great tribute to Senator HELMS and Senator HAYAKAWA for their magnificent contributions. They have helped create policy, which is exactly what the Founding Fathers expected that the Senate would do with respect to foreign relations. We are not just spectators or rubber stamps; we are expected to make a mark. I think the Senate has made a mark on what has been an extraordinarily important matter.

I also wish to acknowledge the outstanding job which Senator JAVITS has done.

Mr. President, I will be introducing later a resolution commending the British Government for their achievement with regard to Zimbabwe-Rhodesia, and I would welcome the cosponsorship of my colleagues.

Mr. HELMS. Mr. President, do I have time remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. HELMS. I yield that time to the distinguished Senator from Iowa (Mr. JEPSEN).

The PRESIDING OFFICER. The Senator from Iowa is recognized for 3 minutes.

Mr. JEPSEN. Mr. President, I rise to commend and congratulate the individuals who, after 14 years, have finally brought about what appears at this time to be a sensible and long overdue resolvement regarding the lifting of the sanctions against Zimbabwe-Rhodesia by the United States.

It is my hope that the history of the last 14 years, particularly the last 5 years, regarding the lives of innocent men, women, and children, that have been lost as a result of terrorist and government activity, will serve as a guide and point of reference as we approach the very frustrating and seemingly impossible situation that this Nation is now experiencing in Iran and, to some greater or lesser degree, in other parts of the world.

We as a people must learn to deal with compassion and understanding in trying to resolve global problems in order to continue working with our neighbors throughout the world. We must especially seek that understanding if Third World and nonalined nations feel so strongly about us that they must resort to terrorism as a form of communication. Mr. President, we cannot, and we must never, never, never yield an inch or one iota to any act of terrorism of any kind, at any place. Our heritage, our prestige, and our faith in each other as a nation dictate that we maintain our freedom to exist free from terrorism or coercion.

Mr. President, due to circumstances, last year, including my campaign for election to the U.S. Senate, I was confronted with the necessity of becoming informed on Africa and the U.S. policy toward Africa. My opponent was one of the leaders and spokesperson in the Senate regarding much of the activities over the years that have taken place. to which I disagreed. In preparing myself to speak on the U.S. role in Africa, I took whatever opportunity I had to present the facts to the people of my State and, to some extent, once they knew the facts, they also shared in my disagreement. This is one of the reasons why I am here and my opponent is not.

It is my hope that now Zimbabwe-Rhodesia can work together in peace and economic harmony for the benefit of everyone concerned. It would certainly be to our benefit if we as a nation would apply the understanding and knowledge we have arrived at through these years in Zimbabwe-Rhodesia, to resolving other problems that exist in other parts of South Africa.

I believe we should work with the people that are there. I hope that the Senate will continue to pursue a course that make this body a full partner in the making of U.S. foreign policy.

The PRESIDING OFFICER. The Chair is sorry to interrupt the Senator, but the time for consideration of this matter has expired.

Mr. ROBERT C. BYRD. Mr. President, ask unanimous consent that the Senator may proceed for another 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

Mr. JEPSEN. The Senator thanks the majority leader.

I think I have said enough. I will just congratulate the people who have put this legislation together. I am hopeful that the Senate will be unanimous in their support. I especially commend Senator JAVITS, Senator HELMS, Senator BIDEN, Senator PERCY, and Senator HAYAKAWA.

Mr. GLENN. Mr. President, we will shortly vote, as I understand it, at noon on S. 2076, a bill to require the President to terminate sanctions against Zimbabwe-Rhodesia under certain circumstances.

As I am sure that we all have heard, last night Joshua Nkomo and Robert Mugabe, leaders of the Patriotic Front, informed the British Foreign Secretary, Lord Carrington, that they will essentially agree to the cease-fire proposal offered by Britain at the Lancaster House Conference on Rhodesia. At last, after paying the price of 20,000 lives over many years of armed struggle, it seems that we are indeed close to (in Lord Carrington's words) "the breakthrough for which we have all been working." There remain only a few details which must be worked out in order to "cement" the final agreement.

It has been U.S. policy, and one which I whole heartedly endorse, to support the British in what most observers have called, the absolutely last chance to gain a peaceful settlement in Rhodesia. Lord Carrington has shown himself to be a masterful chairman of the Lancaster House Conference. His well orchestrated, step-by-step approach has made it clear to both sides that they will pay a tremendous price if they allow the talks to collapse. Despite the rhetoric and theatrics which accompany all negotiations of this sort, Lord Carrington has been able to prod both sides into a methodical resolution of the conflict.

Moreover, the leaders of the other affected countries, most notably President Kaunda of Zambia, have played an extremely helpful role in showing both sides the utility of a negotiated settlement. They should share with Lord Carrington the congratulations of the American people for achieving this important breakthrough. With their support, Lord Carrington has been successful in operating in the framework provided by the Commonwealth conference in Lusaka, Zambia last August, to resolve the central issue in the Rhodesian conflict—the inequities in the so-called internal settlement and the inordinate institutional powers retained by the 4-percent white minority.

While there is good reason for optimism regarding the peace agreement, we should remember that there have been a number of attempts—all of them fruitless—to restore Rhodesia to legal status, and to end institutionalized racism there. After each failure, the rhetoric has become harsher, the adversaries more combative, and the cycle of violence has escalated, inflicting great hardship on all people of the region. Therefore, we must proceed carefully on what appear to be the last few steps on the long road to peace.

The question before the Senate today is, When is the best time for the United States to lift sanctions against Rhodesia? I believe that S. 2076 provides the most

reasonable vehicle for the lifting of U.S. sanctions against Rhodesia. One must certainly hope that the sanctions, imposed under a United Nations order making Rhodesia an outcast nation, played some role in making the parties there realize that there is a tremendous advantage to a peaceful settlement.

So much progress has been made, that everyone concerned should exercise caution that no obstacle is encountered which could slow the momentum of the peace process. Both sides must be made to feel that they have a continuing stake in maintaining that momentum, until it culminates in a normalized, peaceful, and prosperous life for all people of the region.

A vote by the Senate for unilateral lifting of sanctions by the United States at this time could be seen as an impediment to the peace process. What kind of signal would that send to our allies, the British, who have worked with such care and tenacity to construct an enduring peace in Rhodesia? They have seen fit to lift only about 15 percent of their sanctions to date, with the promise of full removal when a British Governor has assumed his duties in Salisbury. They have used this as a bargaining tool to indicate to both sides that they are, indeed, serious about building a lasting peace in Rhodesia. Would the British view our early lifting of sanctions as an attempt to undercut their negotiation efforts—an attempt to stall the peace process?

What kind of signal would our unilateral lifting of sanctions send to the rest of Africa? The frontline states and the Nigerians (our second largest oil supplier) have played a very positive role at the Lancaster House talks. Would our unilateral lifting of sanctions now—with so much progress behind us—signal to the rest of Africa that the United States is abandoning its commitment to the peace process, abandoning its commitment to equity and majority rule in Rhodesia?

Although all of them applaud the breakthroughs at the Lancaster House conference, none of our major allies has moved to lift sanctions before the British do. We must consider what kind of signal our premature lifting of sanctions would send to the rest of the world. The United States imposed sanctions pursuant to a United Nations resolution designed to emphasize the illegal status of Rhodesia, and to impose the order of international law and justice.

On December 1, we went to the United Nations in an attempt to impose the order of international law and diplomatic custom on the terrorist actions of Iran. Virtually every nation has joined us in condemning these actions; the United Nations has presented a unified front in calling for the release of our diplomats; if we move to lift sanctions now, what kind of signal would we send to the rest of the world? Would the United States place itself in the hypocritical position of telling the world we support the United Nations' rulings and international law only when it is convenient?

In talking of the Rhodesian peace process, we must realize that we are involved in one of our own. Can we realistically ask other nations to join in the Camp David peace process, in our search for a framework of peace in the Middle East, if we are seen as showing cavalier disregard for the momentum of the peace process in Rhodesia, if we are seen as undercutting successful British diplomacy?

We are very close to a true settlement in Rhodesia. But, we must remember that many long years of battle, and the cost of thousands of lives have engendered deep suspicions and hatred on all sides in the conflict. As an interested party, the United States must say to all those involved that we stand foursquare behind the Lancaster House agreements, and that we will not tolerate any obstacles being thrown into the path of peace. The situation in Rhodesia is still very fluid. Among the details yet to be resolved are the date of the cease-fire and the positioning of the adversary forces. Both sides must continue to feel that they will gain no advantage by protracting these final negotiations.

The President has promised to move to lift sanctions against Rhodesia when the British Governor arrives in Salisbury to implement the Lancaster House settlement, and the electoral process has begun, thus returning Rhodesia to international legal status. S. 2076 supports this position, while maintaining the requirement that the President consult with the Senate on his decision. This is the most reasonable approach we can take. This approach will show that we recognize and respect that peace comes about through a process, and that we will accept no interference in that process. This will state to all parties concerned that we are firmly committed to a peaceful transition to true majority rule in the new Zimbabwe.

Mr. ROBERT C. BYRD. Mr. President, the chairman and the members of the Foreign Relations Committee are to be commended for bringing to the Senate this compromise bill on Zimbabwe-Rhodesia.

The bill is the result of many hours of discussion, in an attempt to balance the competing concerns regarding our trade relationship with Zimbabwe-Rhodesia. There are those who feel that there should be no barriers to our trade relationship with Zimbabwe-Rhodesia. Other Senators feel that any action to lift trade barriers should be delayed until all aspects of the London talks have been completed, or until the compromise agreed to at London has been put into effect.

This bill strikes a middle course. It recognizes that substantial progress is being made in the London talks. And the bill recognizes that regardless of the progress in London, our own decision regarding trade sanctions should not be left open ended, but should be regularly reviewed.

The bill also continues the partnership between Congress and the executive branch that has been a very appropriate part of our national policy on Rhodesia. This bill states that the decision on trade sanctions should be made jointly by the two branches, in consultation with one another, and not unilaterally by either branch.

The relationship of this Nation to the Zimbabwe-Rhodesian negotiations has been a complex one. This year alone, the Senate has had three separate votes involving Zimbabwe-Rhodesia. These occurred in May, during consideration of the State Department authorization bill; in June, during consideration of the defense procurement bill; and in July, during consideration of the conference report on the State Department authorization bill. In various forms, these votes attempted to fashion a satisfactory balance between executive and legislative determination of the sanctions policy.

During all of these months, the situation in Zambabwe-Rhodesia shifted constantly. The tug-of-war between the governments of Ian Smith and Bishop Muzorewa and the Patriotic Front has been a painful and costly one. Parts of the struggle go back at least 14 years, when Rhodesia broke away from the British Commonwealth. Over these years, the problems in Zimbabwe-Rhodesia became part of the problems of the wider sphere of countries in southern Africa.

Even our own country did not escape the confusion. In 1968, President Johnson suspended our trade with Rhodesia, in keeping with a U.N. Security Council mandate. In 1971, the effect of the Presidential order was suspended for chrome and other strategic materials. In 1977, the Congress repealed even that exception, and full sanctions were again applied.

It was only recently, in London, that the bold strokes of negotiation and compromise have begun to yield results. The final touches on a cease-fire are now being discussed, and there is every hope that the peaceful transition to a new Government under a new Constitution will begin soon.

This new bill is timely and compatible with the course of peaceful compromise going on in London and Salisbury. The bill provides that the President shall terminate sanctions against Rhodesia at the earlier of the following two dates: First, a date by which a British Governor has assumed his duties as head of the transitional Government in Rhodesia; or second, January 31, 1980. If the President determines that it would not be in the national interest to lift sanctions at the earlier of these two dates, the President may decline to do so. Congress then has 30 days to overturn the President's decision by a concurrent resolution.

The policy invoked by this bill is one that contributes to a constructive policy on the part of our Nation toward Africa.

I extend to Senator HELMS and Senator HAYAKAWA the gratitude of the Senate for the role they played in working with the other members of the committee, and with the administration, on this legislation. They have exercised their prerogatives as Senators in the spirit of compromise.

I also would like to thank the chairman of the committee, Senator CHURCH,

and the ranking minority member and minority floor manager, Senator JAVITS; and Senator MCGOVERN, as chairman of the African Affairs Subcommittee; and Senator BIDEN, as majority floor manager of the bill.

This bill is the product of the efforts of many Senators, and they all have the gratitude of the Senate and of the Nation.

Mr. ROBERT C. BYRD. I have cleared this with the distinguished manager, Mr. BIDEN, the distinguished ranking manager, Mr. JAVITS, and with the distinguished Senator from North Carolina (Mr. HELMS).

I ask unanimous consent that the vote occur on the passage of S. 2076 today at 12 o'clock noon, with paragraph 3, rule XII, being waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators. This will accommodate committees that are meeting.

Mr. BIDEN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for transaction of routine morning business for not to exceed 15 minutes and that Senators may speak therein for up to 5 minutes each.

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

AMBASSADOR DONALD McHENRY

Mr. JEPSEN. Mr. President, on behalf of myself and the junior Senator from Virginia, Senator WARNER, I rise to recognize the steady poise and quiet strength that our U.S. Ambassador to the United Nations, Ambassador Donald McHenry, has displayed since becoming Ambassador.

Ambassador McHenry has best exemplified the American character of poise and strength in a time of national crisis.

Like it or not, we do live in times of danger and uncertainty. Times which trouble not only the souls of man, but of nations as well. These are stormy days for America, and like most storms, the peace is often upset before the calm returns. Nevertheless, though the days may be stormy, and the peaceful calm is yet beyond our reach, the storm does not really matter until the storm begins to get us—the United States—down.

Mr. President, the danger that we as a Nation face throughout the world during this period of turmoil, is yet another test of our will, our strength, and our vigor as a nation to meet the challenges of change.

The United Nations is and will continue to be the theater for discussion and debate among nations. As such, the U.S. Ambassador is literally at center stage as one of the principal actors of the cast.

Mr. President, the United States is fortunate to be well represented by a veteran diplomat. This is the kind of leadership that this country must continue to display if we are to retain any measure of respect around the world.

I hope that our colleagues here in Congress and the entire Nation will join us in recognizing the talents of our United Nations Ambassador and will continue to support his efforts at the United Nations.

Mr. President, I ask unanimous consent that the text of the Ambassador's remarks before the United Nations Security Council's special session on Iran, as printed in the Sunday Washington Star of December 2, 1979, be printed in the RECORD.

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

[From the Washington Star, Dec. 2, 1979]

MCHENRY: IRAN BREAKS "MOST BASIC OBLIGATION"

UNITED NATIONS.—Twenty-seven days ago, 63 Americans as well as personnel of other nationalities were seized when an armed, disciplined group of demonstrators invaded the United States Embassy in Tehran. Eighteen of those captured have been released. At least 50 Americans remain captive.

As with diplomats everywhere, the individuals who were taken hostage are entitled to the protection of the government of Iran by the most solemn commitment nations can give—the sovereign pledge of governments by treaty and international obligation.

Governments retain the right to require that foreign diplomatic personnel leave their soil. But every standard of international behavior, whether established by practice, by ethics, by treaty or by common humanity, supports the principle that the personnel of a diplomatic mission and diplomatic property are inviolate. Even in the darkest moments of relationships between countries, the security and well-being of diplomatic personnel have been respected.

Iran asks that its grievances be heard and acted upon. Yet, Iran, and the authorities who speak for it, are violating the most basic obligation of nations. They hold hostage the very people who facilitate those communications that can resolve differences and lead to understanding and agreement among nations.

None of us, whatever our differences on other issues, can ignore the implications for all of us of this event.

Nor can the world ignore that these diplomatic representatives are being held under degrading conditions. They are threatened, kept bound, isolated, not allowed to speak, denied mail. Even their whereabouts are uncertain. All of us at this table are also diplomatic representatives of our countries, charged with the same duties and protected by the same laws and rules of conduct as those now held captive in Iran. It is for all of us to speak up to demand their release and to insist upon basic conditions of humanity for their care pending that release, including daily visitation by impartial observers.

Many members of the United Nations, including members of this council, have had ambassadors murdered, diplomatic personnel injured, embassy facilities destroyed.

On each occasion the delicate framework of our international community has been harmed, but efforts were made to repair the wounds. The situation in Tehran has a feature unlike other assaults on the diplomatic ties that bind our world. In Iran, the government itself defends the violence which holds diplomats hostage. Such a position is intolerable.

The United States insists that its diplomatic personnel be released and its diplomatic premises restored. These are not negotiable matters. The United States will hold the authorities in Iran fully responsible for the safety of the American hostages held captive.

I speak today for hostages who are endangered by the frenzy and uncertainty of events, by the inhumane conditions under which they are held; and by the threat of the authorities in Iran to compound unjust acts through trials.

Around the world, nations of east and west, north and south, in individual and collective statements, have expressed their opposition to this violation of international law and called for the immediate release of the hostages. We express our appreciation for this overwhelming expression of international concern and support in behalf of principles that lie at the heart of civilized international behavior.

In this spirit, we appreciate the fact that the president of the Security Council, speaking for the members of this body, has twice urgently appealed for the release of the hostages.

The president of the General Assembly has twice spoken eloquently in support of this plea.

The Secretary General of the United Nations has worked unceasingly to resolve this crisis.

There has not been a satisfactory response and the hostages are still not free.

We gather here to determine what more can be done.

None of us is deaf to the passionate voices that speak of injustice, that cry out against past wrongs and that ask for understanding. There is not a single grievance alleged or spoken in this situation that could not be heard in an appropriate forum.

In addition, as we have said from the beginning, the United States remains ready, upon the release of the hostages, to discuss with the Iranian authorities the differences which exist between us and to seek their resolution.

But no country can call for justice while at the same time denying it to the defenseless. No country can breach the most fundamental rules of the community of nations and at the same time expect that community to be helpful in the problems which it perceives for itself.

In the simplest terms, no country can break and ignore the law while seeking its benefits.

What is it that the world can agree upon if not the protection and respect for those whom we appoint to represent our sovereignty and resolve our differences?

How tragic for Iran, how tragic for the world that threats to peace are being driven to a new crescendo. The most powerful voices in Iran have encouraged violence in neighboring countries and condoned bloodshed rather than condemn it. In addition, totally unfounded charges which can only inflame the situation have been made against the United States with respect to the current crisis.

The United States in all the years of its history has had as a fundamental principle the freedom of all people to worship as they choose. Out of this history and long association, we honor and respect the leaders and the nation of Islam.

The principle of non-interference in the internal affairs of other nations is both a tenet of the United Nations and of the for-

eign policy of the United States, and that includes, of course, respect for the territorial integrity, political independence and sovereignty of Iran. We respect the right of the people of Iran to determine their own future through institutions of their own choosing. And all of us must accept their decisions.

The President of the United States, speaking for a unified and determined nation, has made it clear that we are seeking a peaceful resolution to this conflict so that the wounds of the past can be healed. In this spirit, the United States has turned to the Security Council and the secretary general in the search for a peaceful solution. In this spirit, the United States has begun proceedings in the International Court of Justice.

There is in the United States a unity of purpose, a disciplined sensitivity to the needs of peace, a determination to search out all peaceful means to bring this dispute to a just conclusion, and also a determination to do what must be done to protect our fellow citizens and the rule of law. That unity of purpose is shared by all Americans. But make no mistake. Beneath that discipline is a seething anger which Americans properly feel as they witness on daily television new threats and outrages against their fellow citizens.

Mr. President, the hostages must be freed.

Mr. JAVITS. Will the Senator yield?

Mr. JEPSEN. The Senator will be pleased to yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I was at the United Nations and had the privilege of observing Ambassador McHenry as he performed his duties. I would like to join the distinguished Senator from Iowa in complimenting him in the common pride which we share when an American public servant performs so well.

The greatest compliment that we can pay to Donald McHenry is that he is a thorough-going professional. That is what he likes best. He is low-keyed; he is intelligent; he is restrained, but very decisive.

I think Senator JEPSEN has done a very nice thing today in recognizing his work in this particular direction. I look forward to comparable performances and many others. And if they are forthcoming, as I am quite sure they will be, it will do a great deal for the acceptability of the United Nations as a useful institution, not able to solve everything, but a useful institution in the United States.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

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

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 3919, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The Senate will now proceed to the consideration of the Armstrong-Dole amendment.

Mr. ROBERT C. BYRD. Subject to the approval of Mr. LONG.

The PRESIDING OFFICER. Subject to the consent and approval of Mr. LONG.

Mr. LONG. Mr. President, I do not object. It is all right with me. They can start talking. I will be glad to listen.

Mr. ROBERT C. BYRD. Mr. President, while Senators who will want to speak on the pending amendment are coming to the Chamber, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ATTENTION: SECRETARY OF EDUCATION

Mr. HAYAKAWA. Mr. President, in view of the fact that, this afternoon, Judge Hufstedler is to be sworn in as Secretary of the Department of Education, there are two or three little matters about education that I would like to have printed in the RECORD to call to her attention.

First of all, I want to call attention to an article in the San Francisco Examiner by the columnist Guy Wright, that appeared on September 19, 1979, entitled, "Why Educators Can't Teach." It is an interesting analysis of the way in which education is dominated, overdominated, by Ph. D.'s in education, schools of education, and people who are trained only in courses in education rather than in subject matter. This does seriously affect the quality of education.

As I have argued on the floor before, there have to be more than educators in education; there have to be scientists, there have to be poets, there have to be historians, political scientists, and so on. I should like, therefore, to call this to the attention of my colleagues and Judge Hufstedler. In order to do so, I ask unanimous consent that this article be printed in the RECORD.

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

[From the San Francisco Examiner, Sept. 19, 1979]

WHY EDUCATORS CAN'T TEACH

Striking San Francisco teacher Charles M. Frye has the inner satisfaction of knowing that he blasted the school brass in a national magazine.

In fact, when word of his Newsweek broadside gets around, he may have to go into hiding even from his fellow teachers.

"Who runs the schools?" he asked himself and Newsweek's several million readers.

His answer: "The explosive growth of the education Establishment has been, and is being, drawn from among the weakest of our college graduates."

As a math teacher with 21 years in the classroom, he backs up his charge with statistical evidence.

First he points out that the nation's public schools are run by an interlocking hierarchy of state, local and federal education administrators, and that there is only one way to rise in that hierarchy—not by being a superior teacher but by taking "lots and lots of graduate courses" at colleges of education.

What kind of people take those courses? Frye's answer is devastating.

Of the 4,365 applicants to graduate schools of education in 1963–64 (an age group now moving into upper administration) 81 percent were below average in the verbal section of the standard Graduate Record Examination, he said, and 84 percent were below average in the quantitative score.

"Only home economics and physical education candidates did worse," he observed, adding:

"It is, therefore, entirely consistent that they should attack or drop IQ testing ability grouping and objective tests for teachers and administrators.

"If NASA had been staffed as selectively as the education Establishment, it would have been lucky to hit Tallahassee."

While the quality of public school education has declined and enrollment has dropped, the education Establishment has flourished. It has enjoyed "an explosive growth in the nonteaching school bureaucracy (and) over-all cost increases vastly exceeding inflation."

In fact, said Frye, the paper chase for advanced degrees in education increased about 300 per cent in 13 years, "despite a steady drop in the school population and an embarrassing surplus of teachers and administrators."

How come? It is mainly a case of specialization ad infinitum.

"The schools of education of the California State University system, for example, have accomplished this by offering 28 *different* master's degrees, among them some virtually indistinguishable specialties, such as "communication handicapped," "learning handicapped" and "physically handicapped."

Bilingual education has opened another happy hunting ground for specialists in specialization, and California now requires a special credential to teach "gifted" children—at the same time the definition of "gifted" is being watered down.

"Clearly," said Frye, ". . . . this Establishment should be dismantled with all deliberate speed." But he predicted that a new federal Department of Education will only "calcify its inanities" by providing it with more jobs, funds and authority.

"The ultimate irony," he said, "is that the fundamental responsibility for this state of affairs lies precisely with those institutions now most vociferously bemoaning the education product of the schools; that is, with the colleges and universities that have permitted their graduate schools of education to grant vapid master's degrees and doctorates in education to ever-increasing numbers of people they would not have deigned to consider for admission to any of their academic or professional schools."

Mr. HAYAKAWA. I also submit for the RECORD a column by William Raspberry entitled "Miracle on Chicago's West Side," which appeared in the Washing-

ton Post on December 3. It talks about a young lady by the name of Erica McCoy, a little girl who is enrolled in Marva Collins' School in Chicago. It is a school in the urban ghetto of the West Side. This lady, Marva Collins, is producing, at the third grade level, children who are capable of reading Chaucer, Dostoevsky, Goethe, Flaubert, Dante, and Plutarch through a remarkable experiment going on in her Chicago school. Mr. William Raspberry called attention to this. I ask unanimous consent that this be printed in the RECORD.

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

[From the Washington Post, Dec. 3, 1979]

MIRACLE ON CHICAGO'S WEST SIDE

(By William Raspberry)

"I brought Erica here when she was not quite 6 years old, because I knew something had to be done," Ella McCoy told me. "The teachers at [a private Chicago school] had told me she wasn't reading and that she might not learn to read."

That was four years ago. Erica, now in the 5th grade, is using "the same literature book that seniors at St. Ignatius High School use," her mother said. "Last year, she was reading at the 10.2 grade level. Her math was a little lower than that, but still well above grade level."

Erica McCoy is one of 30 children enrolled at Marva Collins' Westside Preparatory School in Chicago, the academic miracle featured on CBS' "60 Minutes" a couple of Sundays ago.

It was sheer accident that I talked to Erica's mother. I had called the school to make an appointment to talk to the miracle worker herself, but the hundreds of calls triggered by the television broadcast had forced her to have all her telephone calls diverted to her home. Ella McCoy, herself a 6th-grade teacher in the Chicago public school system, had taken the day off to help Collins at the house. That is how she happened to answer when I called.

She was thrilled, she told me, about Erica's progress. And not just in reading and math. She is also more self-assured than she had been. "And she loves to read," Erica's mother said. "Last year at camp she read 23 books."

What books?

"Let's see, there was 'Jane Eyr,"I remember that very well. I also remember she read 'A Tale of Two Cities' and part of Plato's 'Republic' . . ."

That's as far as we got, for at that point Marva Collins herself came on the line, munching on a noon-time hamburger. Between bites, she tried to help me understand how she accomplishes her routine miracle.

Since our recent publicity, everyone in America thinks that all they have to do is get a list of classics from me and their children will read them, she said. "They don't realize that what I do is hard work. You have to get the children interested in books—the covers are not conducive, you know. You can't draw knowledge out of a child the way you draw milk out of a cow."

One of her tricks is to avoid introducing her children to "childish" books in the first place, "We never deal with "See the big red ball. See the ball roll down the hill." They don't realize such junk exists."

Instead, she starts her 4-year-olds with fables, which they find inherently interesting. By 3rd grade, they are introduced to Latin. ("It's easy for them to understand about parallel lines or parallelograms if they know that the Latin *parallelus* means 'side by side'. They have no trouble with 'quadrangle' when they know that the prefix *quadr* means 'four.'")

While her 3rd-graders are reading Chaucer, Dostoevsky, Flaubert, Goethe, Dante and Plutarch, the 4- and 5-year-olds are enjoying such easier fare as the fables of Aesop, da Vinci and Sophocles. They all memorize one poem and write one composition each week, and they have to read at least one book every two weeks.

"We teach our children to speak and write in standard English," Marva Collins says, "and we worry more about getting it 'right' than about getting it 'written.'"

And all with nothing more sophisticated than dog-eared books, dusty chalkboards and scratched-up desks.

"If you gave us $20,000 worth of audio-visual equipment, we'd leave it on the sidewalk," she says, although her use of the word "we" may be stretching a point. She does it all herself, with a single teacher's aide and practically no money.

And she achieves her almost unbelievable results with children who come mostly from the black, economically depressed West Garfield Park section of Chicago, where she lives and runs her school in an old 22-room brownstone. Many of her students come to her with psychiatric problems or diagnosed "learning disabilities."

If there is a secret to her phenomenal success (she denies that there is), it would be her constant attention to building her children's self-esteem.

"Speak up, darling; you're brilliant," she'll tell a reticent pupil. "If you let someone else steal your thunder, you'll always be just a little raindrop."

Mr. HAYAKAWA. Mr. President, I also call attention to an article by Kevin Starr in the San Francisco Examiner of October 29, 1979. Mr. Starr discusses the teachers' strike in San Francisco and the consequences this has for the education profession. This, too, says quite a few things about the present condition of education and what teachers and parents may want to do in the future that is different from what they did in the past. I ask unanimous consent that the article be printed in the RECORD.

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

AFTER THE STRIKE

The school strike, thank God, is over. The following remarks are not intended to be bitter or divisive. Good people found themselves on both sides of the issue. I do think, however, that the strike has disrupted profoundly the educational progress of our students. It also will go a long way towards convincing many parents to vote for a tuition voucher system.

Can students realistically be expected to settle down after the events of the past six weeks? Can teachers who yelled at students not to cross picket lines, who verbally harassed substitutes who did cross, who in certain cases actually invaded schools, demonstrating noisily in the corridors—can they now reverse their roles and maintain order in the classroom?

Can teachers who defied a court order now teach lawfulness to their civics classes?

Can seniors, moverover, ever recoup the momentum they have lost in this most vital year when they are applying to colleges? Will not every college and university of any worth look slightly askance at a graduate of the San Francisco school system, knowing that nearly two months were lost at the opening of the term in the most bitter sort of internecine strike?

No one won anything in this strike. The teachers did not obliterate the larger reality that taxpayer support for public education is eroding, especially here in San Francisco, where fewer and fewer residents are rearing children. Whatever immediate gains they have made, the long-range prospects for teachers here are not bright—and this a very sad thing for those men and women who have dedicated themselves to a noble calling.

The teachers won an immediate pay raise, funded by monies saved by the strike itself. They did not win a long-range commitment to a higher standard of living. Does this mean that they will strike every time they want a raise—strike so that the money saved from the closed down system can be transferred to wages?

Our teachers for some time now have been legitimately complaining about misbehaving students. I think that such students will be running more wild than before. The disruption of the past six weeks have eroded whatever minimal social controls were there in the first place.

Parents feel more hopeless than ever. The middle classes who still send children to public school will once again think very seriously of pulling them out or even leaving San Francisco itself. Parents I've talked to are truly angry. The school system, they feel, like most government, has gotten out of the immediate control of citizens. The system seems to be some remorseless engine functioning for its own purposes.

This frustration, most obviously, will translate into votes for the tuition voucher system. Under this plan, councils of parents would have substantive authority in the decision-making process of the schools their children are attending. One suspects the strike would not have gone on so long had parents had some authority in the negotiations. Protagonists on both sides would have been urged to a speedy settlement by parents anxious to have their children return to the classroom.

This is not a time for cheap shots. I sympathize with the frustrations of teachers faced with a most difficult inner-city generation of students. I sympathize with their efforts to survive in this inflationary economy. I sympathize with the school board and the administration, faced with the necessity of keeping the system afloat in an age when there is less and less financial support for programs that are more and more expensive.

Above all, however, I sympathize with students and their parents. They have gained nothing from this strike—except the conviction that something is wrong, terribly wrong, with public education as it is currently structured, funded, and administered. Because of this frustration, San Francisco and the entire state of California are poised on the brink of a major breakthrough. Within the next year, the voters will authorize a radically new approach to public education—a tuition voucher system. As in the case of Proposition 13, California will lead the way in wrestling back to private control that which should never have been surrendered to government. The idea that government should administer education is not in the Constitution. It is a creation of the late 19th century. President Carter's creation of a separate Department of Education on the cabinet level proves once again the historical truism that bureaucracies have a ghoulish taste for dead ideas.

RETURN OF TINKERS AND JITNEYS

Mr. HAYAKAWA. Mr. President, I want to speak of the fact that I am very, very much interested in the liberation of licensing requirements for taxis and jitneys as a supplement to public transportation systems and as a way of

opening up career opportunities for those of limited training and limited education for whom driving cabs and jitneys and so on will be a good way of making a living and also a public service. William Hines, in the Chicago Sun-Times, has written an article which has been reprinted in the Los Angeles Times of December 5, 1979, on the return of tinkers and jitneys and other forms of modest private enterprise by means of which people get into meaningful occupations. I ask unanimous consent that this article be printed in the RECORD.

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

RETURN OF TINKERS, JITNEYS FORESEEN

(By William Hines)

WASHINGTON.—The resurgence of two almost-forgotten occupations is one of the more predictable developments in the highly uncertain future of an America squeezed by inflation and increasing energy costs, two students of the U.S. economy believe.

The occupations are those of tinker and jitney operator, the former a handyman specializing in quick and cheap repairs of things that up to now have been thrown away when broken, and the latter a small-time operator in the transit busines filling a void left by subways, buses and taxis.

The resurgent tinker is already with us in small towns where people who want to do a little marginal business are not hassled by government officials, Milton Russell said in a recent interview here. And Joel Darmstadter added that jitney routes are likely to spring up in outlying suburban areas as gasoline prices continue to soar.

Russell and Darmstadter are colleagues at Resources for the Future, a nonprofit Washington think tank concerned with natural resources and their conservation. They contributed to a recent RFF report entitled "Energy in America's Future: the Choices Before Us."

Both tinkers and jitney drivers were in plentiful supply in the less affluent early days of the century, when fewer families had cars and when appliances were more expensive to buy and cheaper to fix than they are now.

The jitney driver perhaps needs an additional word of explanation.

In many large cities in the United States after World War I, jitneys filled a definite void left by fixed-rail trolley cars, which were the mainstay of transportation in most places. The jitney was a private auto—not a taxi—that plied a definite route and hauled passengers for a flat fee, usually close to that charged by the trolley car.

Chicago had them; so did San Francisco, and travelers who have been to Mexico City may recognize them by another name, *pesero*.

Among the many life-style adjustments that will have to be made by suburbanites, Darmstadter said, is in transportation. As fuel prices climb, incentives to leave the private car at home will increase, but in many cases no practical alternative now exists.

Darmstadter cited as an example his own Washington suburb of Glen Echo, Md., which is connected to the central city by adequate bus service but lacks cross-town routes to other parts of the northwestern suburbs.

"I'm surrounded, in Glen Echo, by neighbors who are professional people who work at the National Institutes of Health (about seven miles away in the suburb of Bethesda)," Darmstradter said. "There's no way to get from Glen Echo to NIH by public transportation except in the most tortuous, circuitous fashion. People have to drive to work.

"But suppose there were a bunch of people—say retired people in good health—who really don't want to work but would like to earn a little bit of money. Suppose they elect to become entrepreneurial and run two or three shuttles, morning and evening, between Glen Echo shopping center and the main campus of NIH.

"I think with a setup like that, with virtually no capital investment, we could very quickly effect dramatic energy savings."

Russell, foreseeing the end to a "throw-away" economy as inflation and increased production costs push replacement-goods' prices up, said the tinker is on the way back and in some places is already here to stay.

"I have a summer place out in the Shenandoah Valley of Virginia at the little town of Strasburg (about 85 miles from Washington)," Russell said. "There is a guy there called 'the Village Tinker,' and what he does is fix for a buck and a half or two dollars all the things that in the city you throw away when they break.

"We have a Crock-Pot. It cost about $12 in the first place, and would cost more than that to fix in the city. There was something wrong with it, and I spent an hour and a half and banged my knuckles. Then I took it into the Village Tinker. He put a new switch in, and it was a buck and a half."

The Village Tinker of Strasburg, it turns out, is a retired man with manual skills who—in Russell's words—"doesn't want to sit around the house watching soap operas all day." He has neither high income requirements nor high overhead expenses.

"You walk in there and you see carpet sweepers and irons and waffle makers and all kinds of things that most of us end up throwing away," Russell said.

Village tinkers can flourish only in a benign, permissive regulatory climate—typically nowadays a small town where officialdom tends to live and let live and where entrenched business and labor interests do not move quickly and ruthlessly to deal with what they regard as competition. At least, this is Russell's view.

Darmstadter agrees but adds that in the era of change ahead, more populous jurisdictions have to start watching out for the little fellow, too. Rather than try to convince the local taxicab monopoly that jitney drivers won't ruin business, Darmstadter said, "What you have to do is convince the people of the United States that taxicab companies don't have a God-given right to make more money."

Some regulation is necessary, both men acknowledge, but the line between necessary and repressive regulations can be easily crossed. Capricious work rules or rigid governmental paper-work requirements imposed on a one-man or "mom-and-pop" operation can often make the difference between a profitable public-service enterprise and a financial fizzle.

Another possibility in the coming years, not explored by Russell and Darmstadter, is the growth of a "barter economy," with specialists in one field swapping their expertise with specialists in other fields, with no money changing hands. This is apparently still in its infancy in the United States, but is widely employed in Sweden—principally as a way to evade taxes, which are higher than here.

AN "INTERVIEW" THAT WAS NOT AN INTERVIEW

Mr. HAYAKAWA. Mr. President, I have been thinking a lot about the Shah of Iran.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield just for a request?

Mr. HAYAKAWA. I am glad to yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senator may speak out of order, notwithstanding the Pastore rule.

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

Mr. HAYAKAWA. I thank the distinguished majority leader.

Mr. President, there is an item I want to introduce into the RECORD. Ayatollah Khomeini is remarkable in the skill with which he has manipulated the media, especially television. He has managed to place all public attention upon the crimes and alleged crimes of the deposed Shah of Iran and deflected from himself all criticism of his own crimes.

Bernard Kaplan, in the San Francisco Examiner, has written an article about this particular skill in manipulating the media that the ayatollah has shown. The title of that article is "Lobbing Up the Soft Ones." It appeared on November 23, 1979. It tells how the ayatollah asked that questions by the networks be submitted to him in advance and he would cross out the questions he refused to answer. President Carter, Ronald Reagan, TED KENNEDY, none of those people can get such favorable conditions for a network interview. But under the circumstances, the ayatollah was given completely his own way and his own choice as to what questions he would answer and what subjects he would talk about. This successful manipulation of the media is discussed by Bernard Kaplan. I ask unanimous consent to have that article printed in the RECORD.

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

LOBBING UP THE SOFT ONES

WASHINGTON.—America's TV networks deny that they stumbled into a propaganda trap when they stood in line last weekend to "interview" the Ayatollah Ruhollah Khomeini. But, as any viewer could tell, Mike Wallace and the rest were putty in his hands.

The ayatollah may not be everybody's idea of a prime-time personality. But he was thoroughly in charge during his TV appearances.

He used the air time to expound his view that the current U.S.-Iranian crisis is a consequence solely of America's "criminal" activities. He labeled President Carter an international outlaw. And none of the TV reporters tried to refute him, however timidly.

ABC's Peter Jennings, John Hart of NBC and even the usually inquisitorial Wallace seemed to be there merely to lob up the soft ones for him to smash back.

They were unable to pose hard questions of their own for an elementary reason. They had been warned beforehand that they would not be allowed to. If they so much as tried, their interview was off.

Network viewers were told of the restraints placed on the interviewers. Whether that mitigated the effect of the interviews is debatable.

The network reporters meekly submitted their questions in advance. They let the avatollah's advisers strike off those—more than half, all told—deemed unacceptable.

No Western leader would be conceded that kind of powder-puff treatment. The American networks, as well as many other news organizations, have a rule against submitting questions ahead of time and allowing public figures to determine which ones they will answer.

In Khomeni's case, the rule was scrapped and the game played his way. Why? Because

nowadays, everything boils down to being a "media event."

Whatever explanations the networks have offered, the true reason they bowed to Khomenini's conditions was that he is a "hot" item. Each network wanted to insure that it got him on the air. Even more, each wanted to make certain that it was not left out while its rivals snared him.

Under those circumstances, Wallace and Jennings never stood a chance.

"I was ashamed of my network for running that junk," a well-known Washington TV correspondent said. "If it had been up to me, I wouldn't have put a second of it on the air or, at least, not called it an interview."

Oddly enough, the network news chiefs were reasonably sure from the start that interviewing Khomeini was extremely unlikely to produce real news.

In the first place, the strait-jacketed method required to question him practically guaranteed a non-news event. Nor did they have the excuse of not knowing what to expect. They had already run through a comparable experience last year during Khomeini's exile in France.

Then, too, the tempestuous priest had rejected genuine interviews, insisting on a prewrapped format that allowed him to get his spiel across without worrying about the type of question he might find hard to answer. The TV interviewers and their electronics cameras obediently queued up, anyway.

That was probably Khomeini's first and most instructive lesson in how easy it could be to manipulate Western news media.

The people who run American TV networks are modern men with all the foibles of their kind. The ayatollah is not. That's his edge.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of the bill (H.R. 3919).

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate? And what is the pending question before the Senate?

The PRESIDING OFFICER. The pending business is H.R. 3919. The pending question was to be the amendment proposed by the Senator from Colorado which is not yet offered.

Mr. ROBERT C. BYRD. Mr. President, I hope Senators who are involved in amendments will come to the Chamber and call them up and address their remarks to them because the Senate is just wasting everyone's time. We are getting nothing done. It was agreed last night that when the Senate went back on this bill, the amendment by Mr. ARMSTRONG would be up before the Senate today. The managers of the bill are here and they have been waiting. Is the amendment up? The amendment is not up, is it?

The PRESIDING OFFICER. The amendment is not up. The Senator is correct.

Mr. ROBERT C. BYRD. It can be called up by any other Senator, can it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. In other words, I could call it up.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. But I will not do that.

I know how busy Senators are. I know they have a dozen demands occupying their attention at any given moment. I sometimes wonder how a person can be a Senator and cope with the demands that are upon us. So what I say is not critical of anyone. But if anyone understands around here how many demands can be occupying a Senator's attention at any given minute, I should know. So I am not going to be critical of others just now. But I do plead with Senators to please get to the Chamber and call up their amendments and let us get started on the business of today.

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

Mr. ROBERT C. BYRD. I yield.

Mr. ROTH. I say we are trying to reach Senator ARMSTRONG to get him down here as rapidly as possible.

Mr. ROBERT C. BYRD. I was told that 15 minutes ago, that he was on his way.

I thank the distinguished Senator. I know he is trying to get business going.

I yield the floor.

VISIT TO THE SENATE BY MEMBERS OF THE GERMAN BUNDESTAG

Mr. JAVITS. Mr. President, with the permission of the majority leader, I have the honor to introduce to the Senate two guests from the German Bundestag brought to us by our former colleague, Carl Curtis, who is here with them today. One is Mr. Elmar Pieroth, a member of the Bundestag, chairman of the Christian Democratic Union's Economic Policy Committee, and a member of that same political party's parliamentary party executive. He is very deeply involved in international economic, trade policy, and development aid affairs as well as small business, and he has been a member for some years of German Bundestag, and is a distinguished businessman in Germany in his own right.

Also Mr. Richard von Weizsacker, who is a lawyer by profession, former president of the German Evangelical Conference; vice president of the German Bundestag, also of the Christian Democratic Party; very well known to me and to many other Members of Congress, and very well known in this country for his fine efforts in respect to United States-German relations.

Mr. President, I have the honor to introduce both of these gentlemen to the Senate.

[Applause, Members rising.]

RECESS FOR 3 MINUTES

Mr. JAVITS. Mr. President, if Members wish to greet our guests, I ask unanimous consent that we stand in recess for 3 minutes.

There being no objection, the Senate, at 11:55 a.m. recessed until 11:58 a.m. whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

TERMINATION OF SANCTIONS AGAINST ZIMBABWE-RHODESIA

The Senate continued with the consideration of S. 2076.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maryland (Mr. SARBANES), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Kansas (Mr. DOLE), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Alaska (Mr. STEVENS) would each vote "yea."

The PRESIDING OFFICER (Mr. CULVER). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 90, nays 0, as follows:

[Rollcall Vote No. 456 Leg.]

YEAS—90

Armstrong	Glenn	Packwood
Baucus	Hart	Pell
Bayh	Hatch	Percy
Bellmon	Hayakawa	Pressler
Bentsen	Heflin	Proxmire
Biden	Heinz	Pryor
Boren	Helms	Randolph
Boschwitz	Hollings	Ribicoff
Bradley	Huddleston	Riegle
Bumpers	Humphrey	Roth
Burdick	Inouye	Sasser
Byrd, Harry F., Jr.	Jackson	Schmitt
Byrd, Robert C.	Javits	Schweiker
Cannon	Jepsen	Simpson
Chafee	Johnston	Stafford
Chiles	Kassebaum	Stennis
Church	Laxalt	Stevenson
Cochran	Leahy	Stewart
Cohen	Levin	Stone
Cranston	Long	Talmadge
Culver	Lugar	Thurmond
Danforth	Magnuson	Tower
DeConcini	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	Melcher	Warner
Durkin	Metzenbaum	Weicker
Eagleton	Morgan	Williams
Exon	Moynihan	Young
Ford	Muskie	Zorinsky
Garn	Nelson	
	Nunn	

NAYS—0

NOT VOTING—10

Baker	Hatfield	Sarbanes
Dole	Kennedy	Stevens
Goldwater	McClure	
Gravel	McGovern	

So the bill (S. 2076) was passed, as follows:

S. 2076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President shall terminate sanctions of the United States against Zimbabwe-Rhodesia the earlier of—

(1) a date by which a British Governor has been appointed, has arrived in Zimbabwe-Rhodesia, and has assumed his duties, or

(2) January 31, 1980,

unless the President determines it would not be in the national interest of the United States to do so and so reports to the Congress.

(b) If the President so reports to the Congress, then sanctions shall be terminated if the Congress, within thirty calendar days after receiving the report under subsection (a), adopts a concurrent resolution stating in substance that it rejects the determination of the President. A concurrent resolution under the preceding sentence shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976 and in the House of Representatives in accordance with the procedures applicable to the consideration of resolutions of disapproval under section 36(b) of the Arms Export Control Act.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of the bill H.R. 3919.

The PRESIDING OFFICER. The Senator from Louisiana.

The Senator will suspend until we have order in the Chamber. If Senators want to carry on conversations, will they please do so in the cloakrooms?

The Senator from Louisiana.

AUTHORITY FOR COMMITTEE TO MEET

Mr. LONG. Mr. President, I ask unanimous consent that the Committee on Finance may be permitted to meet during the session of the Senate today.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, the Senate has spun its wheels between 11:05 today and noon, 55 minutes. Every minute has 60 diamond seconds. On the amendment before the Senate, or which should be before the Senate at this time, by Mr. ARMSTRONG, the time is passing. The Senate needs to get on with its business. We just cannot go on and on and on just to suit every individual Senator's convenience. We have arrived at the point now where to suit one Senator's convenience, inconveniences all other Senators and inconveniences the Senate.

The manager of the bill is here and Mr. ROTH is here as acting manager. We just cannot continue to inconvenience the Senate and 99 Members for 1 Member. It is one Member on one occasion and another Member on another occasion. We just cannot continue to do that and get this bill finished.

We have only a few days left until the Christmas holidays. Everybody expects to be off for Christmas. We are going to go home for Christmas for a few days. But the Senate cannot go out on the 21st or 22d of this month and stay out until the 22d or 23d of January if the Senate still has before it the windfall profit tax bill or the Chrysler bill.

The manager is doing all he can, and the ranking manager is doing all he can. I would just ask for the cooperation of Senators. I have been in this Senate 22 years. I have never asked the Senate to hold up a vote for me. I have never asked the Senate to hold up an amendment for me, to wait on me for an amendment. If I cannot be here to offer an amendment, then I will ask somebody else to offer it for me. We have to get this work done. I try to yield to the convenience of every Senator—99 Senators. I try to help them all.

I try to accommodate them all. I just insisted a moment ago that this rollcall be held up 10 additional minutes to accommodate a Senator and I have done that time and time again. There is not a Senator in this body that I have not accommodated at one time or another. The time has come, I say to my friends, when we need to accommodate the Senate.

I hope, Mr. President, that we can get on with this bill. If we cannot get on with this amendment, let us get up another amendment. There are Senators who have amendments that they can call up, but, under the order, we are stuck with a certain routine by which amendments are to be ordered up at a given time. Last night, we got consent that the Armstrong amendment would be run ahead of the Bellmon amendment and the other plowback amendments.

Let me plead with the Senate that now is the time to get moving if we expect to finish this bill and get off for Christmas and have a reasonable length of time for the Christmas holidays.

Mr. TOWER. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. Let me note that, on many occasions, the business of the Senate has been delayed for individual Members, but that that has occurred in behalf of Members on both sides of the aisle. This is not——

Mr. ROBERT C. BYRD. May I say to my friend——

Mr. TOWER. I want to emphasize that point.

Mr. ROBERT C. BYRD. The point does not need to be emphasized. I am the first around here, I think, to try to help to accommodate the Members of the minority. I was not pointing the finger at anybody. It just so happened that on that particular rollcall, it was a Republican. There have been rollcalls that I have tried to hold for Democrats, too. This is not a tit-for-tat partisan talk I am having here. I am just asking that the Senate get on with its business.

Mr. TOWER. I agree with the distinguished majority leader. I believe that Senator ARMSTRONG is prepared to agree to a controlled time situation on his amendment. That would enable us to get that amendment up and proceed to consider it. I should like to explore the possibility of there being a controlled time agreement on that amendment, which would give us a clear idea about when we can bring it to a vote.

Mr. LONG. Mr. President, if the Senator wants to have controlled time on the amendment, he ought to come here. He ought to come to the Senate. Unanimous consent was given last night.

Mr. ROBERT C. BYRD. I understand his problem. I know he is busy elsewhere in the Senate.

Mr. TOWER. He has been sent for. I think, without getting into the business of who is to blame for what, we could go ahead now and try to dispose of the matter by getting a controlled time agreement on it. Senator ARMSTRONG is on his way to the floor. We can arrive at something, a reasonable period of time, so it will not delay the Senate too long.

It is my guess that he will be prepared to agree, perhaps, to 2½ or 3 hours. I cannot say with certainty, but I believe that is probably the case.

Mr. LONG. Well, Mr. President, I know it is frustrating to the leader and I know it is frustrating to everybody to try to get the Senate's work done when some Senator leaves town and leaves word that nothing must happen until he comes back, especially when we are trying to get our business done and to adjourn before Christmas and we have a lot of business to do. Then someone leaves town and leaves word that nothing must happen until he returns.

That sounds like olden days, when we did not have so much work to be done, somebody would leave town and leave word that nothing should happen until he returns. The Nation has too much business to stand still like that and Senators, if they want to offer amendments, ought to offer them; otherwise, we should just go to third reading and get on with what we are trying to do here.

Mr. TOWER. Did the Senator move for third reading?

Mr. ROBERT C. BYRD. No.

Mr. TOWER. Would the distinguished majority leader consent to a quorum call so we can try to work something out here? I think we shall be able to work it out.

Mr. ROBERT C. BYRD. All right; the distinguished Senator (Mr. ARMSTRONG), who will call up the amendment, is here and I think we can work out something whereby we can proceed with the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

TIME-LIMITATION AGREEMENT

Mr. LONG. Mr. President, I ask unanimous consent that time on the amendment by Mr. ARMSTRONG be limited to 2½ hours, to be equally divided in accordance with the usual rule.

The PRESIDING OFFICER. Is there objection?

Mr. ARMSTRONG. Mr. President, reserving the right to object, may I inquire of the distinguished floor manager, in

the event that I should use my time before—let us say I should use it in the next hour, and I have no desire to delay once I have accommodated those on our side who wish to speak. I am concerned that, in any event, no vote or tabling motion take place prior to 2:30 in order to give an opportunity for the Senator from Kansas (Mr. DOLE) to speak. Would the Senator be willing to add that?

Mr. LONG. Yes, I am willing to include that, that there be no vote or tabling motion before 2:30 p.m.

Mr. ARMSTRONG. I have no objection, Mr. President.

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

Mr. LONG. Mr. President, I ask unanimous consent further that the time be equally divided between the Senator from Colorado and the manager on this side.

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

The Senator from Colorado is recognized to call up his amendment.

AMENDMENT NO. 695

(Purpose: To provide cost-of-living adjustments in the individual income tax rates and in the amount of personal exemptions.)

Mr. ARMSTRONG. Mr. President, on behalf of the Senator from Kansas (Mr. DOLE) and myself, I call up our amendment No. 695.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG), for himself and Mr. Dole, proposes an amendment numbered 695:

At the appropriate point, insert the following:

SEC. . TAX EQUALIZATION.

(a) ADJUSTMENT TO INDIVIDUAL TAX RATES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.

(1) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—

"(A) TAXABLE YEARS BEFORE 1985.—Not later than December 15 of each calendar year before 1984, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(B) TAXABLE YEARS AFTER 1984.—The tables prescribed under subparagraph (A) for taxable years beginning in 1984 shall also apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning after 1984.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1)(A) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table, by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under a subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets. If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year exceeds

"(B) the CPI for the calendar year 1979.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(2) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection 1, or

"(2) zero in any other case."

(b) COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.—

(1) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions from personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(2) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—

"(1) for the calendar year in which the taxable year begins, or

"(2) in the case of a taxable year beginning after December 31, 1983, for calendar year 1984.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

(c) ADJUSTMENTS IN WITHHOLDING.—

(1) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1984, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calender year. The tables prescribed under the preceding sentence for 1984 shall also apply with respect to wages paid after 1984."

(2) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1984, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f) which applies to taxable years beginning in the succeeding calendar year. The table prescribed under the preceding sentence for 1984 shall also apply to wages paid after 1984."

(3) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year) "; and

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

(d) RETURN REQUIREMENTS.—

(1) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(2) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(3) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(4) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(5) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(6) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(A) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(B) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(C) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (c) of this section shall apply to taxable years beginning after December 31, 1980.

(2) The amendments made by subsection (b) of this section shall apply to remuneration paid after December 31, 1980.

Mr. ARMSTRONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, the

Senate, for several days, has been considering the issue of windfall gains. For the bulk of the time that this issue has been under debate, we have been concerned about the windfall gains which are actually or, at least, allegedly accruing to the oil companies.

Mr. President, I ask unanimous consent that the names of Senator HAYAKAWA, Senator ROTH, Senator DURENBERGER, and Senator PERCY be added as cosponsors of this amendment.

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

Mr. ARMSTRONG. Mr. President, it is my purpose, as well as that of Mr. DOLE and the other cosponsors of the amendment, to call the attention of the Senate to another kind of windfall that is occurring, a windfall which is accruing to the Government of the United States, unintended by the taxpayers of the Nation. Silently, a little every day, a windfall is accruing to the tax coffers of the United States, at the expense of the Nation's wage earners and consumers. In a very real sense, it is a far more sinister, far more unfair and dangerous economically harmful windfall than any other windfall that has been under discussion during the course of this bill.

I am referring to the windfall tax revenues that accrue to the Federal Treasury as a result of the interaction of inflation and the graduated Federal income tax. This inflation has caused American taxpayers and consumers more than $15 billion within the last 2 years.

Taxflation—that is, inflation pushing taxpayers into higher graduated brackets—is silent and insidious. Prices go up. Working men and women get wage increases—if they are fortunate enough to hold jobs in industries that permit them to get cost-of-living increases—in the hope of keeping pace with rising prices. Unfortunately, they are then pushed into higher tax brackets. Immediately, a greater proportion of their income goes to taxes, even though their real income has stayed the same, or, in many instances, actually has declined.

As a result of taxflation, most Americans today are paying taxes at rates which originally were expected to apply only to the very rich. Nearly 44 percent of the typical family budget now goes to pay taxes—44 percent for taxes in a typical family. We are not talking about the upper crust. We are not talking about the privileged few. We are not talking about the wealthy. We are talking about everyday, typical, normal, average taxpayers. They are spending today more for taxes than for food, clothing, or shelter. Indeed, they are spending more for taxes than all these items combined.

A recent article in the Wall Street Journal pointed out the case well. It cited the example of a median income family of four in 1964 earning $8,132. That family was in the 18-percent-tax bracket. While the median income of a family of four has risen in the years since 1964 from $8,132 to $18,815 in 1979, that family is now in the 21-percent-tax bracket.

As the article notes—

Because the 1979 family is in a higher tax bracket than its 1964 counterpart, and pays more for social security, its after-tax income, adjusted for inflation, is worth far less. Precisely, its purchasing power is $1,056 less, in terms of the dollar's 1979 value, than that of the 1964 family.

I suggest that in a nation where rising expectations have been the norm for two centuries—indeed, for more than two centuries, even predating the formation of our National Government—when we have thought in terms of rising expectations, of hard work, of thrift, of increasing productivity and a spiraling cycle of prosperity, this kind of trend is almost unthinkable. Indeed, it is almost un-American to force the Nation's working men and women to work harder and harder year after year, not just to stay even but, as if they were on a treadmill, actually to slide backward.

Taxflation—the interaction of the graduated income tax and inflation rates—is likely to be even worse in the years ahead, precisely because inflation is getting worse. Every time inflation goes up 1 point, taxes go up 1½ points. If the present rate of inflation persists and tax brackets stay the same, the median income family in this country will be in the 50-percent bracket 10 years from now.

According to the Joint Taxation Committee, if the current rates of taxation remain the same, taxflation will cost the American people $172.6 billion during the next 5 years.

I note in passing, without wanting to get wrapped around the action with respect to the oil companies at this point, that it is more than 2½ times the combined profits for the 10 largest oil companies since 1973, and nearly 4 times larger than the combined assets of the 5 largest oil companies. I mention that as a point of reference, because one of the key features of the measure now under consideration is the profits of oil companies and the attempts of Senators to tax the windfall.

This brings into perspective the true extent of the windfall which accrues to the Government as a result of taxflation. It is my belief, and I think it is backed up by the evidence, that taxflation is one of the main reasons why inflation itself seems to be accelerating. The effect of this tax phenomenon of the income tax and inflation interreacting is to transfer wealth from the productive sector to the Government sector.

This diversion of wealth from productive to unproductive uses is the principal reason why the productivity of the American economy has plunged in recent years. Once the entire world looked to us for leadership in the economic area. Today, we rank dead last among all industrialized nations in the rate of capital formation, and we are scraping the bottom of the barrel in the rate of productivity growth as well.

Inflation, as we know, is literally too many dollars chasing too few goods. Taxflation, by inhibiting the economic growth of the Nation, cuts down on the number of goods and services for dollars to chase and thus is a direct contributor to the inflation rate.

I think we need to put an end to this unfair tax system, as a matter of justice as well as a matter of sound economic policy. There is a simple, straightforward way we can do so. We can put an end to taxflation once and for all by adopting the amendment which Senator DOLE and I have brought before the Senate today.

This amendment would index the Tax Code so that tax brackets, credits, and deductions would automatically be adjusted each year to keep pace with inflation.

It cannot be argued that this concept of indexing is just a theory that needs to be tested and studied further before it can be put into practice. In my State of Colorado, the State legislature recently adopted this sound principle, and I understand that five other States have done the same, with good results. Indexing is also in practice in Canada, France, West Germany, Brazil, and Denmark. In each of these countries, the indexing concept is working, and working well.

Nor can we in the Senate claim to be strangers to this concept. I think that, at one time or another, virtually every Member of the Senate has voted for indexing some of the money we spend. As a matter of fact, $5 of every $8 of the Federal budget is automatically adjusted for changes in the price level.

What we are suggesting in this amendment is that if it makes sense to index the spending side, would it not be a good idea to hold harmless the Nation's taxpayers by indexing the tax rates as well?

Indexing is fair and sensible. It is economically wise. It is a tested concept. It is easy to do. So far as I can see, there is no good reason not to act on it today.

In a few moments, I will discuss the impact of tax indexing on individuals within each State. It seems to me that when we discuss economic policy, there is a great temptation to talk in terms of macroeconomics and to think in terms of billions and hundreds of billions. I hope that some time during the course of the debate, I will have an opportunity to relate it in a more personal way to individual taxpaying families.

I will yield the floor at this time, for the comments of others. First, I ask unanimous consent to have printed in the RECORD the article from the Wall Street Journal to which I referred, and I reserve the remainder of my time.

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

AS SALARIES CLIMB WITH PRICES, PEOPLE PAY MORE OF INCOME IN TAXES DESPITE RATE CUTS

(By Alfred L. Malabre Jr.)

What goes up as it comes down?

The chart at the right contains the answer: the rate at which the average taxpayer hands over income to Uncle Sam.

As the chart indicates, taxpayers in 1964 shelled out just over 12 percent of their earnings, on the average, in federal taxes. Now, the rate is close to 18 percent.

But the rise has come during a period of repeated tax-rate *reductions*.

Federal income-tax rates were cut in 1964 and again in 1965. The reductions during the two years averaged about 25 percent. In 1964, for example, the top-bracket rate was chopped to 77 percent from 91 percent and

the bottom-bracket rate to 16 percent from 20 percent. In 1965, the top rate was trimmed further to 70 percent and the bottom rate to 14 percent. These remain the top and bottom rates.

What amounts to another rate cut for most taxpayers, however, went into effect this year. Personal exemptions were increased to $1,000 from $750 and various tax brackets were widened so as to trim many rates slightly. A family earning $18,000, for instance, now pays a top rate of 21 percent in federal taxes, a percentage point less than a year ago.

ACCELERATING INFLATION

This paradox of climbing *actual* rates of taxation and falling *official* tax rates has developed, by no coincidence, during 15 years of sharply worsening inflation. In 1964, where the chart begins, the consumer price index rose only 1.2 percent. In 1969, the index increased about 6 percent. Now, the index regularly rises at annual rates that extend into double-digit territory.

As prices have increased more and more rapidly, so has income. Altogether since 1964, the consumer price index has climbed some 137 percent, and income has risen at roughly the same pace. For example, a congressional study shows that in 1964 the median income of a family of four was $8,132, and it now stands at $18,815. That amounts to a gain of some 131 percent, or just slightly less than the 15-year price climb.

At first glance, such numbers suggest that the family's wherewithal has kept up reasonably well with inflation. However, the income figure of $18,815 puts the 1979 family in a tax bracket where its last dollar earned is taxed at a rate of 21 percent. The comparable rate for the 1964 family, with its income of $8,132, works out to 18 percent.

Because the 1979 family is in a higher tax bracket than its 1964 counterpart, and pays more for Social Security, its after-tax income, adjusted for inflation, is worth far less. Precisely, its purchasing power is $1,056 less, in terms of the dollar's 1979 value, than that of the 1964 family.

The study also looks ahead several years. It assumes, perhaps with too much optimism, that the consumer price index will climb 8.5 percent next year and then 8 percent annually through 1983. Under present tax regulations, the family earning a median income of $25,717 in 1983 would pay at a top federal tax rate of 24 percent. And, in terms of the dollar's 1979 value, its purchasing power would be $1,561 less than that of the comparable 1964 family and $505 less than today's counterpart.

"A good rule of thumb," says Lacy H. Hunt, chief economist of Philadelphia's Fidelity Bank, "is that a 10 percent increase in income will raise a family's federal income taxes by about 16 percent." Mr. Hunt, among other analysts, has worked out estimates of the federal tax bite in the years just ahead. "Continuing inflation," he says, "virtually guarantees a continuation of the trend" evident in the chart. He reckons that the average amount of income paid in federal taxes will cross 18 percent in the current quarter, reach 19.1 percent in the last quarter of 1980, and surpass the 20 percent level soon thereafter.

During much of this period, the economist adds, business will probably be in a recession. He looks for declining economic activity in the current quarter and through the first three quarters of next year.

The picture is even bleaker than such estimates indicate, many analysts contend. "It's very hard to get a firm handle on the extent to which the state and local tax bite aggravates the situation, but there can be no question that it makes matters even worse," says Spencer S. Reibman, a congressional staff economist who specializes in tax questions.

His view is supported by data from the Tax Foundation, which conducts research in the area of taxation. In 1964, according to the nonprofit organization, state and local tax payments amounted to some 9 percent of the value of the economy's output. The comparable figure now is about 12 percent. On account of such tax-cutting measures as California's much-publicized Proposition 13, this rate has recently held at about the 12 percent level. However, Elliott Dubin, a Tax Foundation analyst, feels that the long-term climb will probably resume. Among the reasons: a growing need to finance the soaring costs of state and local employe pension programs.

THE INDEXING IDEA

One way to prevent the expanding tax bite that inflation brings, of course, would be tax indexing. In fact, several bills are pending in Congress that, in one fashion or another, would offset any movement into a higher bracket caused simply by inflation. Under such plans, generally, the family earning $18,815 this year would be in no higher a tax bracket than the equivalent family earning $8,132 in 1964.

Tax indexing is already practiced elsewhere. For several years, for instance, Canadian tax rates have been automatically lowered to offset increases in the country's consumer price index.

It remains doubtful that any such program will be adopted in the U.S. soon. Opposition to the idea is widespread in Washington. Some officials contend that tax indexing, by merely treating one effect of inflation, would tend to weaken governmental resolve in curbing the overall price spiral. In the short term, moreover, indexing would probably reduce federal tax revenues. Understandably, a considerable fraction of the federal bureaucracy, as well as many legislators, takes an unenthusiastic view of that eventuality.

Many analysts, nonetheless, are convinced that in light of today's intractable inflation, some form of indexing must soon be instituted. Fidelity Bank's Mr. Hunt, for example, favors passage of a "taxpayers' protection amendment" sponsored by Congressman John H. Rousselot of California and Sen. William L. Armstrong of Colorado. It would require, among other things, that federal tax rates be reduced each year "to offset the effects of inflation." Among the proposal's "desirable features," Mr. Hunt says, is that "Congress, not being able to rely on inflation to raise taxes, would be forced to design a more efficient tax system."

A RANGE OF USES

It can be argued, of course, that a rising tax bite is an economic plus. After all, this theory holds, the tax money that the federal government collects can be put to many important uses, from defense projects to assisting the poor to helping balance the federal budget.

Many economists contend, on the other hand, that the overriding effect of an ever-larger tax bite is highly detrimental. They maintain that the trend serves to restrict growth within the economy's private sector, and they add that in any event much of the tax money collected by Uncle Sam tends to be spent wastefully.

The pattern shown in the chart, it should be added, raises a serious question about the value of various employe retirement programs. In such plans, typically, employes are allowed to defer taxes on a portion of their earnings set aside yearly with a trustee and invested to build up a retirement nest egg. Taxes on such money are due only after retirement. The idea is that the tax rate then would be far lower because retirement income will doubtless be much skimpier than income received on the job.

However, if inflation continues at anything like the recent rate, it is likely that a worker's retirement income will exceed income earned during much of his working life. One study shows, for example, that a 35-year-old employe earning $10,000 a year and, in an inflationary economy, receiving 8% annual raises will arrive at the $100,000 pay level within 30 years. If he then retires at a retirement income of, say, half that figure, under current tax rules he would be in a much higher bracket than in many on-the-job years. Dollars set aside years before, supposedly to enjoy a lower tax rate after retirement, would actually be taxed more heavily. And, of course, their purchasing power would be severely reduced by 30 years of inflation.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, will the able Senator yield?

Mr. ARMSTRONG. I am pleased to yield to the distinguished Senator.

Mr. HELMS. I thank the Senator from Colorado.

Mr. President, I strongly support the pending amendment, just as I always have supported any effort to provide for the indexing of personal income taxes.

This Senator has cosponsored legislation to accomplish this goal because of the basic inequity of the present tax system, which has constantly increased taxes through and by inflation.

Mr. President, the Senate on a number of occasions has acted to restrict the Internal Revenue Service when the IRS has extended its interpretation of the tax code to effectively increase taxes. In other words, when inventive bureaucrats in the IRS have written regulations making certain groups of people subject to a tax not previously levied by this Congress, then Congress on many occasions has reversed such regulations and properly so.

Often the good offices of the able chairman of the Finance Committee have been used to make clear to officials of the administration, specifically the Internal Revenue Service, that the imposition of new taxes is the prerogative of Congress and not within the purview of anyone in the IRS.

So, what we are talking about here is the concept of the rights of Congress and the responsibility of Congress to take and keep charge of the imposition of taxes. The question is whether Congress shall refuse to allow bureaucrats to increase taxes, or to allow any set of circumstances to have that effect.

As the Senator from Colorado has so ably said, what we are talking about is fair play to the taxpayers of this country. They are being snookered day after day, week after week, month after month, by deficit spending authorized by this Congress: Defict spending which fuels inflation and thereby results in what amounts to additional taxes on the people.

But, speaking of the IRS, if Congress has in the past stopped the Internal Revenue Service bureaucrats from reinterpreting the Tax Code and thus raising taxes, why do we let other forces or other bureaucrats or a combination of the two to do the same and get by with it?

The bureaucracy in question in this case is the Federal Reserve System be-

cause the Fed is the bureaucracy which determines the money supply of this Nation. When the Federal Reserve System bureaucrats decide, for whatever reason satisfactory to them, that this country should have a greater money supply, the tools of monetary policy are used to pump up the supply of dollars and credit. When the money supply grows faster than the real needs of the economy, and when it grows faster than the productivity of the economy, obviously prices will go up. That is precisely what has happened.

That is the fix we are in in this country today, and that is the reason, Mr. President, that this amendment is absolutely essential if we are to play fair with the American people. We constantly assure them that we have their interest in mind. Let us prove it. Let us prove it. Let us prove it by adopting this amendment.

Congress is an accessory if not the principal culprit in the rampant inflation plaguing this country. After all, it is Congress which year after year has been voting massive deficits requiring the floating of massive Government bonds. The Federal Reserve officers, all the while, have felt obliged to buy those bonds in order to minimize the short-term impact of the Federal deficit.

So the dog chases its tail. When that happens the money supply goes up, the productivity, at best, stays where it is or drops, as is the case right now in this country. And when that happens prices go up and wages go up, not because of any productivity increase, but simply to maintain a real and constant level of purchasing power. At least that has been the hope. The American people now realize that this has been an exercise in futility.

Mr. President, a citizen whose salary goes up by 10 percent in a year, when the cost of living goes up 10 percent, is not receiving a wage increase—not a real one. He is playing an arithmetical game with funny money but scarcely more than that.

An increase in salary equal to the increase in the cost of living is in reality a reduction in real pay, Mr. President. Why? It is a reduction in real income because the worker's taxes go up by more than 10 percent.

We have a progressive income tax structure, as the Senator from Colorado has so eloquently said. That means that higher income levels mean higher tax rates, and that, in turn, means that inflation effectively increases tax rates with no real increase in income in terms of the purchasing power of the dollar.

So the inflation plaguing the American people, a curse tolerated and rationalized by long-outmoded Keynesian economics, is not a simple economic phenomenon with no side effects other than rising price levels. Inflation hits people. It hits families. And it hits the average workingman and his family harder than anyone else. It robs the people of their savings. It destroys the efficiency of the marketplace. It encourages even more debt, and it discourages thrift.

Mr. President, inflation also increases revenue to the Federal Government, as the Senator from Colorado has said, because it effectively raises taxes by 1½ percent for every 1 percent of inflation. That is the new kind of "windfall profit tax" that the Senator from Colorado was talking about a moment ago.

Perhaps worst of all, Mr. President, it allows Congress to participate in and perpetuate a charade, a charade of shirking one of its most important responsibilities—the levying of taxes fairly and equitably upon the American people.

Inflation is now the principal tax-writing authority in this country, not Congress. Inflation decides how hard the working people are going to be hit, not Congress. Inflation allows Congress to increase taxes and penalize people for working without ever a vote by Congress on these new, higher, and confiscatory taxes.

So, Mr. President, the amendment before the Senate would shift the responsibility back to Congress. This amendment would force Congress to vote on tax increases and take the responsibility for it. At the very minimum it would remove a terrible economic incentive for the Government to impose more inflation on the people.

Mr. President, I thank the Senator from Colorado for yielding to me. I want him to know that I support his amendment vigorously, and I commend him for offering it.

Mr. ARMSTRONG. Mr. President, I am very grateful to the distinguished Senator from North Carolina for his participation, for his leadership, in this issue.

I think there is, perhaps, no Member of the Senate now or at any time in the history of our country who has so fully exemplified the concept of trustee relationship between a Senator and the people he serves, particularly over financial matters entrusted to the Senator. His voting record reflects that; his leadership in speaking out and in proposing amendments over the years reflect that, and I congratulate him and welcome his support.

Mr. HELMS. I thank the Senator.

Mr. ARMSTRONG. I would like to observe that by saying what he has the Senator from North Carolina has endorsed an amendment which will save, if it were in effect now would save, $92.96 for every taxpayer in his State in 1979, and an estimated $154.66 per taxpayer were this amendment in effect in 1980. So it is a matter that really does come down to individual citizens and individual taxpayers.

I would like to yield, if I might, to the distinguished Senator who really is the father of tax cutting in this body, my friend BILL ROTH.

Mr. ROTH. I thank the distinguished Senator from Colorado who, in his short time in the Senate, has already made a record for his interest in fiscal integrity in Government.

Mr. President, I can think of no reform more important than the indexing of the Federal income tax. I am a sponsor of this amendment. I originally proposed such legislation in 1974, and the reason I call this one of the greatest reforms before the Congress is that this game of inflation, higher taxes, has been the greatest game in Washington for the last 25 or 30 years.

Make no mistake, the reason why Government has grown so fast, the reason why there has been such a proliferation of new programs and new spending is that the big spenders have found an approach that has enabled them to constantly raise taxes but not have to vote for higher taxes.

Inflation has worked against the interests of everyone but government. Down through the years inflation has been the sparkplug of government growth because each year it has provided more and more purchasing power to the Federal Government.

We all know that inflation is harmful to the individual, to the working people of America, who are less able to meet the cost of living. We know that it has had a negative impact in the private sector on business, making it very difficult, for example, for businesses to replace plants and equipment, which is the primary cause of our being unable to compete with the Japanese and West Germans, who have the most up-to-date plants in the world. To replace a plant today at today's costs is out of range when compared to what it probably cost to build that same plant 15 or 20 years ago.

But contrary to the working people of America, contrary to the impact on the private sector, business in particular, inflation has appeared to be the friend of the bureaucrat, and by bureaucrat I mean Congress as well, because with inflation the workers get cost-of-living increases because of the progressivity of our income tax which pushes individuals into higher rates of taxation.

Each year this means the Federal Government is receiving more dollars, more revenue, not only inflated dollars but actual purchasing power. As a result, each year Congress has been able to vote for more and more spending programs without having to vote for the taxes to finance them.

So I say this has been the greatest game in town because what has happened is by having inflation the Federal Government gets a greater income, Congress is able to vote for more and more spending programs and, oh, yes, every once in a while, every 2 years, they go back home with some small, moderate tax cut. But those tax cuts never put the American people back where they were before inflation.

That is happening today. The average American family of four, with a median income of roughly $18,000 to $20,000, will be paying an additional $927 in taxes between 1980 and 1981. Roughly $600 of that $900 is due to inflation.

Now, until we make it unprofitable for the bureaucrats, unprofitable for the Members of Congress to have inflation, we are in a serious plight.

What the distinguished Senator from Colorado and his colleague, Senator DOLE, from Kansas, who has been such a strong fighter for indexing, are saying is, "Let us take the incentive of inflation out by removing the additional

taxes that would fall to the Federal Government as a result of inflation."

What we are saying is that each year the income tax rates would move upward to offset the impact of inflation, and in that way the Government gets no additional income, no additional revenues. So we take out the incentive or desire for inflation that has been too typical in the past.

For that reason, as I say, I think this is one of the most important reforms we can have in Washington because I know there is no problem bothering the American people more than inflation and the state of our economy, and I hope the Senate will have the courage today to vote affirmatively on this amendment of Senator ARMSTRONG, which I am happy to support and, I believe, is essential to Government reform.

I yield back the floor.

The PRESIDING OFFICER (Mr. FORD). Who yields time?

Mr. ARMSTRONG. I appreciate very much the comments of the Senator from Delaware.

I would point out the Senator from Delaware, who has shown such tremendous creative and reflective leadership on tax policy in the last several years, that the effect of taxflation, that is, of the inflation operating on the graduated income tax, is estimated in the chart which appears in the back of the Chamber at $15 billion.

The reason why I direct his attention to it is really twofold: First, because after the chart was prepared the estimate had to be revised. We could not even get our chart up to date. The current estimate, I am now told, is $19 billion as the total cost of taxflation in 1980.

Mr. ROTH. I would just like to add this point, because I want to underscore what the distinguished Senator is saying. I think it is shocking when one stops and recognizes that by 1990 it is estimated that an additional $600 billion will be taken out of the private economy because of inflation, $600 billion, which is a tremendous amount of money that is needed back in the private sector if we are going to be competitive with the Japanese and the German. So the Senator's point is well-taken. It is taxflation that really is destroying our economy.

Mr. ARMSTRONG. The Senator is entirely correct. I wanted to relate that directly to his own State of Delaware.

The minority staff of the Senate Finance Committee has prepared some very interesting statistics which relate to the national taxflation windfall for the Government for the years 1979 and 1980 back to taxpayers in the various States.

In the Senator's State of Delaware, the tax windfall to the Federal Government for 1979 is estimated to be $34,500,000, and for 1980 $57,400,000. This comes to $115 per taxpayer in his State this year, and $192 per taxpayer in his State next year.

The reason why I wanted to relate this directly to individual taxpayers is that, as the Senator knows so well, we are not talking about blips on some economist's chart; we are talking about human hardships, people who will not be able to put away money for their children's education, or be able to buy their children's shoes. We are talking about young couples priced out of the housing market. We are talking about a human tragedy of very great proportions.

I stress, Mr. President, that when I talk about $115 this year and $192 estimated next year, I am not talking about the total taxes paid. I am talking about just the portion of the total Federal tax bill that bears on each individual taxpayer as a result of the taxflation. Of course, you double that if there are two taxpayers in the family.

The Senator's point is very well taken, and although it is not now the pending business, I can say I was greatly disappointed that we did not have just three more Senators who were ready to stand up and vote for his amendment last night, because the world would have been changed if it had been adopted, as it surely will be in the near future.

As a taxpayer, I thank the Senator for his interest and support of this amendment, and his leadership on this issue.

Mr. HART. Mr. President, will the Senator from Colorado yield for a question?

Mr. ARMSTRONG. Mr. President, I am happy to yield to my distinguished colleague from Colorado for a question or whatever business he may have.

Mr. HART. Mr. President, as the Senator knows, I support this amendment and have for 3 years. I intend to offer a perfecting amendment to it which has been discussed with his staff, which would bring it into line with an almost identical amendment that the former Senator from Michigan, Mr. Griffin, and I offered a couple of years ago, in October 1978.

Given the agreement which exists on time, it would require unanimous consent for that perfecting amendment to be in order. I wonder if the Senator from Colorado will agree to such unanimous-consent request, in order that that amendment may be brought up.

Mr. ARMSTRONG. Mr. President, I am happy to agree to that. I have looked at the amendment. In fact, after the Senator has had a chance to explain his amendment, I might wish to comment on it myself.

Before I yield to the Senator for that purpose, may I say I appreciate the leadership he has shown. Not only today, but on many occasions in the past, he has stood for the principle of tax indexing, and I appreciate his coming to the floor to bring this amendment before us.

Mr. HART. I thank my colleague.

Mr. President, I ask unanimous consent that it be in order to offer a perfecting amendment to the pending amendment, notwithstanding the unanimous-consent agreement which otherwise prevents it.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, will the Senator from Colorado indicate again what his unanimous-consent request is?

Mr. HART. The request is that it be in order to offer a perfecting amendment to the pending amendment, notwithstanding the time agreement which presently prevails. The sponsors of the amendment are agreeable, I think, to accepting this perfecting amendment. In brief, it adds one section to provide a study by the Joint Committee on Taxation on the effect of tax indexing.

Mr. HARRY F. BYRD, JR. May I ask the Senator from Colorado, it is a study by——

Mr. HART. The Joint Committee on Taxation.

Mr. HARRY F. BYRD, JR. The Joint Committee on Taxation?

Mr. HART. Yes, of all of the effects. We will send the distinguished floor manager a copy of this perfecting amendment. It is simply a page and a half amendment to provide for a study by the Joint Committee on Taxation.

The PRESIDING OFFICER. If the Senator from Colorado will yield, the only reason the Senator from Colorado needs unanimous consent is that the time has not expired on the amendment of the Senator from Colorado (Mr. ARMSTRONG), or all remaining time been yielded back. Otherwise, the Senator could offer the amendment at any time.

Mr. HARRY F. BYRD, JR. Will the Senator from Colorado withhold his unanimous-consent request temporarily, so that we may have an opportunity to examine the amendment?

Mr. HART. The request is withdrawn.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HARRY F. BYRD, JR. First, Mr. President, let me say, in connection with the amendment offered by the Senator from Colorado (Mr. ARMSTRONG), that I feel that Senator ARMSTRONG is a Senator of great ability. I feel that he has represented the people of Colorado and the people of the United States in an outstanding way.

Senator ARMSTRONG is taking a very important leadership role in attempting to fashion a constitutional amendment which would mandate a balanced budget and put a ceiling on Government spending. I am pleased to have worked closely with Senator ARMSTRONG in this endeavor, I think it is a vitally important effort, and I hope that such a constitutional amendment will eventually be adopted by the Congress and ultimately by the individual States.

However, when it comes to this particular amendment offered by the Senator from Colorado to the pending legislation, namely, the indexing of individual income taxes, I have some difficulty with that amendment.

I would like to support it. As the able Senator from Colorado has pointed out, the Senator from Delaware has pointed out, and the Senator from North Carolina has pointed out, inflation has been a windfall to the Federal Government. The Federal Government is just about

the only beneficiary of inflation. The Government gains from inflation; maybe that is one reason why inflation is so difficult to get under control.

The reason why I have hesitancy in supporting the Armstrong amendment to index the individual income tax is that I am not yet convinced that it would not have the effect of stimulating inflation.

As I see it, if we are to get inflation under control, we must do it first by getting Federal spending under control. Some progress is being made in that regard. The Senator from Colorado has helped immensely in bringing about that progress.

If further progress is to be made, it must be made by the American people bringing pressure on their representatives in the Senate and the House of Representatives to get Federal spending under control and to bring about a balanced budget. One reason why the American people have become aroused, as I see it, at the extent of Government spending, is that it is being felt so severely by all citizens in the amount of taxes which are being required to pay.

My hesitancy in supporting an indexing of the tax is that it seems to me it would tend to perpetuate inflation, rather than to control inflation.

I may be wrong in that view and I may at some subsequent time support an indexing. But at the moment, I am not convinced that it will work in the manner in which those who advocate it hope and feel that it will work.

I would be inclined to support, I believe, an indexing of the capital gains tax because I think that is in a different category. And I will mention why in a moment. But, insofar as an indexing of the income tax is concerned, I am not yet persuaded that it would be wise.

When we come to the capital gains tax, a great deal of the increase in value is brought about by inflation. Homes that were worth, just to take a figure, $20,000 a few years ago are now bringing $80,000. The bulk of that increase results from inflation.

So I would be inclined to support an indexing of the capital gains tax, but at the moment, I would find it difficult to support indexing of the income tax.

Nevertheless, I do commend the able Senator from Colorado (Mr. ARMSTRONG) for focusing attention on this problem of inflation. It is the most serious problem facing our Nation today—the most serious problem facing the individual citizen—and Congress has an obligation and the executive branch of Government has an obligation to get inflation under control.

My only concern about the pending amendment is that it will not accomplish that need.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado (Mr. HART).

Mr. HART. Mr. President, I ask unanimous consent that it be in order to offer at this time a perfecting amendment to the pending amendment, notwithstanding the consent agreement which presently prevails.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator may proceed.

UP AMENDMENT NO. 864

Mr. HART. I thank the Chair and I thank the distinguished floor manager.

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 864 as a perfecting amendment to the Armstrong amendment numbered 695.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, insert the following:

"SEC. . STUDY OF EFFECTS OF INDEXING.—

"(1) STUDY.—The Joint Committee on taxation, in cooperation with Department of the Treasury, shall—

"(A) conduct a study and investigation with respect to changes in the distribution of Federal individual income tax returns and income reported on such returns across marginal brackets during calendar years 1960 through the latest calendar year for which information is available before the completion of such study, including an estimate of the effects which making adjustments for cost-of-living increases would have had following the Revenue Act of 1964 on—

"(i) the gross national product,

"(ii) employment and unemployment,

"(iii) wages and the personal disposable income of individuals,

"(iv) individual income tax liability,

"(v) personal or individual savings,

"(vi) interest rates,

"(vii) prices,

"(viii) Federal revenues,

"(ix) tax shelters, and

"(x) such other economic statistics which the Joint Committee on Taxation determines appropriate; and

"(B) conduct a study and investigation with respect to the estimated effect of the amendments made by the provisions of this section during the first two taxable years for which it is in effect on the items referred to in clauses (i) through (x) of subparagraph (A).

"(2) RECORDS.—The Joint Committee on Taxation shall report to the Congress—

"(A) with respect to its findings under the study conducted under paragraph (1) (A) no later than January 1, 1983 and

"(B) with respect to its findings under the study conducted under paragraph (1) (B) no later than January 1, 1984.

The PRESIDING OFFICER. Who yields time to the Senator from Colorado (Mr. HART)?

Mr. HART. Will the Senator from Colorado (Mr. ARMSTRONG) yield 5 minutes to me?

Mr. ARMSTRONG. Mr. President, I am glad to yield that time to my colleague from Colorado.

May I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 38 minutes.

Mr. ARMSTRONG. Mr. President, my colleague asked for 5 minutes, but let me yield him 10 minutes.

Mr. HART. I thank my colleague. I will not need that much time.

The PRESIDING OFFICER. The Senator may proceed for not to exceed 10 minutes.

Mr. HART. Mr. President, as my colleagues know, I have had a longstanding interest in legislation to index the Tax Code to the rate of inflation. In the last Congress, I introduced a bill to do just this, and in October of 1978, during the consideration of the 1978 Revenue Act, I joined with Senator Griffin to form a bipartisan coalition which proposed an indexing amendment. I am pleased to say that the amendment we offered at that time to index the individual income tax brackets, the zero bracket deduction, and the personal exemption received more support than any other similar indexing legislation to come before the U.S. Congress in recent years.

Because the amendment offered by Senators DOLE and ARMSTRONG is nearly identical to last year's Griffin-Hart amendment, I am pleased to join them as a cosponsor. And I would ask my colleague from Colorado to add my name as a cosponsor of this amendment.

There is one difference, however, which I consider important and I know Senator Griffin did as well. Our amendment provided for a study to be conducted by the Council on Wage and Price Stability to analyze the effects of indexing on our tax structure and economy. This analysis would be available before the indexing provisions expires at the end of 4 years. I believe such an analysis is essential if Congress is to make a sound judgment at that time on whether or not to continue indexing. Accordingly, I offer this perfecting amendment to the Dole-Armstrong amendment to provide for this important study. The only difference in this case being that the study would be conducted by the Joint Committee on Taxation, instead of by the Council on Wage and Price Stability. I hope my colleagues and particularly the sponsors of the pending amendment will accept this amendment. If so, it will eliminate virtually all differences between the bipartisan proposal which I authored last year and the amendment now pending.

Mr. President, this amendment is more important now than ever before. Inflation continues to push people into higher and higher tax brackets, even though they may have no increase in their real income. Their average tax rate rises, that is, their tax burden grows faster than the rate of inflation. The result is that they have less to spend, and even worse, less to save and invest. The most effective way to remedy this situation is to adjust the Tax Code for inflation. Inflation adjustments, or indexing as this procedure is sometimes called, automatically correct the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets.

Ironically, the big winner in times of high inflation is the Government. The Government has had a vested interest in maintaining inflation since the current

system permits the Government a windfall tax profit of about $6 billion a year. Indexing would end Washington's inflation bonus.

More importantly, it would encourage fiscal responsibility since an indexed tax system would require Congress to reduce and control spending or take the necessary action to acquire additional funds. What we have now is taxation without legislation. The question, quite simply, is one of accountability. The question is whether Congress should continue to use the unlegislated tax of inflation to subsidize new legislative initiatives. I believe it is fundamentally wrong for the U.S. Treasury to be reaping a windfall in increased revenues each year, without the Congress ever having to enact a tax bill that the President must sign. The Federal Government will continue to take advantage of this destructive economic phenomenon unless Congress acts now.

Of course, indexing personal income taxes cannot be a correction for all the inequities of the current income tax law, nor need it be the final determining factor about the size of income tax revenues. Adoption of tax indexing does not preclude any other changes the President wishes to propose or the Congress wishes to enact. With indexation, the Congress could, of course, still change the degree of income tax progression or the amount of income tax collections. Income tax indexation simply guarantees that taxpayers will not be subject to nonlegislated tax increases.

Mr. President, indexing is truly an idea whose time has come. I urge my colleagues to support both the perfecting amendment, which is at the desk, and the Dole-Armstrong amendment.

I add a word of congratulations to the sponsors of that amendment for bringing it before the Senate once again. I think it is an extremely important piece of equity legislation.

I thank my colleague.

Mr. ARMSTRONG. Mr. President, I think my colleague's amendment is a good amendment. As I have said before, it is my intention to support it. I hope the amendment will be accepted. I think the perfecting amendment is not controversial. I think it adds greatly to the amendment which is pending. I appreciate my colleague's participation, and I emphasize again not only his participation here on the floor today, but on many occasions when he has spoken out in behalf of the concept of the Dole-Armstrong amendment.

The PRESIDING OFFICER. The question now is on agreeing to the perfecting amendment by the senior Senator from Colorado (Mr. HART).

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendmotion on the table.

Mr. ARMSTRONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Mr. President, at this time I yield 10 minutes to my distinguished colleague from Minnesota (Mr. DURENBERGER).

Mr. DURENBERGER. Mr. President, my colleagues Senators DOLE and ARMSTRONG are to be commended for calling up their amendment to index the personal income tax. I strongly support the amendment and, in fact, would go much further and index other provisions of the Internal Revenue Code. I recently introduced S. 1974, a bill that would eliminate inflation from the individual income tax rates, the corporate tax rates, capital gains, and the depreciation deduction.

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

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

What we do not agree on is what the Congress should do about the problem.

Mr. President, my colleagues have clearly laid out the economic and equitable rationale for the pending amendment, and I would like to comment on the primary objections that have been made to tax indexing.

The charge is made that if the tax structure were to be indexed, the taxpayers might gain since they would not suffer inflationary tax increases, but the Government would lose since there would be a reduction in income for the Federal Government. The major refutation of this objection is that the indexing does not cause a loss of revenues, but it merely prevents automatic real increases. We can only say that the increase is "loss" if it is assumed that the Federal Government has a right to inflation-induced increases in tax revenues in the absence of specific legislation raising taxes. Tax indexing does not prevent increases in taxes, but it does prevent automatic increases.

For example, inflation does not increase tax revenues in proportion to the price level. It increases revenues faster, because it pushes people into higher tax brackets. The Joint Economic Committee has released a study showing that revenue rises 1.5 percent for each 1 percent increase in prices. At current rates of inflation, taxpayers earning $10,000 in 1978 will be earning $50,000 around the year 2000. Indexing would hold Government revenues to a 10-percent increase when prices rose 10 percent. Thus, it does not deny the Government the revenues needed to keep up with prices. It simply denies the Government its automatic windfall from inflation. If the Congress feels that present revenue is not adequate to meet what they see as the needs of public policy in the Federal budget and they wish to eliminate or reduce the deficit, they have the power to enact further increases.

A second argument made is that Congress does make periodic tax reductions and thus rebates the so-called fiscal dividend.

Tax cuts are widely publicized, but in reality are these so-called tax cuts really tax cuts? If recent tax cuts do nothing more than try to make up the harm resulting from automatic tax increases, would not it be better to have Congress devote its time to more substantial issues than to work on a process which could be completed automatically? Opponents argue that if inflation has caused exceptional problems, Congress could take care of the problem and it should not be by a system of automatic indexing. The political reason becomes obvious: Legislated tax cuts are visible and widely publicized; inflationary tax increases are less visible and less publicized. Even with the limited publicity on inflationary-induced tax increases it seems that the magnitude and the distorting effects of the increases for the entire economy are not widely recognized.

It was generally recognized that several billions of dollars of taxes on 1978 income were rebated, but it was not generally recognized that inflation during that year had increased taxes by roughly the same amount. A distorted picture of congressional tax policy is presented when the tax cuts are publicized, but the constant inflation-induced increases are minimized by virtual nonrecognition. Tax indexing offers the advantage of accountability—only legislated tax increases may occur, any tax cuts or rebates or reduction would be real reductions in taxes, and credit will be given to Congress only for real and actual decreases in the tax burden.

For example, Congress has widely taken credit for tax reduction in 1975, 1976, 1977, and 1978, yet the average taxpayer has not benefited from a real reduction in income tax liability.

Mr. President, I can only conclude that indexing has been opposed by Congress because we get credit only once.

Mr. President, a third argument made by the opponents of indexation is that the automatic stabilization of inflation that is incorporated in the progressive tax system will be lost.

The progressive tax system is supposed to act as an automatic stabilizer. Booms are supposed to be accompanied by inflation. During booms, real income rises, and, coupled with inflation, pushes people into higher tax brackets. The Government taxes away a bigger slice of income, dampening the boom and restraining the inflation. Recessions are supposedly marked by declining real incomes and either little inflation or actual deflation. Declining income brings people down into lower tax brackets, the tax burden falls, and the economy is automatically stimulated.

This theory has broken down in our high inflation environment. We began the last recession with 10 to 12 percent inflation. Although the recession slowed

this to 6 percent, this is still far higher than the normal postrecession rate of inflation. In fact, inflation was pushing wages and prices up faster than real incomes were falling throughout the recession. This meant that nominal incomes rose in spite of the recession, and that, in spite of falling real income, people were driven into higher tax brackets. They paid a rising share of a falling income to the Government. Automatic stabilization became automatic destabilization, and helped to prolong the recession.

Mr. President, I believe the income tax should be made inflation neutral. I believe the Congress should handle all real tax changes in a deliberate manner after analysis and debate. The current tax code, coupled with inflation, changes taxes by stealth, and without our attention. This amendment should be adopted for the sake of fairness, openness in Government, economic stability, and rational policymaking.

I thank the Senator from Colorado for yielding.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I am pleased to yield to the Senator from Illinois, but let me respond to my colleague from Minnesota and say how much I appreciate his thoughtful and concise remarks. How much time have I remaining, Mr. President?

The PRESIDING OFFICER. Twenty-three minutes and thirty-five seconds.

Mr. ARMSTRONG. I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. PERCY. Mr. President, I was cosponsor of the Tax Equalization Act of 1979 introduced by Senator DOLE which is identical to the present amendment. I am very pleased now to be a cosponsor of the Dole-Armstrong amendment which is now pending, and I commend my distinguished colleagues from Kansas and Colorado for their perception of what is troubling Americans today more than almost anything else.

Inflation is hurting Americans, but inflation in taxes is probably the harshest penalty that they are paying.

Some months ago a young woman stopped me in an elevator in the First National Bank building in Chicago. She said, "Senator PERCY, it is just absolutely unjust, this tax system that we have. I received a wage increase. I earn $13,000 a year. I received a wage increase of $1,040 that was supposed to fully compensate me for the increased inflation. As a result, however, I move into another tax bracket and I do not have sufficient income to compensate for inflation at all."

It is the bracket creep that people agonize over. They get increases for inflation and it simply does not show up in the real income they are able to keep and spend.

This amendment will eliminate the bracket creep for individuals and reduce the most inflationary item in the average family's budget, Federal taxation. The Dole-Armstrong amendment, by indexing individual tax rates and personal exemption tax rates, will correspond to real income as they are meant to. Further, the progressive tax structure will be stabilized and will be certain.

The real effective rate of tax, as a percentage of real income, rises steadily.

The Federal Government gets the resulting windfall in tax revenues without having to make a single change in tax policy. For a 10-percent rate of inflation, the Treasury reaps a 16.5-percent increase in revenues. Inflation therefore creates a hidden tax. Taxpayers who receive modest cost-of-living pay increases, like this woman in Chicago, who just received a presumed inflationary wage increase, are pushed into higher tax brackets where our progressive tax rate takes a bigger bite of income without the worker having retained increased purchasing power.

I am pleased, therefore, to cosponsor this amendment. I again commend my distinguished colleagues for offering it and trust that we shall be joined by a majority of our colleagues on the vote.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I very much appreciate the contribution of the Senator from Illinois. I appreciate his statesmanship and leadership on this issue as on so many others.

Mr. President, I now yield 5 minutes to my distinguished colleague from Kansas (Mrs. KASSEBAUM).

The PRESIDING OFFICER. The Senator from Kansas has not more than 5 minutes.

Mrs. KASSEBAUM. Mr. President, I am delighted to speak for a few minutes in favor of this amendment because it is an amendment that has been guided and shepherded and fathered by my distinguished colleague from Kansas (Mr. DOLE).

The concept of the Tax Equalization Act which is embodied in the present amendment should be understood as providing taxpayers with some relief from inflation. It is not a cure for inflation. Opponents of indexation have claimed that indexation does nothing to stop inflation.

It is a concern that I have had as I have thought about this issue for the past couple of years. Perhaps this may be so. But if we do not delude ourselves that it is a cure, then it does offer some relief from inflated taxes. This is what I think is very important. It is not futhering inflation.

Indexing may help keep wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic causes for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase. Simply to maintain the actual value of their take-home pay.

What this amendment does is shift some of the burden of inflation off the shoulders of the taxpayers. It requires that government, the principal inflation generator, assume a greater share of that burden.

To me, this is one of the most important aspects of this amendment.

Indexing will have a positive effect in controlling inflation in two respects. First, the Federal Government will no longer be in a position of profiting from inflation. Second, indexing will enable workers to moderate their wage demands, because they will not need raises in excess of the cost of living just to keep up with taxes.

I think, as we consider this important issue, as has been done over the past few years, we should not think that it will be, as I say, a cure for inflation but only something that will help us address inflation and be better able to meet it. Then we shall have to get on with the work here on how to cure inflation.

I thank the Chair. I appreciate the Senator's yielding time.

Mr. ARMSTRONG. Mr. President, the Senator from Kansas, as usual, has summed up the situation in a way which is impossible, it seems to me, to differ with. I very much appreciate her comments.

I especially appreciate her pointing out the leadership role her colleague from Kansas (Mr. DOLE) has had on this issue over a long period of time.

Somebody said earlier this afternoon that this is an idea whose time has come. I think that could be right, that we are going to pass this amendment. If not, we shall pass it soon, because it is so evidently needed by the country. When that time comes, much of the credit will go to BOB DOLE, who has led the fight day after day, year after year, to bring an end to this public plight.

Mr. President, I am going to reserve the remainder of my time. In fact, it is my intention that the remainder of my time, with the exception of 1 minute, be allocated to Mr. DOLE. He is traveling here and I think he should have the opportunity to use the time in support of his amendment.

Mr. DECONCINI. If the Senator from Colorado will yield, I should like to have 3 or 4 minutes in support of the Senator's amendment.

Mr. ARMSTRONG. Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER (Mr. BURDICK). The Senator has 15 minutes and 15 seconds.

Mr. JACKSON. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. 67.5 minutes.

Mr. JACKSON. How many minutes does the Senator need?

Mr. DECONCINI. Four minutes.

Mr. JACKSON. I yield 4 minutes to the Senator from New Mexico.

Mr. DECONCINI. I thank the Senator from Washington and the Senator from Colorado.

Mr. President, I rise in support of the amendment. The debate continues over whether the United States has entered

a recession, and indeed it has not yet come to everyone, but the inflation that has come upon all Americans in many, many cases is a recession to the particular people who can no longer afford the standard of living they are used to and that they want for their families.

The drop in unemployment during the last quarter indicates that there is some steam left in the prolonged recovery from the 1974–75 recession. At the same time, it is generally acknowledged that the monetary and fiscal restraint needed now to bring down the inflation rate make a visible downturn in the economy likely. Hopefully, the economy will straighten out and inflation will come under control. The question now becomes, how will we deal with recession without dropping our guard against inflation? Our danger is that we will again run into the economic phenomenon of the 70's known as stagflation—high unemployment and high inflation occurring simultaneously. There are no easy answers, but surely we can agree that it is foolish to permit the continuation of policies that aggravate the situation. One such policy demands our immediate attention.

The income tax system allows taxes to rise automatically in periods of inflation. When income rises to keep up with the price increases, a higher rate of tax is imposed under our progressive income tax system. Thus taxes go up even though real income has not grown, and we have an effective across-the-board tax increase. Congress need do nothing for the Government to receive this revenue windfall, other than decline to follow effective antiinflationary policies.

There have been efforts to stem the tide of continuous Government overspending. The budget resolution passed by both Houses now will bring forward a balanced budget, hopefully, in 1981, but that is always iffy on a number of things, including the nature and the health of our economy.

This system has been defended on the ground that automatic tax increases help stabilize the economy in times of high inflation. This automatic stabilizer theory assumes that inflation is caused by excess demand, and that an increased tax bite will cut demand and moderate inflation. This theory ignores the cost-push factor in inflation, and overstates the impact a tax increase can have on panic buying, when people are so convinced that inflation will continue at a high rate that they are determined to buy today rather than wait to see what the price will be tomorrow. But the automatic stabilizer theory has an even more serious drawback.

In times of stagflation, the automatic stabilizer becomes a destabilizer. During periods of high unemployment the "automatic stabilizer" has a destabilizing effect, draining off income and reducing purchasing power. That purchasing power might otherwise be used for consumption or for investment that could help build a period of stable growth. The last recession, in 1974 and 1975, would have been less severe had taxflation—the automatic tax increase from inflation—been eliminated. Taxflation cuts back the important marginal income that otherwise helps ameliorate the problems of stagflation.

We should not make the same mistake again. The tax equalization amendment would eliminate taxflation by requiring modification of the tax brackets, zero bracket amount, and personal exemption to compensate for the effects of inflation. The adjustments would mean that tax rates would correspond to constant levels of real income unless Congress acted to change the rates. The danger of aggravating stagflation would be reduced.

In this time of economic uncertainty, it would be wise for the Congress to address itself to the issue of tax equalization.

Mr. President, I ask unanimous consent that my name be added as a cosponsor of this amendment.

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

Mr. JACKSON. Mr. President, I yield 4 minutes to the junior Senator from Rhode Island and 5 minutes to the junior Senator from New Hampshire, in that order.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I thank the Senator from Washington very much for yielding this time.

Mr. President, I congratulate the junior Senator from Colorado, the junior Senator from Kansas, and the Senator from Arizona for their very eloquent remarks.

Directing my concerns to the Senator from Colorado, I am deeply worried about this amendment, which has great attraction and really would accomplish something that we all want to accomplish; namely increased take-home pay of our citizens. However, the danger in it, as I see it, is that it is insulating a group from the ravages of inflation, from the evils of inflation.

Harsh though it may sound, I do not think we are going to get the whole country's energies concentrated upon licking inflation until all of us feel the effects of it.

There are now certain groups in our society that are insulated—not completely, and I do not want any misunderstanding of my remarks—but certain groups are insulated to a great degree from the ravages of inflation. I am speaking in particular of military Federal Government retirees.

Their pensions are indexed. While this does not compensate entirely—and I do not want to be misunderstood—for what inflation is doing, to a substantial degree it does insulate them, compared to the rest of our citizens, from inflation.

Therefore, I cannot help assume that inflation is less of a concern for that group than it is for the others in our Nation.

This proposal is another step to insulate a group; namely, wage earners, and all of us who are making our living from working. It would keep us from having our earnings diminished by our being pushed into high brackets, as is currently the case. If this kind of insulation takes place, it will help them; that is fine. But, they will have less concern about licking this vicious evil—namely, inflation.

Many groups in our society are not going to be protected; and the ones we think of most readily are the elderly who are trying to live on their savings; the elderly who have set aside money during their working days and followed the American ethic of saving. We were taught that in school, through school savings, and saved throughout our working years. Now these savings are being eroded every year. They will have less voice, and a substantial part of this society will be insulated from this vicious phenomenon we call inflation.

It seems to me that if we are going to lick this thing, it will require that all of us feel the pain and all of us get the dedication to do something about it. The only way inflation is going to be licked is to bring the Federal Government budget into balance. That is the principal cause of inflation. I do not think any economist will argue with that.

So, harsh as the effects of this current system are, and although many object to the Government benefiting, if the Government benefits to the extent that the deficit incurred by the Federal Government is overcome, maybe that will help us solve this terrible problem.

I find great eloquence in what the Senator from Colorado and the Senator from Kansas are saying, but I raise with them my concerns.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I strongly support this tax equalization amendment to prevent the continuation of nonlegislated tax increases.

I am sure that all Senators receive letters daily, as I do, from constituents who are crying out for relief from inflation and who are, in particular, asking for the ability to keep more of their hard earned dollars.

The taxpayer is suffering from inflation, while the U.S. Treasury is benefiting from it at the taxpayers expense. According to the Joint Committee on Taxation, in 1978 taxes were increased by nearly $9 billion. The rise in tax liability in recent years is further demonstrated by a Census Bureau report. The report states that taxes collected by all levels of government in the United States increased by 59.5 percent between 1971 and 1977. Over a 6-year period the tax burden became half again as large as it had been. Revenues from corporate and individual income taxes grew by 70.6 percent. The rise in income tax revenues came from the rise in personal and corporate income and from the fact that people moved into higher tax brackets, paying a larger share of their rising income in taxes. These figures clearly show why our citizens are looking for tax relief and why the rate of U.S. productivity and savings are alarmingly low.

Major tax reform is urgently needed to stimulate real economic growth. Unless this amendment is passed, Federal taxes will increase to record levels—Federal taxes as a percent of gross national product will exceed 20 percent for the first time in 10 years; business investment and consumer spending will con-

tinue to decline; there will be continued inflation.

We are all aware that the present progressive income tax rates are designed to distribute the tax burden toward those citizens who are best able to pay. Thus, it is expected that a rise in real income will increase the rate of tax that the taxpayer must pay.

But what is actually happening? The effective tax rate is increasing even though the taxpayer's real income is not. This phenomenon occurs when inflation raises the nominal income level, although the taxpayer's purchasing power has not risen. Our progressive income tax structure does not differentiate between growth in real income and growth in nominal income.

It is easy to see that the tax burden is too high, but it is not as easy for all of us to agree on how to moderate that burden in ways that will allow for the equitable treatment of the individual taxpayer and at the same time encourage greater rates of savings, investment and productivity. How can we meet this challenge responsibly? Where should we reduce taxes, and to what degree?

Mr. President, this tax equalization amendment is fair, responsible, and necessary. We must not delay any further in undertaking tax reform. We must begin now by adjusting taxes to eliminate the penalty on taxpayers for keeping up with inflation. The reason is that the inflation tax penalty—taxflation—destroys the advantage of marginal income gains, thereby discouraging productivity gains. Taxflation also discourages savings by reducing disposable income. Finally, the inflation tax penalty hurts people in proportion to their position on the scale of progressive taxation. It hits the lower and middle income levels hardest because the width of the tax brackets is much less at the bottom of the scale. The case for eliminating taxation is compelling. A tax indexing system is desperately needed to avoid future automatic tax increases caused by inflation.

The remedy is today before us. The tax equalization amendment would end the inflation tax penalty. It would do so by requiring annual adjustment of the tax brackets, zero bracket amount, and personal exemption according to the rise in the Consumer Price Index for the previous fiscal year. By adopting this procedure, we can guarantee that the progressive income tax will be fairly and predictably geared to levels of real income. The progressive income tax will then operate as intended. Alternative approaches to eliminating taxflation do not have the same benefits. Periodic tax cuts are often hostage to political haggling, and they do not benefit all taxpayers in proportion to the taxflation penalty they suffer. The problem is built in to the tax system, and it requires a structural reform for its correction.

Under our present progressive tax system, even if an individual's wages increase to keep up with the rate of inflation, that taxpayers will lose purchasing power. The wage increase will push the individual up into a higher tax bracket and increase that person's tax bill. The taxpayer ends up behind, not ahead.

This nonlegislated tax increase, caused in inflation, increases the tax burden to all taxpayers. A refusal to vote for this amendment is a vote to deal with our excessive government spending problems by increasing our constituents' tax burden.

Increased taxes drain money from the private sector and slows economic growth. In an effort to ease inflationary pressures, to increase saving and investment, to expand productivity and to create new jobs in the private sector, I urge Senators to give their constituents the substantial tax relief they deserve. I urge Senators to vote "yes" on the Dole-Armstrong tax equalization amendment.

Mr. President, in plain English, the American people are being cheated by their Government. They are being cheated by being taxed on income which they do not enjoy. They are be-in taxed on minimal increases in their income, even though they enjoy no greater purchasing power, no higher standard of living.

Is it any wonder that there is a spirit of malaise in this country, when our people are being cheated by their own Government?

Here is a way to put an end to that cheating. It is about time some good economic news emanated from Washington.

This is a bipartisan issue. I am delighted to see Senators on both sides of the aisle supporting this, both parties, across lines of philosophy. It is a nonpartisan issue. It is one whose time has come.

I hope this is a Christmas present we can give to our long-suffering taxpayers who so badly deserve it.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. JACKSON. Mr. President, I yield 5 minutes to the junior Senator from Iowa (Mr. JEPSEN).

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise in support of the Armstrong-Dole amendment to index individual income tax rates to inflation.

Mr. President, this is not a new issue; it has been around for a long time. The question is very simple: Are we going to allow inflation to push people into higher tax brackets year after year, or are we going to stop letting inflation do our dirty work for us and index the tax system for inflation? Those on the other side of the aisle have been most vocal in opposing indexation, just as they oppose virtually all efforts to reduce the tax burden on the American people—as yesterday's vote on the Roth amendment clearly shows. They are going to tell us that we cannot afford the massive tax cut implied by indexation. They will tell us that it will mean continued budget deficits, inflation, and massive cuts in necessary programs like defense. These points are demonstrably incorrect and I feel certain that the American people will make their displeasure with rising Federal tax rates next November.

The fact is that the tax increase, which takes place daily, caused by inflation is enormous. And this tax increase, resulting from bracket creep, comes on top of legislated social security tax increases and the windfall profits tax which, contrary to what most people seem to believe, is ultimately going to be paid for by the people. As I said yesterday, corporations do not pay taxes, people pay taxes. And calling this a windfall profits tax on oil companies does not change this fact. Ultimately all taxes on corporations are paid by their stockholders, employees and consumers of its products. I think that if this fact were more widely recognized that this tax would never have gotten off the ground.

Recently, the Joint Committee on Taxation estimated the magnitude of the tax increase for individuals resulting from inflation and social security. Assuming an inflation rate of 10.6 percent in 1980 and 9.3 percent in 1981, income taxes will increase $15.6 billion in 1980 and $32.9 billion in 1981. Thus, the total tax increase amounts to $16.2 billion next year and $47.6 billion in 1981.

I should point out that this inflation tax increase of which I speak is not just a current phenomenon. It has been going on for years and Congress has not adequately adjusted for it. Although taxes have been cut frequently they were illusory, because they barely compensated for tax increases in dollar terms, and because these tax cuts have been shaped in such a way that people in the lower end of the income scale have benefited at the expense of upper income taxpayers. Unfortunately, because of inflation, last year's high income has become today's median income, and thus many people now find themselves affected by high marginal tax rates to be reserved only for the "rich."

I am including at the end of my statement two tables which illustrate my point. The first shows the effective Federal tax rate for a family of four earning the median income from 1965 to 1981. In 1965 the median family earned approximately $8,272 per year and paid $789 in social security and Federal income taxes. This came to 9.5 percent of that family's income. By 1981, on the other hand, the median income will be $22,456. Keep in mind that the buying power of $22,456 in 1981 is no greater than $8,272 was in 1965. Nevertheless, the median family will pay $3,924 in Federal taxes in 1981 and this will consume 17.5 percent of its income.

Along with this massive tax increase in effective tax rates there has been a massive erosion of incentive. Not only are individuals paying more total taxes,

they are paying significantly more out of each additional dollar they earn today than they were in 1965. The second table shows that the number of taxpayers affected by high marginal tax rates is increasing dramatically. In 1965 a mere 1.3 percent of taxpayers were affected by tax rates above 30 percent. In the most recent year available—1976—more than eight times as many taxpayers were affected by such rates. In 1965 only 4.9 percent of taxpayers were affected by tax rates above 25 percent. By 1976 this number had increased to more than a third of all taxpayers. In 1965 only 12.7 percent of taxpayers were affected by tax rates above 20 percent. In 1976 over half of all taxpayers were affected.

Mr. President, I believe that these massive tax increases are responsible for many of our Nation's economic problems. High tax rates reduce the tradeoff between savings and consumption, and the tradeoff between work and leisure. As a result we have less work and less savings. It is no surprise, therefore, that the United States has the lowest rate of savings and the lowest rate of productivity growth of any industrialized nation. And things are going to continue to get worse unless we do something to stop the increase in taxes.

I assume, as happened yesterday, that the Budget Committee will raise strong objections to this amendment. And, as I said yesterday, this only proves that the function of the budget process is to balance the budget on the backs of the taxpayers. The budget process has been an absolute failure in terms of reducing spending. The Budget Committee could not even hold the 1980 budget deficit below the level for 1979, and we do not have a recession or any other legitimate excuse for this except for the lack of will to control spending.

But the failure to control spending does not justify higher taxes. I favor a balanced budget as much as anyone, but I do not want to see the budget balanced with increased taxes. I want to see it balanced with reduced spending. Fortunately for the Budget Committee inflation raises taxes automatically. Individual incomes tax revenues rise approximately two-thirds faster than the rate of inflation. Thus, to get more revenue it is only necessary to not cut taxes and allow people to be pushed into higher tax brackets.

The 1979 Joint Economic report makes clear that the way to stop inflation is by increasing productivity. Increasing taxes works against this goal, by reducing savings, investment, and production. Thus, allowing taxes to rise will actually make inflation worse, not better.

I think this is an extremely important vote and I urge all my colleagues to support the Armstrong-Dole indexing amendment.

Mr. President, I ask unanimous consent that the tables to which I have made reference be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—FEDERAL INCOME AND SOCIAL SECURITY TAXES FOR A FAMILY OF 4 WITH $17,105 IN INCOME[1]

Year	Income	Federal income tax	Effective income tax rate	Social security tax	Federal income and social security taxes	Effective Federal tax rate
1965	$8,272	$615	7.4	$174	$789	9.5
1966	8,509	649	7.6	277	926	10.9
1967	8,754	685	7.8	290	975	11.1
1968	9,122	[2] 794	8.7	343	1,137	12.5
1969	9,612	[3] 891	9.3	374	1,265	13.2
1970	10,181	[4] 896	8.8	374	1,270	12.5
1971	10,618	919	8.7	406	1,325	12.5
1972	10,969	933	8.5	468	1,401	12.8
1973	11,651	995	8.5	632	1,627	14.0
1974	$12,929	[5] $1,063	8.2	$756	$1,819	14.1
1975	14,111	1,234	8.7	825	2,059	14.6
1976	14,925	1,308	8.8	873	2,181	14.6
1977	15,888	1,471	9.3	929	2,400	15.1
1978	17,105	1,678	9.8	1,035	2,713	15.9
1979	18,918	1,838	9.7	1,160	2,998	15.8
1980	20,678	2,123	10.3	1,268	3,391	16.4
1981	22,456	2,431	10.8	1,493	3,924	17.5

[1] Assuming that income changes as does the consumer price index and that deductible expenses are 23 percent of income. The CPI is assumed to rise by 10.6 percent in 1979, by 9.3 percent in 1980, and by 8.6 percent in 1981.
[2] Including a $55 surcharge.
[3] Including a $81 surcharge.
[4] Including a $22 surcharge
[5] Including a $118 tax rebate paid in May 1975.

Source: Joint Committee on Taxation.

TABLE II.—PERCENT OF TAXABLE RETURNS CLASSIFIED BY HIGHEST MARGINAL RATE AT WHICH TAX WAS COMPUTED

Marginal tax bracket	1965		1975		1976	
	Percent of taxable returns	Cumulative percent	Percent of taxable returns	Cumulative percent	Percent of taxable returns	Cumulative percent
60 to 70	0.1	0.1	0.2	0.2	0.3	0.3
50 to 59	.3	.4	.9	1.1	1.0	1.3
40 to 49	.4	.7	1.3	2.4	1.6	2.9
30 to 39	1.3	2.0	6.3	8.7	8.1	11.0
25 to 29	4.9	7.0	20.3	29.0	22.6	33.6
20 to 24	12.7	19.6	24.2	53.3	23.9	57.6
14 to 19	80.4	100.0	46.7	100.0	42.4	100.0

Source: Internal Revenue Service, "Statistics of Income, Individual Income Tax Returns."

Mr. JEPSEN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, this amendment is premature; it does not provide any tax advantage to any citizen until the year 1981.

Even without this amendment, we are going to have to make a major fiscal decision next year. The question is, do we pursue our effort to balance the budget or are we going to take the view that tax reduction claims a higher priority?

It is not likely that we can both balance the budget and index the Tax Code at the same time.

The President said that he was going to submit a balanced budget for 1981. We in the Senate took him at his word, and, last March, we amended the debt limit bill so that a balanced budget must be submitted by the President and also the Budget Committees must propose a balanced budget, even though they might propose an alternative budget that would be unbalanced, when that fiscal proposal might be the better part of wisdom.

But Congress should look at that choice when the time is appropriate to see what our current fiscal situation is and to consider these problems and the prospects for the next year, which then will be 1981, against the pressures for inflation and recession on the economy at that time.

This amendment would prejudge that choice. It would commit us to a major tax reduction to adjust for inflation which would greatly reduce Government revenues and might very well make it impossible to balance the budget.

I really believe that most Senators would like to vote for a balanced budget. They would also like to vote to reduce spending. They would also like to vote to reduce taxes.

But when faced with a hard choice when they cannot do all of them at the same time, and they have to work out a mix which has to take into account the national priorities, and also what is possible and what is not possible, they are usually better able to see what is best in the national interest when they are nearer the point where the decision has to be executed than they are voting several years before they will take effect.

Now, under the circumstances, Mr. President, before we try to decide how big a tax cut we can afford, it would be wise if Congress would defer this decision until we have had the benefit of the studies that will be made available by the administration, the Treasury, and the other departments of Government,

and it would be best if we would have the budget proposals of the President and the Office of Management and Budget, and if we have the thoughtful recommendations of the legislative committees of Congress, including the coordinating considerations by the Budget Committees, and the review in the budget process.

Now, we have peridically voted to reduce taxes to take into account the increase in the cost of living. We have also voted to reduce taxes usually by even more than the inflationary impact as far as the low-income and lowest part of the middle-income parts of our economy are concerned.

Some of those who are the strongest advocates for the indexing procedure are those in the higher tax brackets because some of the so-called tax reform bills have given the biggest tax cuts, in relative terms, at the lower income levels, to the low-income people and the lower middle-income people, feeling that they needed the tax cut more, that they had a greater need for the money than those who were in the higher tax brackets.

It can be contended that those who are the most successful people in America, who make a big contribution when they start the new businesses and start new payrolls, have not had their share of tax cuts, and the people interested in trying to encourage capital accumulation and investments that lead to newer jobs and more productivity have not had their fair share.

But one cannot say that, Mr. President, when you look at the 1978 tax cut bill. It was my privilege to manage that bill, and the business community, the most successful people of this country, got the best of it. They got a substantial tax cut, even in relative terms, greater than any segment of the American economy at that point. It was long overdue, and it was justified because in other bills in 1976, 1975, and in previous years that group had been slighted. In many cases, they had taken a tax increase, when, all things considered, they had a right to expect that they also should share in the tax cut that was being voted across the board for others.

But one can no longer contend that Congress does not have the ability, the inclination, or the will to vote tax reductions for business and for successful people when the case can be made. I know that is so because that is why we were able to make those changes in 1978. The side that did not feel that way about it, that wanted to heap a great deal more taxes on the business community were defeated at the polls, so that it has been proved you can vote to reduce taxes for all segments of the economy, including the business community, and be reelected.

So I have no doubt that when Congress looks at this matter next year it will make wise decisions and do justice with regard to all, and it will probably make wiser decisions when considering the cuts in the budget process than it could now by trying to cut taxes across the board now without considering the budget outlook at the same time.

Mr. President, some years ago various groups for various reasons argued that we ought to index the social security system. We did. Bankruptcy has been predicted for that system ever since that day. Prior to that time we would pass a law from time to time to adjust social security taxes to the circumstances. We would usually increase the benefits, and we kept the program sound all through those years. Since we started automatic indexing, we have been facing a prospect of bankruptcy of that fund time and again.

Mr. President, indexing does not solve inflation. It tends to contribute to inflation. When there is a big pay raise as a result of a strike, or negotiations between management and labor, or some other major change, one segment of the economy moves up its price or its wages, and it moves everything else up with it. In that respect indexing tends to contribute to inflation. It moves people who would be fighting against inflation, the taxpayers in this case, over to the ranks of those who do not really care because they will have their inflation problem adjusted for and taken care of by automatic tax rate changes as suggested by this amendment, and as is the case with the social security program.

Therefore, Mr. President, this is something that ought to be studied not just by the Finance Committee, but all committees ought to look at the parts of it that involve the activities and responsibilities of those committees, whether the Appropriations Committee, the Budget Committee, the Banking Committee, the Commerce Committee, all of them, and they should make their contribution to the deliberation of a tax cut as well as the contribution they can make toward achieving a balanced budget.

Therefore, Mr. President, it is my judgment that the amendment should not be approved here as an amendment to a windfall profit tax bill. This matter ought to be considered next year and, at that point, I believe Congress could much better decide who should have a tax cut next year—that is, for 1981—and how much.

We may very well decide then that having a balanced budget ought to claim a higher priority, and if so, looking at all the circumstances, we ought to have the chance to consider that choice.

There are a lot of people who are very much upset about the fact that this Nation has not achieved a balanced budget in many years, and there are a lot of people concerned about the fact that we have not adequately provided for national defense.

Those are all things, Mr. President, that should be taken into account, and we can do it better in the decisions on the budget resolution and in the regular legislative process. We could do much better at that time than we can with an amendment offered here and debated during an hour or two with very scant attendance on the Senate floor; we cannot try to solve all of the problems before we have a chance to see what happens to the economy, wherein we will have increases in spending, wherein we will have reductions in Government income, and without hearing the proposals that will be made to provide more carefully and with greater specific consideration for all segments of the American economy.

Therefore I urge that the Senate not agree to the amendment at this point and that this matter be reserved for consideration next year.

I am prepared to yield the floor, Mr. President, or, unless someone cares to speak, I will suggest the absence of a quorum.

Mr. ARMSTRONG. Mr. President, how much time have we remaining on my side?

The PRESIDING OFFICER (Mr. BRADLEY). The Senator has 15 minutes.

Mr. ARMSTRONG. I would like to yield myself 3 minutes, and then it would be my intention to reserve the remaining 12 minutes for the Senator from Kansas who will arrive very shortly and will be prepared to sum up the arguments on our side.

First, to dispose of some housekeeping items, Mr. President, I ask unanimous consent that the following Senators be added to the amendment as cosponsors: Senators HEFLIN, THURMOND, JEPSEN, HART, SCHMITT, and PERCY.

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

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. MCCLURE) be added as a cosponsor.

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

Mr. ARMSTRONG. I would like to dispose very quickly of a number of red herrings which have been brought to the floor in the last hour or so. First of all, this is not a tax cut. This is an attempt to head off the scheduled tax increase. Even if this was a tax cut, it would be well justified. Certainly it would not raise the question of the unbalanced budget that the distinguished chairman of the Finance Committee has brought up because, after all, we are raising in this bill at least $185 billion in taxes that are going to be extracted from the private sector and being pumped into the Government programs.

I am a budget balancer, and every Member of the Senate knows it, but I do not favor balancing the budget on the backs of the taxpayers by raising taxes. Even if I did, and any Senator who thinks we ought to raise taxes, and there are some who have expressed themselves in that way, and they are saying it is so important to balance the budget and that we ought to balance the budget, those who feel that way can vote for this Dole-Armstrong amendment in good conscience because all we are talking about is giving back a portion, Mr. President, of the tax increase in this bill to the individual income-tax payers.

So we can clearly have a balanced budget and this modest tax reduction for individual income-tax payers.

May I point out to the distinguished Senator from Louisiana, the chairman of the Finance Committee, that the

Budget Committee itself in its projections for the years in question has built in the assumption of tax reductions and, in fact, larger tax reductions than suggested by this amendment.

This is only the first step toward moderating the tax increases built into the system at the present time.

Last but not least, I point out that indexing, which has been disparaged here during the last few minutes, is not something new. In fact, indexing is the very issue involved in the windfall profits tax legislation which is now before the Senate. It is not such a brand new idea that we cannot do it for the oil companies. It is not such a brand new idea that we cannot do it for social security, that we cannot do it for SSI, that we cannot do it for food stamps, or that we cannot do it for Senators.

Everybody on the receiving end, I would point out, with a handful of exceptions, is indexed. All the tax receivers, with few exceptions, are indexed for inflation. This is just fair play. Let us give a break to the people who are paying the bill.

Mr. President, I note that the father of this idea——

The PRESIDING OFFICER. The Senator from Colorado has used his 3 minutes.

Mr. ARMSTRONG. I yield myself 30 seconds more.

I note that the father of tax indexing, the Senator from Kansas (Mr. DOLE) has arrived, and I am going to yield to him in a moment.

As I pointed out before his arrival, indexing is an idea he has championed. He brought it to the floor of the Senate before it was popular; and if today it passes, as I hope and believe it will, the credit is due to him and others who fought the battle long ago and raised the public consciousness of the importance of this issue.

With that, Mr. President, I yield all remaining time on our side to the Senator from Kansas (Mr. DOLE).

Mr. DOLE. Mr. President, may I inquire how much time remains? Is the Senator from Louisiana going to move to table at 2:30?

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. DOLE. Mr. President, I appreciate the kind words of my friend from Colorado, and I apologize for being tardy today. Let me say at the outset, this idea has been kicking around Congress for some time. As I look back over the past few years, I remember this matter being discussed at a breakfast meeting probably 8, 9, or 10 years ago, when Senator Buckley was presiding at that breakfast with Milton Friedman.

Then when Senator Buckley left Congress, I believe it was Bob Taft of Ohio who took on the responsibility of promoting indexing, and then when Bob Taft left the Senate, he passed it on to Ed Brooke and Bob Griffin, and when they left the Senate—they did not leave because of indexing, but when they left the Senate, the Senator from Kansas became more active. So it has been an idea that has been around for a long time. It has been the opinion of this Senator that it enjoys bipartisan support. We now have six States which, in some degree, index: the States of Iowa, Wisconsin, California, Arizona, and a couple of others; and so, sooner or later, I believe we will index the Federal tax system.

More than 60 percent of Federal programs are indexed. The House, a couple of years ago, voted to index capital gains. That was deleted in conference, but I think it was a good idea, and some day it will be enacted.

Indexing is not an accommodation to inflation—inflation is burden enough. Furthermore, ending taxflation eliminates an automatic Government bonus from inflation.

The Senator from Kansas points out to those who are looking for an issue that the American people understand, that people do understand taxflation. If people are making $15,000 a year, and the inflation is only 8 percent, so that they receive a cost of living adjustment of 8 percent, which then gives that worker $16,200 just to keep up with inflation, all the way home that man or woman might believe they have kept up with inflation. But then they are told by their neighbor, "You are in a higher tax bracket, and you are going to pay $258 more in Federal taxes. You are going to pay taxes on inflation. You are not keeping up with inflation in the cost of living, because you are in a higher tax bracket."

Mr. President, that is something American working men and women understand. It is what this amendment addresses.

Mr. President, polls may not mean a great deal. Polls measure certain things. The last poll that I know of on indexing was taken by the Roper organization, and the Finance Committee had the benefit of that poll in July of 1978. 57 percent of the American people at that time preferred inflation adjustments built into the tax system as opposed to periodic tax cuts the Government makes to offset inflation. That is another matter that has previously been discussed by the Senator from Colorado (Mr. ARMSTRONG), who has been a leader in this effort.

So we have proposed an amendment to equalize taxes with respect to inflation. Many of my colleagues will recognize my amendment as the Tax Equalization Act, S. 12, which I introduced in January of this year. My amendment would end automatic tax increases caused by inflation. The tax brackets, zero bracket amount, and personal exemption would be adjusted each year. The adjustment would correspond to the percentage rise in the Consumer Price Index for the previous fiscal year. Withholding tables that take account of inflation can then be prepared. No one would get an automatic tax increase just because of inflation, or would the Government get a revenue windfall. The automatic adjustments would be made through 1984, at which point Congress could review them and determine whether to continue indexing.

We are talking about tax cuts, and we ought to be. It is a healthy development when the question is how tax cuts can be structured to help the economy grow at a steady pace without inflation. There is general agreement that some sort of tax relief will be needed, and the debate is over timing and substance. I say this is a healthy thing because it means we realize that it is time to rethink our tax policies in a major way.

We want to reduce and redirect taxes without busting the budget. We will need to consider spending cuts in some areas, or we can set aside some of the revenues brought in by the windfall profit tax. But we are also learning that tax cuts do not always reduce revenues. Last year's capital gains tax reduction may prove to bear that out. In any event, the emphasis is shifting toward tax reduction that brings stable economic growth. We want to roll taxes back to the point where people are encouraged to work, and businesses to expand, without fearing that they will gain nothing because of increased taxes. We need to find that point at which the rising tax burden is a net drag on the economy. The distinguished Senator from Delaware (Mr. ROTH) deserves the greatest credit for bringing us to focus on this aspect of tax policy.

Mr. President, there can be little doubt that, with the personal income tax, we have passed the point where rate increases are productive for the Nation. They are not productive. They are harmful, and the growth of the personal tax burden is a major cause of our sluggish economic performance. Increasing the income tax burden is bad policy. Rather, it could be called bad policy, if it were the result of conscious decision, conscientiously made by this Congress. But it is not policy at all. It is the consequence of an abdication of responsibility by this Congress with regard to tax policy.

Congress likes to cut taxes. Congress likes to cut taxes on even-numbered years, and Presidents like to propose tax cuts on even-numbered years; so we can look forward to a tax cut in 1980. Congress likes to try to make people believe that, through our beneficence, we give them a tax cut, giving them back some of their money. But we find out that in most instances it is not really a tax cut; it is just sort of an inflation adjustment, to make them think they are keeping up with inflation. So indexing is more honest.

Indexing has been tried, and it has worked. Canada began indexing in 1974, and they adjust their tax system by the rise in the consumer price index for the last fiscal year. Other countries, including France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and Australia have indexing features in their tax laws. I mentioned the States of California, Arizona, Iowa, Colorado, but I neglected to mention Minnesota and Wisconsin also have indexed income taxes.

It just seems to me that we have an opportunity here, in the $500 billion we will raise through this so-called windfall profit tax, to apply the additional revenues that make it possible to index the tax system. We need to find a point at which the rising tax burden is not a drag on the economy.

There can be little doubt that, with the personal income tax, we have passed the point where rate increases are produc-

tive for the Nation. They are not productive, as the Senator from Delaware pointed very effectively yesterday afternoon. They are harmful, and the growth of the personal tax burden is the major cause of our sluggish economic performance.

Increasing the income tax burden is bad policy; it is so bad that some have stated we ought to have another form of tax called a value-added tax, so that we could tell people, "We are going to take the value-added tax and reduce your income tax and your social security tax," and that that would make a good deal of sense. The Senator from Kansas is not certain about that, but I assume we will have many hearings on that subject in the next few years.

We all applaud the discussion of tax cuts. The American people applaud the discussion of tax cuts if they are real tax cuts. I hope the debate over taxes will shed more light than heat. Tax policy has been made in the dark for too long. I hope that my colleagues who favor tax reduction, as I do, have also given consideration to this question: How can you speak of tax cuts, when you allow taxes to rise automatically each year? You may talk of tax control, or tax readjustment. But do not talk of tax cuts or tax reduction, because that is not what you are offering. You cannot cut taxes effectively so long as you continue to allow inflation to distort the income tax rate structure.

Mr. President, this is not a technical issue. It is a pocketbook issue and a philosophical issue. The question is, is it fair to allow tax rates to climb automatically each year, without advice or notice to the taxpayer?

If you believe that it is fair, how do you square that belief with a commitment to a democratic, representative form of government? How do you square it with the Founding Fathers' opposition to taxation without representation?

I do not use this analogy lightly. Allowing inflation to increase tax rates is tantamount to levying a tax without resort to the legislative process. It bypasses the representative system. This may be convenient for many of my colleagues, who have many responsibilities to attend to. I sympathize with them. It saves time not to reexamine the tax rates each year. What I do not understand is how this Congress can proceed periodically to adjust tax rates, and claim that it has cut taxes.

It has not cut taxes. As I indicated, this always occurs in even-numbered years, election years, if you please. Everyone is sympathetic for those who want to take credit for tax reductions. Many candidates are proposing tax reductions for next year. But I think the American people understand that we are not really cutting taxes. All we are doing is adjusting the rates for inflation.

Again, I am sympathetic with the desire of my colleagues to take credit for tax reduction. I am not sympathetic to the way they go about it.

We are not so naive as to believe that periodic rate adjustments are real tax cuts. Everyone knows the effect of inflation on a progressive tax structure. Income rises and tax rates rise, but purchasing power stays the same. That is all there is to it. The real rate of tax rises because the tax tables do not measure real income. They measure nominal income.

When inflation ambles along at a few percent a year, the effect on taxes is noticeable but not drastic. When inflation is at double digits several times in a decade, you have real trouble. Trouble, that is, for the taxpayer—less trouble for a Government that can find only too many ways to spend the increased revenues. Periodic tax cuts are no solution because they do not compensate in proportion to the inflation tax penalty. Besides, over time the effective tax rate rises despite cuts. The simple answer, of course, is to adjust the tax tables to take account of the inflation factor. My amendment would accomplish this, and it has been proposed before.

This issue has won the total dedication of Members of the Congress.

As I have indicated, the distinguished former Senator from New York, Mr. Buckley, devoted considerable time and energy to ending the inflation tax penalty. The distinguished former minority leader, Mr. Griffin, supported legislation to end inflation-induced tax increases. The Senator from Kansas introduced such legislation last year, and it was brought to a vote in this Chamber. But the issue is still with us.

I remember the Senator from Kansas trying to convince then President Ford to endorse indexing the tax system. I can understand the reluctance of anybody in the executive branch to advocate indexing, because the executive branch and the Government profits from taxing inflation.

The issue remains because it is a matter of principle, and because its resolution is inevitable. People favor tax table adjustments for inflation. As I have stated, the Roper organization determined this last year, when they found 57 percent of the people prefer automatic adjustment for inflation to periodic "tax cuts." They should prefer it, because it is the only way to compensate them fairly and equitably for the effects of inflation. The inflation tax penalty comes out of their pockets, and they have a right to be disturbed by the failure of Congress to address this issue.

Mr. President, inflation adjustments in the tax tables would be in effect now if it were up to the people. Who, then, opposes this legislation? Let me identify some of the arguments that I have been faced with.

First, Congress prefers to make periodic tax cuts. This is true, but it is not an argument. Congress can still cut taxes, but they would be real tax cuts. This is a matter on which Congress should defer to the will of the people, as a matter of principle and as a matter of fairness.

Second. The Federal Government would lose substantial revenues. This is the customary argument of the Treasury Department against any real tax reform. Two points should be made. Once the inflation adjustments are in effect, Congress can always raise the rates if that is deemed necessary. But it will have to accept the political responsibility for doing so. The growth of Government at the expense of the private sector might be slowed—an effect that many of us would welcome.

Second, the notion that you are "losing" revenues implies that you had a right to them to begin with. We, the Congress, and the U.S. Government, have no right to revenues that are not raised in accord with the taxing power set forth in the Constitution. Revenues generated by inflation are not an inherent right of our Government. This goes to the heart of the principle involved here, and it leads me to the last argument.

And I would ask, finally, we ask who opposes this legislation? The American people? The American people do not oppose this legislation. The American people support this legislation. The Congress opposes or has opposed this legislation because Congress wants to pass illusory tax cuts. It helps Members of Congress get reelected.

Well, Congress, can still cut taxes, but if we adjust for inflation, then when there is a tax cut it is really a tax cut. It is not a tax adjustment.

The Federal Government is opposed to indexing a tax system. They claim revenues will be lost. This is a customary argument of the Treasury Department against any real tax reform. But two points ought to be made. Once the inflation adjustments are in effect, Congress can always raise the rates if that is deemed necessary. It will have to accept the political responsibility for doing so.

The growth of the Government at the expense of the private sector might be slowed, and many of us would welcome that.

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

Mr. DOLE. Does the Senator from New York (Mr. MOYNIHAN) have any time left?

Mr. MOYNIHAN. The Senator has 37 minutes, if I am correct. I am happy to yield 7 minutes to the Senator from Kansas.

Mr. DOLE. I appreciate that. I do not suggest that in 7 minutes I will convert the Senator from New York, but I will make it as painless as possible.

Some suggest that automatic adjustments are somehow an accommodation to inflation. This is the most pernicious argument, because it draws support from those most philosophically attuned to tax reduction and the battle for physical integrity and political accountability. Some have real concerns and they have been expressed, I understand, today by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.). And I have the highest regard for his integrity and dedication to the principles of representative government. I would like to have him as an ally on this issue, but he really believes and truly believes that indexing for inflation would make people complacent about inflation.

Well, let me address his concerns,

First, no working man or woman struggling to keep up with double-digit inflation will feel that he or she can live with inflation just because he or she is not also penalized in taxes. We do not need to make inflation more painful than it already is.

Second, the failure to make adjustments for inflation helps to maintain the momentum for inflation. Government is the engine of inflation, and it is Government that is accommodated by the failure to index. Take away the inflation tax revenues, and the rate of growth of Government will slow, because the revenue base will not b e expanding automatically from inflation. It may expand from real economic growth, and that would be a good sign. Ending the inflation bonus to Government gives Government an incentive to be fiscally responsible.

Third, and most importantly, this is a question of principle. I know the Senators in this Chamber would not vote to delegate the taxing authority to IRS, if they were faced with the issue. If we had a vote on this floor and said, "All right. We will give up that authority and we will get the IRS to adjust the tax rates."

Yet they are willing to delegate some of that authority because they allow IRS to collect tax revenues generated by inflation. It is a question of the accountability of Congress to the people, and I know the Senators are deeply conscious of their responsibility to the people of their States.

This, then, is the case that the Senator from Kansas would make. The tax reduction movement has gained momentum, but the drive for fundamental tax reform has just begun. With my amendment, I propose a reform, a reform grounded in political principle and sound economics. Until we regain control over tax policy, we have failed in our responsibilities. Tax Equalization would restore some of the control by removing the automatic escalator clause from our contract with the taxpayers. The taxpayer did not bargain for that and ought not to pay the price. Every working man and woman in this country will pay an unlegislated inflation tax penalty this year. The total will exceed $19 billion. That cannot be tolerated. I do not tolerate it.

Mr. President, I thank my colleagues for their attention to my remarks. I have raised this issue frequently in recent months, and will continue to do so. It is because I feel the matter is urgent and because the question goes to the heart of relations between the Government and the governed. We have broken faith with our citizens in the past, and they are disillusioned with us. There is no better way to restore faith and confidence in Government than by restoring political accountability for taxes.

It is said that the inflation tax penalty is an issue without a constituency because no one group stands to benefit from its elimination. I say the issue has a constituency, and it is here in this Chamber. It is also in the House of Representatives. That is because together we represent every man, woman, and child in this Nation—we have no other function than that. For some of us, that duty is a reward in itself. Let us, therefore, speak for all the people, not just some, and reform our tax system. When the occasion demands, legislation must reflect broad principles rather than particular interests. This has happened before, as it did in response to the civil rights movement. For tax reform, the time is now. It is up to us to pick up the challenge and take the lead by adopting my amendment.

In conclusion, it seems to this Senator that we have an opportunity here that must be grasped. There is strong bipartisan support for this proposal.

I again wish to thank my distinguished colleague from Colorado (Mr. ARMSTRONG) for making the case in the absence of the Senator from Kansas.

Mr. President, I ask unanimous consent that the talking points on tax indexing, along with a table showing the rise in tax rates over time, be made a part of the RECORD.

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

TALKING POINTS ON TAX INDEXING

Taxflation increases the tax burden tremendously. The personal income tax will increase by $11.5 billion in 1979 and over $19 billion in 1980 (given 7.7 percent inflation in 1978 and assuming 13 percent in 1979). Assuming "modest" inflation of 9.3 percent in 1980, the bill for 1981 will be $32.9 billion. If inflation continues to moderate and there are not tax cuts, taxflation will cost $52.7 billion in 1982 (1981 inflation at 8.6) and $75 billion in 1983 (1982 inflation at 7.8).

Indexing is not an accommodation to inflation. Inflation bites hard enough that people will not become complacent about it just because the inflation tax penalty is removed. Furthermore, ending taxflation eliminates the automatic revenue bonus to the Government from inflation. Because Government will benefit less from inflation, it will have more incentive to bring inflation under control.

Indexing may help to eliminate the inflationary psychology. While indexing won't cause or cure inflation, it may reduce inflationary pressures by helping to keep wage increases down. With taxflation, workers realize their wages must rise faster than the cost of living so they can just stay even. Remove taxflation, and workers won't need to receive inflationary wage increases simply to maintain the real value of their take-home pay.

The public favors indexing. A Roper poll released to Finance Committee in July 1978 indicated that 57 percent prefers inflation adjustments built into the tax system, as opposed to periodic tax cuts the Government makes to offset inflation.

Indexing is more honest. When Congress claims it is making a tax cut, it is really (at best) restoring to the taxpayers revenues raised by inflation. With indexing, tax cuts will be real tax cuts, and tax increases will have to be made through the legislative process.

Taxflation destabilizes the economy. In the 1970's we have high inflation accompanied by high unemployment. In this situation taxflation reduces purchasing power that might go to savings, investment, or consumption. For example, these automatic tax increases made the 1974–75 recession more severe than it would have been.

Indexing has been tried, and it works. Canada began indexing in 1974, and they adjust their tax system by the rise in the Consumer Price Index for the last fiscal year. Other countries with some form of indexing are France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and Australia.

State income taxes in Colorado, California, Arizona, Iowa, Minnesota, and Wisconsin include indexing features.

Indexing would not unbalance the budget. Congress can cut spending, and with indexing it can still change the tax rates. But any changes will need to be enacted by legislation, not automatically induced by inflation. Congress will have an incentive to be fiscally responsible, so that it won't need to raise taxes. Besides, it is unfair to balance the budget on the backs of taxpayers through a hidden tax increase.

Periodic tax cuts do not compensate for inflation. Tax cuts are structured differently for different income groups, and do not compensate equitably for all income groups in proportion to the inflation tax penalty. Besides, over time the effective rate of tax rises anyway. The attached table, prepared by the Joint Committee on Taxation, shows the effective tax rate on an average family rising from 8.1 percent in 1964 to a projected 10.8 percent in 1981. That does not even take account of the rise in social security taxes. This trend tends to destroy the progressivity of the tax system.

FEDERAL INCOME TAXES FOR A FAMILY OF 4 WITH $17,105 IN 1978 [1]

Year	Income	Federal income tax	Effective income tax rate (percent)
1964	$8,132	$655	8.1
1965	8,272	615	7.4
1966	8,509	649	7.6
1967	8,754	685	7.8
1968	9,122	[2] 794	8.7
1969	9,612	[3] 891	9.3
1970	10,181	[4] 896	8.8
1971	10,618	919	8.7
1972	10,969	933	8.5
1973	11,651	995	8.5
1974	12,929	[5] 1,063	8.2
1975	14,111	1,234	8.7
1976	14,925	1,308	8.8
1977	15,888	1,471	9.3
1978	17,105	1,678	9.8
1979	18,918	1,838	9.7
1980	20,678	2,123	10.3
1981	22,456	2,431	10.8

[1] Assuming that income changes as does the consumer price index and that deductible expenses are 23 percent of income. The CPI is assumed to rise by 10.6 percent in 1979, by 9.3 percent in 1980, and by 8.6 percent in 1981.
[2] Including a $55 surcharge.
[3] Including a $81 surcharge.
[4] Including a $22 surcharge.
[5] Including a $118 tax rebate paid in May 1975.

Source: Joint Committee on Taxation, Aug. 2, 1979.

Low-income taxpayers are most likely to suffer from taxflation. That is because the lower tax brackets are narrower, so a rise in nominal income is more likely to jump the taxpayer into a higher bracket, or subject more of his income to the higher marginal rate.

Support for indexing is growing. With continuing high inflation, more attention is being focused on the effects of inflation on taxes. The American Bar Association has endorsed indexing, and in September the New York Times endorsed it. U.S. News and Harper's have featured articles highlighting the problem of taxflation. Columnists George Will and Michael Killian have argued for indexing, as has the National Taxpayers Union. In the House, Congressman Bill Gradison's indexing bill has over 135 cosponsors.

Indexing is a real tax reform, not a "tax cut". While indexing will tend to reduce people's tax liabilities, it is basically a reform of the tax system to take account of inflation. It would be the most fundamental and far-reaching tax reform undertaken in years.

Indexing will remove a disincentive to productivity gains. When people know that marginal income gains are more than eaten up by inflation and taxes, they have little incentive to be more productive. Indexing would remove that disincentive with respect to taxes.

Every taxpayer suffers from taxflation. Every taxpayer with actual tax liability experiences taxflation, regardless of whether they have income gains. This is because the zero bracket amount (standard deduction) and personal exemption decline in real value every year, just as the tax brackets are distorted. Deductions and exemptions that are stated in fixed dollar terms are worth less each year. Taxflation affects nearly 100 million taxpayers.

When the Government is preaching austerity, it should be willing to set an example by ending taxflation. Taxflation is an automatic windfall in revenues to the Government. When the Government asks the people to accept austerity to stop inflation, it can a least forego this revenue windfall as a measure of good faith.

Taxflation wiped out last year's tax cut. The Revenue Act of 1978 reduced personal income taxes by $12.4 billion, but taxflation raised them again by $11.5 billion, leaving only $900 million in tax reduction. In 1980 taxflation will add more than $19 billion to the tax bill, putting everyone even further behind.

Taxflation discourages savings. People have less marginal income to save and invest, after necessities. Indexing would restore some of that marginal income, so that people would be better able to invest. More money could be available for capital formation.

Ending taxflation is the least Congress can do for the taxpayer. The Government has failed to control inflation. Until inflation is controlled, it is adding insult to injury for the Government also to extract an inflation tax penalty from our citizens.

Indexing is needed as a measure of equity. Taxflation makes people uncertain of their tax liabilities, and phony 'tax cuts' further confuse the situation. If we end taxflation, people will know Congress is playing fair. They may be less inclined to evade taxes by resorting to the 'underground economy', where income is unreported.

Indexing helps to restrain the growth of Government. Canada, which indexed in 1974, had federal expenditures growing at a rate of 15.9 percent in 1974. The rate declined to 10.24 percent in 1975, 2.7 percent in 1976, and 2.1 percent in 1977. This is a major achievement in controlling growth of government.

Mr. DOLE. Mr. President, I would also note, that support for indexing is growing. In September, the New York Times endorsed it; U.S. News & World Report and Harper's have featured articles highlighting the problem of taxflation; columnists George Will and Michael Killian have argued for indexing, as has the National Taxpayers Union. In the House, Congressman BILL GRADISON's indexing bill has over 135 cosponsors.

Indexing is a real tax reform, not a tax cut. When the Government is preaching austerity, it should be willing to set an example by ending taxflation, by stopping tax on inflation. Taxflation discourages savings and people have less marginal income to save and invest after necessities. Indexing would restore some of that marginal income so people would be better able to invest.

Finally, ending taxflation is the least Congress can do for the taxpayer. Everyone talks about the taxpayer. This is a chance to do something for the taxpayer. We talk about the burdens of taxation, how they are being increased, and how much they will be increased with this $500 billion tax bill now before the Senate.

One way to show good faith with the people as we work on this gigantic tax bill is to have this amendment adopted.

I believe that indexing helps restrain the growth of Government, contrary to what some have indicated. Canada, for example, which indexed in 1974, had Federal expenditures growing at a rate of 15.9 percent. The rate declined to 10.24 percent in 1975; 2.7 percent in 1976; and 2.1 percent in 1977, which seems to this Senator to be a rather significant achievement in controlling growth of Government.

So the case has been made. It would be fair to say that maybe no one is for this amendment but the people. That is not quite true. There are a number of Members of this body who support the amendment. But if it could be—as it will be—articulated this year and the next year—until it is understood by all the American people; and it will be better understood in the months ahead; then I think the growing support for indexing will prove irresistible.

As I have said, we now have indexing in six States. It is time for it. It is coming in the Federal level. It may not come today. If it does not come today, maybe it will come a year from today. If it does not come then, it will come 2 years from today or 3 years from today. But it is coming. So all those who want to do something for the taxpayers—and this is the season to do it—this is the opportunity to say to the taxpayers, "We are going to end taxes on inflation." Then, when we have a tax cut, it will be a true tax cut.

I know the argument that the Federal Government would lose revenue. but the biggest windfall in America is being reaped by the Federal Government by taxing inflation. That is why I think we ought to address this issue on the so-called windfall bill because we are talking about windfalls, and the Federal Government is the beneficiary of a massive windfall by taxing inflation in the incomes of American men and women. I suggest the opportunity is here. I understand there may be a motion to table. If so, I hope that motion fails. We will see what happens.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, let me first offer congratulations to the Senator from Kansas. Not for the first time has he presented to this body a careful, a reasoned. and a moderately assertive proposal, and not for the first time do the Members on this side of the aisle rise to ask how can such a large proposition have come about suddenly, without preparation, out of the context of the basic revenue structure of the Federal Government, of the Federal fisc, of which it is a necessary part?

Mr. President, we went through this matter yesterday when we had to deal with a proposal that would guarantee a permanent deficit in the Federal budget for the coming decade.

That was rejected, as it ought to have been.

Back today comes a second proposal to guarantee yet another permanent deficit for the 1980's.

This is remarkable if in nothing but the consistency of the illogical.

Mr. President, the Senator from Kansas, who knows the respect in which he is held in this body and by the Senator from New York, has said that the issue is the growth of Government.

That is not the case. Government is not growing in the United States. The public sector has settled at a level that has been steady for some time. There is only one proposal in this body that gains any support to increase the level of governmental activity and that is to increase the military expenditure of the Government. The Senate voted consistently this year to increase defense spending above the rate of inflation by 3 full percent, which in fact comes out to be more than 3 percent when you bring in the rate of inflation, and to do so at 5 percent in the years to follow. Having voted that increase, and none other, we are stable and declining in Federal expenditures as a proportion of GNP.

We have written into our budget decisions of this last year a declining proportion of GNP.

Suddenly we come along with these matters which do not go to the question of growth in the Government but rather to the growth in the deficit. We had assumed that concern in the growth in Government was at least as much fiscal as it was in any specific sense political, that its purpose was to put an end to the deficits that have plagued this economy for two decades now. In two decades I think we have only had 2 years when there has been a Federal surplus, and deficits have been what we have been concerned with. Here is a proposal to guarantee a decade of deficits.

I ask the Chair to bear with details which are not the most absorbing reading but make the most absorbing impact. Assuming an inflation rate of 10.4 percent next year, 9.6 percent in 1981, 9.5 percent in 1982, and 8.4 percent in 1983, the revenue loss in those years would be $17 billion in calendar 1981, $36 billion in calendar 1982, $66 billion in calendar 1983, and $92 billion in calendar 1984.

How are we going to balance a budget with such revenue losses? We cannot. We cannot, save as we make one of two choices: We forgo the increase in defense spending, which would imperil this Nation's already sufficiently insecure position in the world; or we commence to roll back the social programs of the 1960's and 1950's and 1930's.

Mr. President, one of the remarkable judgments this Congress has made in recent years is to say that with respect to certain social programs—providing assistance to dependent persons, aged persons, and retired persons—inflation changes in cost indexes would not reduce standards of living. We have in-

dexed the social security program, the basic source of income for 20 percent of our people. We have indexed the railroad retirement program, medicare and medicaid, food stamps, child nutrition, the supplemental security income program. All these programs are indexed to make them immune from the effects of inflation.

If we take away the income that makes that indexing possible, we produce either horrible deficits and huge inflation rates, or we abandon this indexation pattern.

Let me tell you, Mr. President—and again I apologize for bringing such a long array of data to the floor of the Senate, where hyperbole is so frequently a substitute for fact, but there are facts here—in the budget for fiscal 1980 now in place, we have $9.3 billion to provide for indexation of these programs. Next year, $31 billion; the year after, $54 billion. In the years fiscal 1980 to 1984, over $250 billion is provided to index these programs, food stamps, medicaid, social security—social security where 20 percent of the American people live on it and depend on a promise made. And that promise will be broken if we adopt this permanent deficit proposal.

We have here a proposal which will see the U.S. budget, contrary to the sworn assertions of this body not 4 months ago, now lurch deeper into the red and stay there.

There is no Member of this body who has spoken to the integrity of the budget process more often and with more effect than the Senator from Maine. He has made it his purpose to maintain its integrity. He was on the floor of this body yesterday afternoon insisting that the deficit proposal that was before us then not be adopted. I cannot suppose that he will fail in that self-imposed duty today. It would be presumptuous for me to expect Members to listen to me on this matter, a person new to this Chamber and new to the budget, although a member of the committee. But I ask Members to listen to the Senator from Maine. He knows what a permanent deficit will do to the economy of the United States.

He has never hesitated to speak to just that point.

The Senator from Maine is on the floor. I know the strength of his feelings in this matter. The fervor of his facts will make its impression, I do not doubt.

I am happy to yield to the Senator from Maine such time as he may require to rebut this wholly unanticipated and wholly nongermane amendment to a windfall profits tax dealing with the oil industry.

Here, we are asked to change the whole structure of the political economy of the United States on a bill to deal with the OPEC ripoff tax. I am appalled, but I cannot imagine that my umbrage will equal that of the chairman's. I am happy to yield to him such time as he may require or as remains unto him.

Mr. MUSKIE. Mr. President, I am happy to assume the burden but I doubt that anything I could say could match the peroration of the distinguished Senator from New York. It is rather like getting my conclusions stated before I have marshalled my arguments.

In any case, this amendment is a more complicated amendment than the one we dealt with last night. It, nevertheless, opens up troublesome problems for the future.

Basically, what this amendment proposes is that we index personal income taxes so that they are automatically reduced to respond to the impact of inflation. When one talks about indexing in response to inflation, one must, on the revenue side of the budget, think not only of personal income taxes but corporate income taxes as well. If indexing as a principle is justified by inequities generated by inflation, then surely, the principle ought to apply to corporate income taxes as well as to personal. This amendment does not touch that aspect of the problem. Here are three aspects of corporate taxes which undoubtedly we would be asked to consider or should consider indexing for inflation if Congress adopts the pending amendment.

First, there is the question of inventory profits, inventory profits which are generated by the impact of inflation on the value of inventory. That is a complicated question, as the distinguished chairman of the Committee on Finance could point out to the Senate. Because it is complicated, the Senator from Colorado has not addressed it in his amendment, but businessmen are pressing for that kind of indexing in order to avoid taxes on inventory profits which are generated by inflation. That is not touched by the pending amendment. One can be sure that it would be suggested by the proponents of this amendment if this principle were established.

Second, there is the question of the impact of inflation on business interest. The interest that business must pay on loans rises with inflation and the corresponding rise in interest rates but the real value of the loan repayments declines with inflation. It can legitimately be asked whether business tax liability should be indexed in some fashion for all of these effects.

Third, there is the biggest and most complicated problem of the adjustment of depreciation for inflation. I need only mention the popularity of the so-called "10–5–3" accelerated depreciation proposal to illustrate this point.

Those are issues, Mr. President, that ought to be addressed thoughtfully and carefully by the Committee on Finance, as should the issues raised by the pending amendment. Mr. President, I ask unanimous consent to insert in the RECORD at this point some supplementary material on these points.

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

The following table shows that and personal income taxes under current law, the gross tax cost of the Armstrong-Dole amendment, the tax cuts assumed in the Budget Resolution and the margin for other tax cuts.

[In billions of dollars; fiscal years]

	1980	1981	1982	1983	1984
Total revenues, current law	515.4	600.0	706.6	812.8	927.6
Personal income taxes, current law	236.9	279.3	334.0	397.4	471.7
Armstrong-Dole		10.7	28.7	54.5	82.4
General tax cut in budget resolution			55.0	75.0	100.0
Margin for other tax cuts: Budget resolution tax cut less Armstrong-Dole		−10.7	+26.3	+20.5	+17.6
Cost of other tax cuts:					
10–5–3 accelerated depreciation	−.9	−4.1	−10.9	−19.9	−30.4
Social security (freeze rate and index base from 1980)		−9.9	−18.1	−21.1	−23.7

The table shows that by 1984 the Armstrong-Dole amendment would not leave adequate room in the tax cuts projected from the budget Resolution to accommodate the revenue cost of the popular "10–5–3" accelerated depreciation proposal for business. Yet pressures will certainly persist—and possibly be increased by the Armstrong-Dole amendment—for some form of adjustment of business taxes for inflation. By 1983, the Armstrong-Dole amendment does not leave adequate room for any significant cut in Social Security taxes yet that is clearly a very popular issue.

For the last half of the decade the tax cuts projected in the Budget demands for the 80's analysis are generous—they grow to $150 billion in 1985 and $432 billion by 1990. But after Armstrong-Dole the margin for other tax cuts would be only $100 billion or less in 1990. The cost of accelerated depreciation grows very fast as more and more of business capital becomes eligible. Social Security tax cuts would also impose a growing burden, if the trust funds are to be kept sound by infusing general revenues and the benefits are not to be reduced. The problem of budget margin will not go away.

Some response of revenues to inflation is necessary to cover the added budgetary costs of index programs. These programs include social security and railroad retirement, Medicare and Medicaid, food stamps, child nutrition, Federal pay raises and supplemental security income. The amount in the budget for inflation adjustments in these programs is $9.3 billion in FY 1980, $31 billion in FY 1981, $54 billion in FY 1982, and over $250 billion cumulative for the 5-years FY 1980–84.

Mr. MUSKIE. On the spending side of the budget, Mr. President, we have indexed by law programs such as social security benefits, railroad retirement and other pensions. We have indexed by law, or as a practical effect, medicare and medicaid, food stamps, child nutrition, Federal pay raises, supplemental security income.

Mr. President, if we are going to index revenues for inflation, the effect of which would be to reduce revenues, then surely we cannot do that without addressing, at the same time, the action we have taken to index large chunks of the spending side of the budget.

Otherwise, what we shall have in the Federal budget, as a result of inflation, is revenues going down and expenditures going up. That is a nonsensical result and it is surely not a prudent budgetary result to anybody who contemplates the consequences.

Look, for example, on the spending side of the budget, at the implications of inflation. In 1981, indexing on the spending side represents $31 billion additional spending, $54 billion in 1982; and for the 5 years, 1980–1984, over $250 billion.

Mr. President, over that 5-year period, this amendment would eliminate $10.7 billion in fiscal year 1981; $28.7 billion in fiscal year 1982; $54.5 billion in fiscal year 1983; $82.4 billion in fiscal year 1984. The figures I have just given add up to a $176.3 billion loss in revenue. Inflation adds, at the same time, $250 billion increase in expenditures.

That does not include defense. And, Mr. President, in this year's budget resolution so far as defense is concerned, this Senate has mandated 3-percent increase over inflation in 1980, 5-percent increase over inflation in 1981, and 5-percent increase over inflation in 1982.

Mr. President, what kind of nonsense is it that we, here, seriously contemplate, or at least some of our colleagues seriously contemplate reducing revenues over a 4-year period by $176 billion because of inflation in the face of the facts that $250 billion and more in extra spending is generated by inflation at the same time? Add those two together and the spread is over $420 billion over a 4-year period.

Some in this body may call that prudent budgetary policy. I call it irresponsible budgetary policy.

Let me add this one point, Mr. President. The issue raised by the Armstrong amendment is an issue that deserves to be seriously studied. But it cannot be studied in isolation, and it surely should not be acted upon in isolation from these other consequences of inflation. Down that road lies budgetary deficits of tremendous size and budgetary irresponsibility.

So, Mr. President, I join the distinguished chairman of the Finance Committee and the distinguished Senator from New York in opposing this amendment. I trust that we will reserve this issue for study by the Finance Committee.

● Mr. LEVIN. Mr. President, I share the belief of the sponsors of this amendment that the time for indexing our tax system is coming—but I do not believe the Senate is prepared to judge the full implications of the proposal before us. I agree with the sponsors of this amendment that it is unfair for people to be pushed into higher tax brackets simply because inflation increases their nominal income. Real income does not necessarily increase and the resulting increase in Federal taxes has the insidious effect of reducing a family's standard of living.

The time for careful evaluation of tax indexing and its impact on the economy is now. The results of various studies on tax indexing which are now underway should be considered by the Senate as soon as they are completed. I have discussed this with the chairman of the Finance Committee and he has assured me that he will look favorably toward holding of hearings on the proposal to index our tax system when the requisite studies are completed.

I oppose this amendment only because hearings have not been conducted on this substantive proposal. With the assurances of the chairman, I am confident that a tax indexing proposal will be before his committee in the very near future. After such hearings, Senators will have the benefit of exhaustive hearings and expert testimony on this subject thus have a sound basis for determining the impact and wisdom of various indexing plans.●

Mr. LONG. Mr. President, I yield back the remainder of the time in opposition.

The PRESIDING OFFICER. All time has been yielded back.

Mr. LONG. The yeas and nays have been ordered, have they not?

The PRESIDING OFFICER (Mr. BOREN). The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Tennessee (Mr. SASSER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 41, nays 47, as follows:

[Rollcall Vote No. 457 Leg.]

YEAS—41

Armstrong	Heinz	Roth
Boschwitz	Helms	Schmitt
Cochran	Humphrey	Schweiker
Cohen	Kassebaum	Simpson
Danforth	Lavalt	Stafford
DeConcini	Leahy	Stone
Dole	Lugar	Thurmond
Durenberger	McClure	Tower
Durkin	Magnuson	Tsongas
Garn	Packwood	Wallop
Hart	Percy	Warner
Hatch	Pressler	Young
Hayakawa	Proxmire	Zorinsky
Heflin	Riegle	

NAYS—47

Baucus	Culver	Metzenbaum
Bayh	Eagleton	Morgan
Bellmon	Exon	Moynihan
Bentsen	Ford	Muskie
Biden	Glenn	Nelson
Boren	Hollings	Nunn
Bradley	Huddleston	Pell
Bumpers	Inouye	Pryor
Burdick	Jackson	Randolph
Byrd, Harry F., Jr.	Javits	Ribicoff
	Johnston	Sarbanes
Byrd, Robert C.	Levin	Stennis
Cannon	Long	Stevenson
Chafee	Mathias	Stewart
Chiles	Matsunaga	Weicker
Cranston	Melcher	Williams

NOT VOTING—12

Baker	Gravel	McGovern
Church	Hatfield	Sasser
Domenici	Jepsen	Stevens
Goldwater	Kennedy	Talmadge

So Mr. ARMSTRONG's amendment (No. 695) was rejected.

(Later the following occurred:)

Mr. NUNN. Mr. President, on the Armstrong amendment, voted on earlier today, I intended to be recorded as voting "nay," and I was recorded as voting "yea." I ask unanimous consent that my vote be recorded correctly in the RECORD.

Mr. ROBERT C. BYRD. Reserving the right to object, and I shall not, but for the RECORD, would it change the outcome?

The PRESIDING OFFICER. It will not change the outcome.

Mr. ROBERT C. BYRD. I have no objection.

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

(The foregoing rollcall vote reflects the above order.)

Several Senators addressed the Chair.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

Several Senators addressed the Chair.

Mr. DOLE. Has the motion to reconsider been made?

The PRESIDING OFFICER. The majority leader has the floor.

Mr. ROBERT C. BYRD. Mr. President, I yield.

Mr. HEINZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HEINZ. Has a motion to reconsider been made?

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I ask for the yeas and nays.

Mr. ROBERT C. BYRD. Does the Senator qualify?

Mr. MATHIAS. Yes.

Mr. ROBERT C. BYRD. He does?

Mr. DOLE. Unfortunately.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. LONG. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment was rejected.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the

Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Tennessee (Mr. SASSER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The PRESIDING OFFICER. Are there other Senators in the Chamber who desire to vote and have not done so?

The result was announced—yeas 49, nays 38, as follows:

[Rollcall Vote No. 458 Leg.]

YEAS—49

Baucus	Exon	Muskie
Bellmon	Ford	Nelson
Bentsen	Glenn	Nunn
Biden	Hollings	Pell
Boren	Huddleston	Pryor
Bradley	Inouye	Randolph
Bumpers	Jackson	Ribicoff
Burdick	Javits	Riegle
Byrd, Harry F., Jr.	Johnston	Sarbanes
	Levin	Stennis
Byrd, Robert C.	Long	Stevenson
Cannon	Mathias	Stewart
Chafee	Matsunaga	Tsongas
Chiles	Melcher	Weicker
Cranston	Metzenbaum	Williams
Culver	Morgan	Zorinsky
Eagleton	Moynihan	

NAYS—38

Armstrong	Heflin	Pressler
Boschwitz	Heinz	Proxmire
Cochran	Helms	Roth
Cohen	Humphrey	Schmitt
Danforth	Jepsen	Schweiker
DeConcini	Kassebaum	Simpson
Dole	Lavalt	Stafford
Domenici	Leahy	Stone
Durenberger	Lugar	Tower
Durkin	Magnuson	Wallop
Garn	McClure	Warner
Hart	Packwood	Young
Hatch	Percy	

NOT VOTING—13

Baker	Hatfield	Stevens
Bayh	Hayakawa	Talmadge
Church	Kennedy	Thurmond
Goldwater	McGovern	
Gravel	Sasser	

So the motion to lay on the table the motion to reconsider was agreed to.

● Mr. MUSKIE. Mr. President, the Armstrong amendment the Senate defeated today proved the old saying that for every difficult problem there is a solution which is simple, easy, and wrong. It was politically attractive and easy to vote for that amendment. It took more than a little courage to vote against it.

The Armstrong amendment addressed a very important goal: How to keep Federal taxes from eroding American taxpayers' real purchasing power. Surely, that is a goal we all agree upon.

Congress has regularly reduced rates to avoid taxing the part of Americans' income which results from inflationary rather than real income increases. In fact, Congress cut taxes last year and has cut taxes 3 of the 5 years since 1974, when we rejected a tax increase proposed by President Ford.

The Armstrong amendment was the wrong answer to the problem of taxes and inflation. Congress voted just 1 week ago for a congressional budget which provides for tax cuts much larger than those in the Armstrong amendment, after the budget is balanced in 1981. The Armstrong amendment would have reduced taxes by $176 billion through 1984. The congressional budget will reduce them by at least $230 billion during the same period.

The Armstrong amendment proposed cutting taxes in the wrong way. It uses a rigid formula known as indexing which is so controversial, even among conservative economists, that it was rejected by President Ford, as Senator DOLE, one of the Armstrong amendments chief spokesmen, told us this afternoon.

The congressional budget tax cuts will be shaped to meet the precise needs and circumstances of the economy and our fellow taxpayers. The Armstrong amendment was not.

For example, the Armstrong amendment provided none of the tax cuts we need to encourage job creation and inflation-reducing productivity growth in American industry.

The Armstrong amendment provided no spending limits to assure that it did not lead to deep deficits in the future.

Of course, on the surface, the Armstrong amendment was politically attractive, as any proposed tax cut always is. It is always easy to vote for a tax cut.

It is much harder to patiently analyze all the needs of our citizens and the economy and come up with a sound, multiyear budget plan which cuts taxes and—most importantly—also controls spending. But that is why we established the congressional budget process.

That budget establishes as the first priority a balanced budget in 1981.

That budget process has produced the multiyear $230 billion tax cut and spending limit plan Congress adopted just a week ago.

It would have been politically useful for Senators to have voted today for the Armstrong tax cut, even though it is smaller than the cuts planned in the congressional budget. It was tempting to kick over the congressional budget plan by impulsive action now.

It would have been easy.

It would have been wrong.

So I commend the Senators who put the long-term welfare of our fellow taxpayers ahead of attractive but short-term political gain. The larger tax cuts provided by the congressional budget will, in the near future, vindicate their vision and their courage here today.●

The PRESIDING OFFICER. Under a previous order, the Senator from Connecticut is recognized.

AMENDMENT NO. 701

(Purpose: To add a new title establishing a mandatory conservation program to reduce consumption of petroleum products by no less than 5 percent)

Mr. WEICKER. Mr. President, I call up my amendment No. 701.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 701:

On page 179, after line—

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

TITLE V—PETROLEUM CONSERVATION

SEC. 501. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) serious disruptions have recently occurred in the petroleum product markets of the United States;

(2) it is likely that such disruptions will continue to exist;

(3) the general welfare of the United States, and interstate commerce in particular, are significantly affected by these market disruptions; and

(4) an urgent need exists to provide for conservation and other measures with respect to petroleum products in order to cope with market disruptions and provide for the general welfare of the United States and protect interstate commerce; and

(b) PURPOSES.—The purposes of this legislation are to—

(1) provide a means for the Federal Government, States, and units of local government to establish conservation measures with respect to petroleum products;

(2) provide for the general welfare of the United States; and

(3) protect interstate commerce.

SEC. 502. DEFINITIONS.

For purposes of this title—

(1) The term "petroleum" includes oil and oil products in all forms, including, but not limited to, crude oil, lease condensate, unfinished oil, natural gas liquids, and gasoline, diesel fuel, home heating oil, kerosene, and other refined petroleum products.

(2) The term "person" includes (A) any individual, (B) any corporation, company, association, firm, partnership, society, trust, joint venture, or joint stock company, and (C) the Government or any agency of the United States or any State or political subdivision thereof.

(3) The term "vehicle" means any vehicle propelled by motor fuel and manufactured primarily for use on public streets, roads, and highways.

(4) The term "Secretary" means the Secretary of Energy.

(5) The term "Governor" means the chief executive officer of a State.

(6) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

SEC. 511. NATIONAL AND STATE PETROLEUM CONSERVATION TARGETS.

(a) TARGETS.—(1) The President shall establish monthly conservation targets of not less than 5 percent for petroleum products for the Nation generally and for each State

(2)(A) The State conservation target for petroleum products shall be equal to (i) the State base period consumption reduced by (ii) a uniform national percentage of no less than 5 percent.

(B) For the purposes of this subsection, the term "State base period consumption" means, for any month, the product of the following factors, as determined by the President:

(i) the consumption of petroleum products during the corresponding month in the 12-month period prior to November 1, 1979; and

(ii) a growth adjustment factor, which shall be determined on the basis of the trends in the use in that State of petroleum products during the 36-month period prior to November 1, 1979.

(C)(i) The President shall adjust, to the extent he determines necessary, any State base period consumption to insure that achievement of a target established for that State under this subsection will not impair the attainment of the objectives of section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 753(b)(1)).

(ii) The President may, to the extent he determines appropriate, further adjust any State base period consumption to reflect—

(I) reduction in petroleum consumption already achieved by petroleum conservation programs;

(II) petroleum shortages which may affect petroleum consumption; and

(III) variations in weather from seasonal norms.

(b) NOTIFICATION AND PUBLICATION OF TARGETS.—The President shall notify the Governor of each State of the target established under subsection (a) for that State, and shall publish in the Federal Register, the targets, the base period consumption for each State and the factors considered under subsection (a)(2).

(c) ESTABLISHMENT OF TARGETS FOR FEDERAL AGENCIES.—In connection with the establishment of the target under subsection (a) the President shall make effective a petroleum conservation plan for the Federal Government, which plan shall be designed to achieve a reduction equal to or greater than the 5 percent minimum reduction in use of petroleum products. Such plan shall contain measures which the President will implement, in accordance with other applicable provisions of law, to reduce the use of petroleum by the Federal Government. In developing such plan the President shall consider the potential for reductions in petroleum use—

(1) by buildings, facilities, and equipment owned, leased, of under contract by the Federal Government; and

(2) by Federal employees and officials through increased use of car and van pooling, preferential parking for multipassenger vehicles, and greater use of mass transit.

(d) DETERMINATION AND PUBLICATION OF ACTUAL CONSUMPTION NATIONALLY AND STATE-BY-STATE.—Each month the Secretary shall determine and publish in the Federal Register (1) the level of consumption of petroleum products for the most recent month for which the President determines accurate data is available, nationally and for each State, and (2) whether the target under subsection (a) has been met or is likely to be met.

(e) PRESIDENTIAL AUTHORITY NOT TO BE DELEGATED.—Notwithstanding any other provision of law, the authority vested in the President under this section may not be delegated.

SEC. 512. STATE CONSERVATION PLAN.

(a) STATE CONSERVATION PLANS.—(1)(A) Not later than 45 days after the date of the publication of the petroleum conservation target for a State under section 511(b), the Governor of that State shall submit to the Secretary a State conservation plan designed to meet or exceed the conservation target in effect for that State under section 511(a). Such plan shall contain such information as the Secretary may reasonably require. At any time, the Governor may, with the approval of the Secretary, amend a plan established under this section.

(B) The Secretary may, for good cause shown, extend to a specific date the period for the submission of any State's plan under subparagraph (A) if the Secretary publishes in the Federal Register notice of that extension together with the reasons therefor.

(2) Each State is encouraged to submit to the Secretary a State 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. For the purposes of this part such tentative approval shall not be construed to result in a delegation of Federal authority to administer or enforce any measure contained in a State plan.

(b) CONSERVATION MEASURES UNDER STATE PLANS.—(1) Each State conservation plan under this section shall provide for reduction in the public and private use of petroleum products. Such State plan shall contain adequate assurances that measures contained therein will be effectively implemented in that State. Such plan may provide for reduced use of petroleum products through voluntary programs or through the application of one or more of the following measures described in such plan:

(A) measures which are authorized under the laws of that State and which will be administered and enforced by officers and employees of the State (or political subdivisions of the State) pursuant to the laws of such State (or political subdivision); and

(B) measures—

(i) which the Governor requests, and agrees to assume, the responsibility for administration and enforcement in accordance with subsection (d);

(ii) which the attorney general of that State has found that (I) absent a delegation of authority under Federal law, the Governor lacks the authority under the laws of the State to invoke, (II) under applicable State law, the Governor and other appropriate State officers and employees are not prevented from administering and enforcing under a delegation of authority pursuant to Federal law; and (III) if implemented, would not be contrary to State law; and

(iii) which either the Secretary determines are contained in the standby Federal conservation plan established under section 513 or are approved by the Secretary, in his discretion.

(2) In the preparation of such plan (and any amendment to the plan) the Governor shall, to the maximum extent practicable, provide for consultation with representatives of affected businesses and local governments and provide an opportunity for public comment.

(3) Any State plan submitted to the Secretary under this section may permit persons affected by any measure in such plan to use alternative means of conserving at least as much petroleum as would be conserved by such measure. Such plan shall provide an effective procedure, as determined by the Secretary, for the approval and enforcement of such alternative means by such State or by any political subdivision of such State.

(c) APPROVAL OF STATE PLANS.—(1) As soon as practicable after the date of the receipt of any State plan, but in no event later than 30 days after such date, the Secretary shall review such plan and shall approve it unless the Secretary finds—

(A) that, taken as a whole, the plan is not likely to achieve the conservation target established for that State under section 511(a),

(B) that, taken as a whole, the plan is likely to impose an unreasonably disproportionate share of the burden of restrictions of petroleum use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof,

(C) that the requirements of this part regarding the plan have not been met, or

(D) that a measure described in subsection (b)(1) is—

(i) inconsistent with any otherwise applicable Federal law (including any rule or regulation under such law),

(ii) an undue burden on interstate commerce, or

(iii) a tax, tariff, or user fee not authorized by State law.

(2) Any measure contained in a State plan shall become effective in that State on the date the Secretary approves the plan under this subsection or such later date as may be prescribed in, or pursuant to, the plan.

(d) STATE ADMINISTRATION AND ENFORCEMENT.—(1) The authority to administer and enforce any measure described in subsection (b)(1)(B) which is in a State plan approved under this section is hereby delegated to the Governor of the State and the other State and local officers and employees designated by the Governor. Such authority includes the authority to institute actions on behalf of the United States for the imposition and collection of civil penalties under subsection (e).

(2) All delegation of authority under paragraph (1) with respect to any State shall be considered revoked effective upon a determination by the President that such delegation should be revoked, but only to the extent of that determination.

(3) If at any time the conditions of subsection (b)(1)(B)(ii) are no longer satisfied in any State with respect to any measure for which a delegation has been made under paragraph (1), the attorney general of that State shall transmit a written statement to that effect to the Governor of that Sate and to the President. Such delegation shall be considered revoked effective upon receipt by the President of such written statement and a determination by the President that such conditions are no longer satisfied, but only to the extent of that determination and consistent with such attorney general's statement.

(4) Any revocation under paragraph (2) or (3) shall not affect any action or pending proceedings, administrative or civil, not finally determined on the date of such revocation, nor any administrative or civil action or proceeding, whether or not pending, based upon any act committed or liability incurred prior to such revocation.

(e) CIVIL PENALTY.—(1) Whoever violates the requirements of any measure described in subsection (b)(1)(B) which is in a State plan in effect under this section shall be subject to a civil penalty of not to exceed $1,000 for each violation.

(2) Any penalty under paragraph (1) may be assessed by the court in any action brought in any appropriate United States district court or any other court of competent jurisdiction. Except to the extent provided in paragraph (3), any such penalty collected shall be deposited into the general fund of the United States Treasury as miscellaneous receipts.

(3) The Secretary may enter into an agreement with the Governor of any State under which amounts collected pursuant to this subsection may be collected and retained by the State to the extent necessary to cover costs incurred by that State in connection with the administration and enforcement of measures the authority for which is delegated under subsection (d).

SEC. 513. STANDBY FEDERAL CONSERVATION PLAN.

(a) ESTABLISHMENT OF STANDBY CONSERVATION PLAN.—(1) Within 90 days after the date of the enactment of this legislation the Secretary, in accordance with section 501 of the Department of Energy Organization Act (42 U.S.C. 7191), shall establish a standby Federal conservation plan. The Secretary may amend such plan at any time, and shall

make such amendments public upon their adoption.

(2) The plan under this section shall be consistent with the attainment of the objectives of section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 753(b)(1)), and shall provide for the emergency reduction in the public and private use of petroleum products.

(b) IMPLEMENTATION OF STANDBY CONSERVATION PLAN.—(1) If the President finds after a reasonable period of operation, but not less than 90 days, that a State conservation plan approved and implemented under section 512 is not substantially meeting a conservation target established under section 511(a) for such State and it is likely that such target will continue to be unmet, then the President shall, after consultation with the Governor of such State, make effective in such State all or any part of the standby Federal conservation plan established under subsection (a) for such period or periods as the President determines appropriate to achieve the target in that State.

(2) If the President finds after a reasonable period of time, that the conservation target established under section 511(a) is not being substantially met and it is likely that such target will continue to be unmet in a State which—

(A) has no conservation plan approved under section 512; or

(B) the President finds has substantially failed to carry out the assurances regarding implementation set forth in the plan approved under section 512,

then the President shall, after consultation with the Governor of such State, make effective in such State all or any part of the standby Federal conservation plan established under subsection (a) for such period or periods as the President determines appropriate to achieve the target in that State.

(c) BASIS FOR FINDINGS.—Any finding under subsection (b) shall be accompanied by such information and analysis as is necessary to provide a basis therefor and shall be available to the Congress and the public.

(d) SUBMISSION OF STATE CONSERVATION PLAN.—(1) The Governor of a State in which all or any portion of the standby Federal conservation plan is or will be in effect may submit at any time a State conservation plan, and if it is approved under section 512(c), all or such portion of the standby Federal conservation plan shall cease to be effective in that State. Nothing in this paragraph shall affect any action or pending proceedings, administrative or civil, not finally determined on such date, nor any administrative or civil action or proceeding, whether or not pending, based upon any act committed or liability incurred prior to such cessation of effectiveness.

(e) STATE SUBSTITUTE CONSERVATION MEASURES.—(1) After the President makes all or any part of the standby Federal conservation plan effective in any State or political subdivision under subsection (b), the Secretary shall provide procedures whereby such State or political subdivision thereof may submit to the Secretary for approval one or more measures under authority of State or local law to be implemented by such State or political subdivision and to be substituted for any Federal measure in the Federal plan. The measures may include provisions whereby persons affected by such Federal measure are permitted to use alternative means of conserving at least as much petroleum as would be conserved by such Federal measure. Such measures shall provide effective procedures, as determined by the Secretary, for the approval and enforcement of such alternative means by such State or by any political subdivision thereof.

(2) The Secretary may approve the measures under paragraph (1) if he finds—

(A) that such measures when in effect will conserve at least as much petroleum as would be conserved by such Federal measure which would have otherwise been in effect in such State or political subdivision;

(B) such measures otherwise meet the requirements of this paragraph; and

(C) such measures would be approved under section 512(c)(1)(B), (C), and (D).

(3) If the Secretary approves measures under this subsection such Federal measure shall cease to be effective in that State or political subdivision. Nothing in this paragraph shall affect any action or pending proceedings, administrative or civil, not finally determined on the date the Federal measure ceases to be effective in that State or political subdivision, nor any administrative or civil action or proceeding, whether or not pending, based upon any act committed or liability incurred prior to such cessation of effectiveness.

If the Secretary finds after a reasonable period of time that the requirements of this subsection are not being met under the measures in effect under this subsection he may reimpose the Federal measure referred to in paragraph (1).

(f) STATE AUTHORITY TO ADMINISTER PLAN.—At the request of the Governor of any State, the President may provide that the administration and enforcement of all or a portion of the standby Federal conservation plan made effective in that State under subsection (b) be in accordance with section 512(d)(1), (2), and (4).

(g) PRESIDENTIAL AUTHORITY NOT TO BE DELEGATED.—Notwithstanding any other provision of law (other than subsection (f)), the authority vested in the President under this section may be delegated.

(h) REQUIREMENTS OF PLAN.—The plan established under subsection (a) shall—

(1) taken as a whole, be designed so that the plan, if implemented, would be likely to achieve the conservation target under section 511 for which it would be implemented,

(2) taken as a whole, be designed so as not to impose an unreasonably disproportionate share of the burden of restrictions on petroleum use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof, and

(3) not contain any measure which the Secretary finds—

(A) is inconsistent with any otherwise applicable Federal law (including any rule or regulation under such law),

(B) is an undue burden on interstate commerce,

(C) is a tax, tariff, or user fee, or

(D) is a program for the assignment of rights for end-user purchases of gasoline or diesel fuel, as described in section 103(a)(1)(A) and (B) of the Energy Policy and Conservation Act (42 U.S.C. 6263).

(i) PLAN MAY NOT AUTHORIZE WEEKEND CLOSINGS OF RETAIL GASOLINE STATIONS.—(1) Except as provided in paragraph (2), the plan established under subsection (a) may not provide for the restriction of hours of sale of motor fuel at retail at any time between Friday noon and Sunday midnight.

(2) Paragraph (1) shall not preclude the restriction on such hours of sale if that restriction occurs in connection with a program for restricting hours of sale of motor fuel each day of the week on a rotating basis.

(j) CIVIL PENALTIES.—(1) Whoever violates the requirements of such a plan implemented under subsection (b) shall be subject to a civil penalty not to exceed $1,000 for each violation.

(2) Any penalty under paragraph (1) may be assessed by the court in any action brought in any appropriate United States district court or any other court of competent jurisdiction. Except to the extent provided under paragraph (3), any such penalty collected shall be deposited into the general fund of the United States Treasury as miscellaneous receipts.

(3) The Secretary may enter into an agreement with the Governor of any State under which amounts collected pursuant to this subsection may be collected and retained by the State to the extent necessary to cover costs incurred by that State in connection with the administration and enforcement of that portion of the standby Federal conservation plan for which authority is delegated to that State under subsection (f).

SEC. 514. JUDICIAL REVIEW.

(a) STATE ACTIONS.—(1) Any State may institute an action in the appropriate district court of the United States, including actions for declaratory judgment, for judicial review of—

(A) any finding by the President under section 513(b)(1)(A), relating to the achievement of the petroleum conservation target of such State, or 513(b)(2), relating to the achievement of the petroleum conservation target of such State or the failure to carry out the assurances regarding implementation contained in an approved plan of such State; or

(B) any determination by the Secretary disapproving a State plan under section 512(c), including any determination by the Secretary under section 512(c)(1)(B) that the plan is likely to impose an unreasonably disproportionate share of the burden of restrictions of petroleum use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof.

Such action shall be barred unless it is instituted within 30 calendar days after the date of publication of the establishment of a target referred to in subparagraph (A), the finding by the President referred to in subparagraph (B), or the determination by the Secretary referred to in subparagraph (C), as the case may be.

(2) The district court shall determine the questions of law and upon such determination certify such questions immediately to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(3) Any decision by such court of appeals on a matter certified under paragraph (2) shall be reviewable by the Supreme Court upon attainment of a writ of certiorari. Any petition for such a writ shall be filed no later than twenty days after the decision of the court of appeals.

(b) COURT OF APPEALS DOCKET.—It shall be the duty of the court of appeals to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under subsection (a)(2).

(c) INJUNCTIVE RELIEF.—With respect to judicial review under subsection (a)(1)(A), the court shall not have jurisdiction to grant any injunctive relief except in conjunction with a final judgment entered in the case.

SEC. 515. REPORTS.

(a) MONITORING.—The Secretary shall monitor the implementation of State conservation plans and of the standby Federal conservation plan and make such recommendations to the Governor of each affected State as he deems appropriate for modification to such plans.

(b) ANNUAL REPORT.—The President shall report annually to the Congress on activities undertaken pursuant to this part and include in such report his estimate of the petroleum saved in each State and the performance of such State in relation to this part. Such report shall contain such recommendations as the President considers appropriate.

The PRESIDING OFFICER. The time for debate on this amendment is limited to 2 hours, to be equally divided between and controlled by the Senator from Connecticut (Mr. WEICKER) and the manager of the bill, with only an amendment by the Senator from New York (Mr. JAVITS) to be in order thereto.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that the names of Senators JAVITS, HART, PERCY, and RIBICOFF be added as cosponsors of the amendment.

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

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

Mr. WEICKER. I yield to the distinguished Senator from New York.

Mr. JAVITS. As I understand it, the amendment which I have the privilege of offering is necessary or desirable, I cannot tell which, to perfect the amendment which has been submitted by the Senator from Connecticut.

May I ask the Senator, therefore, whether it would be better for the presentation of his thesis if I submitted that amendment now, so that he may, when he presents his case, present the whole case, including the amendment?

Mr. WEICKER. I yield to the distinguished Senator from New York for that purpose.

The PRESIDING OFFICER. It will take a unanimous-consent request to submit the amendment.

Mr. JAVITS. I ask unanimous consent that I may at this time submit the amendment which I have the privilege of submitting to the amendment.

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

UP AMENDMENT NO. 865

(Purpose: To modify amendment No. 701)

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

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 865 to amendment numbered 701.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 3, line 13, after the word "establish" and before the word "monthly" on page 3, line 14, add the phrase "within 45 days after enactment of this Title".

On page 3, line 14, strike the phrase "of not less than 5 percent".

On page 3, line 19, strike the phrase "of no less than 5 percent.".

On page 4, line 3, strike the word "November" and insert in lieu thereof the word "January".

On page 4, line 7, strike the word "November" and insert in lieu thereof the word "January".

On page 4, line 21, after the phrase "from seasonal norms," and before the subsection "(b) Notification and Publication of Targets" on line 22, insert the following:

"(D) For the purposes of the subsection, the uniform national percentage shall be designed by the President taking into account such factors as the President considers important".

On page 5, line 8, strike the phrase "5 percent minimum reduction in" and insert in lieu thereof the phrase "conservation target established in subsection (a) for the".

On page 18, line 7 after the word "Secretary", add the following.", to the extent or in such amounts as are provided in advance in appropriation acts".

On page 18, after line 19 and before line 20, add the following:

"(A) any state petroleum conservation target established by the President under section 511(a);".

On page 18, line 20, strike "(A)" and insert in lieu thereof "(B)".

On page 19, line 3, strike "(B)" and insert in lieu thereof "(C)".

On page 20, after line 20, add the following sections:

"SEC. 516. APPLICABILITY OF OTHER PROVISIONS OF LAW.

The President may, in his discretion, invoke the provisions of section 221 of the Emergency Energy Conservation Act of 1979 (Public Law 96–102).

SEC. 517. ADMINISTRATION.

(a) Information.—(1) The Secretary shall use the authority provided under section 11 of the Energy Supply and Environmental Coordination Act of 1974 for the collection of such information as may be necessary for the enforcement of this title.

(2) In carrying out his responsibilities under this title, the Secretary shall insure that timely and adequate information concerning the supplies, pricing and distribution of petroleum products is obtained, analyzed, and made available to the public. Any Federal agency having responsibility for collection of such information under any other authority shall cooperate fully in facilitating the collection of such information.

(b) Effect on Other Laws.—No State law or State program in effect on the date of the enactment of this title, or which may become effective thereafter, shall be superseded by any provision of this title, or any rule, regulation, or order thereunder, except insofar as such State law or State program is in conflict with any such provision of section 513 (or any rule, regulation, or order under this part relating thereto) in any case in which measures have been implemented in that State under the authority of section 513.

SEC. 518. FUNDING FOR FISCAL YEAR 1980.

For purposes of any law relating to appropriations or authorizations for appropriations as such law relates to the fiscal year ending September 30, 1980, the provisions of this Title (including amendments made by this Title) shall be treated as if it were a contingency plan under section 202 or 203 of the Energy Policy and Conservation Act which was approved in accordance with the procedures under that Act or as otherwise provided by law, and funds made available pursuant to such appropriations shall be available to carry out the provisions of this Act and the amendments made by this Act. For purposes of this title, States are required to use existing State energy conservation funds as appropriated pursuant to PL 96–126.

SEC. 519. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of the enactment of this Title.".

Mr. JAVITS. Mr. President, Senator WEICKER will undoubtedly cover the details of his amendment as well as my amendment. I shall follow him in the time left. Anything that is omitted or needs to be commented on I will do at that time, without interfering with the Senator's presentation.

Mr. WEICKER. I thank the distinguished Senator from New York.

As I understand the amendment which Mr. JAVITS has proposed to my amendment, it would delete the 5-percent mandatory conservation target, allowing the President to establish an appropriate target, and would change the base date for computation of the national and State monthly conservation targets from November 1, 1979 to January 1, 1979. In addition, certain technical and administrative changes would be made.

I accept the changes made by the amendment of Senator JAVITS.

Mr. JAVITS. Mr. President, I thank my colleague.

Mr. President, since the Senator accepts my amendment would it be in order to ask unanimous consent to have it acted on so he may argue the whole case?

The PRESIDING OFFICER. By a unanimous-consent request.

Mr. JAVITS. Mr. President, I ask unanimous consent that my amendment now be voted on.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. JAVITS).

The amendment was agreed to.

Mr. JAVITS. I thank the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, the events which have transpired in Iran have alarmed and aroused the American people. As President Carter accurately noted in his speech last Wednesday night, the Iranian hostage situation has engendered a unity of national spirit in this country which is unprecedented in recent times.

As this grim affair has unfolded, the attention of the American people has been dramatically focused upon our energy situation and what it means. We as a nation are realizing that Iran is only the first fruit of the bitter harvest which has grown and will continue to grow out of our energy dependence.

Something must be done or this Nation, which today is every bit as hostage in the economic sense as those in the Tehran compound are in the physical sense, will proceed from crisis to crisis until we are blackmailed into bankruptcy or compromised to death.

I have loudly applauded the President for his decision to cut off American purchases of Iranian oil. That is the first time in memory this Government has had the guts to say "No!" to OPEC. After the President's action was announced, I heard all sorts of speculation about how we could make up for the resultant shortfall in supply on the spot market, or from extra Saudi production, or through Iranian oil channeled to us by our friends in Europe. Others said the cut-off really does not amount to anything. They couldn't be more wrong.

The time has come to demonstrate the firmness and intelligence of America's resolve. The time is right to put the American spiritual unity to work to unhook ourselves from the addiction to

Mideast oil. I propose on this floor today that the United States commit itself to make up the Iranian supply shortage in no other way but conservation, through a national mandatory energy conservation plan.

The amendment directs the President to establish a conservation goal for all petroleum products. My amendment, as initially offered, mandated a 5-percent conservation target, to approximate the percentage Iranian oil imports have represented in relation to total U.S. oil consumption. The target was established to alleviate anticipated shortage by conservation, rather than through resort to the spot market to make up the loss, which would defeat the spirit, if not the purpose, of the embargo.

The amendment offered by Mr. JAVITS does not mandate a specific target, but instead requires the President to establish a goal. This change would give the President flexibility in establishing a target.

I noticed a few minutes ago that targets have been suggested for the various States on a voluntary basis and they vary anywhere from 10-percent cutbacks to no cutbacks at all. But, I repeat, this is in a voluntary sense.

Time magazine recently made a persuasive argument for conservation of petroluem.

> Though the immediate crisis facing the world is the direct responsibility of the Ayatollah Khomeini and his pseudogovernment in Iran, the danger would not be nearly so grave if the U.S. had not allowed itself to become so dependent on foreign oil. Under the circumstances, there is no guarantee that economic disruption can be avoided no matter what steps the nation takes. But the best hope for avoiding real trauma is to cut consumption, conserve supplies, and, at the very least, make do with 700,000 bbl. less of crude each day. Such an effort would put some slack in worldwide petroluem supplies and help restrain prices. More important, it would also show Iran and the world that the U.S. can start breaking its addiction to the demon oil.

The conservation program which this amendment proposes is adapted from title II of the Emergency Energy Conservation Act of 1979 (Public Law 96–102; enacted November 5, 1979). Title II of the act provides for an emergency energy conservation program whereby the President is authorized to establish conservation targets for each State, and each State is required to implement an approved State conservation plan. If the State plan does not meet the conservation target, then a standby Federal plan could be imposed. This standby Federal conservation plan is not related to the standby motor fuel rationing plan mandated by title I of the Emergency Energy Conservation Act.

My amendment as modified by the amendment of Senator JAVITS would incorporate the provisions of parts A and E of title II of the Emergency Energy Conservation Act of 1979 (Public Law 96–102) into a mandatory plan for the conservation of the use of petroleum products.

The President would be required to establish, within 45 days after enactment of this legislation, monthly conservation targets for the use of petroleum products for the Nation generally and for each State. These targets are to be computed by applying the conservation target to a base period consumption of petroleum products. The base period consumption would be calculated by determining the State's petroleum consumption in the 12-month period prior to January 1, 1979, as modified to reflect the trends in the State's use of petroleum products during the 3-year period prior to January 1, 1979. The President would be able to adjust the base period consumption figure to insure that the objectives of section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973, thereby protecting, to the maximum extent practicable, of public health, safety, welfare and the national defense. In addition, adjustment may be made to take into account reduction of petroleum consumption already achieved by States due to voluntary conservation measures already undertaken by the States. Thus, these States will not be penalized by the legislation.

A petroleum conservation program, designed to achieve a reduction in petroleum use, would be established by the President for the Federal Government and for its employees in connection with their employment.

The Governor of each State would be required to submit a State petroleum conservation plan no later than 45 days after publication in the Federal Register of the conservation target for that State. Each State plan must provide for a reduction in the public and private use of petroleum products. The plan may permit those affected by it to use alternative means of conserving at least as much petroleum as would be conserved under the State's program, provided the Secretary of Energy approves of the State's procedures for the approval and enforcement of the alternative. The plan must contain adequate assurances that the provisions contained in it will be effectively implemented, either by measures authorized under State law or by measures for which the Governor seeks a delegation of Federal authority to administer and enforce. The Secretary of Energy must affirmatively approve each State plan, and may withhold approval if the plan is not likely to achieve the conservation target or for other specified reasons.

The Secretary of Energy would be required to establish a standby Federal conservation plan which would provide for the reduction mandated by the conservation target established by the President in the public and private use of petroleum products. The Federal plan would serve as a guide to the States for conservation measures deemed to be most effective in achieving the desired reduction in petroleum use. If the President finds that the State plan has been in operation for a reasonable period of time, not to be less than 90 days, and the conservation target is not being met and it is likely it will continue to be unmet, he could impose all or part of the Federal plan in the State. These prerequisites to Federal intervention are designed to encourage States to come up with their own plans in recognition of the fact that conservation can be most effectively achieved if local officials are responsible for planning, administration and enforcement. In addition, even when the Federal plan has become effective in a State, the State is afforded a series of options to enable it to assume responsibility for the mandatory conservation program. These options include the submission of another State plan or a substitute on a measure-by-measure basis for elements of the Federal plan.

The amendment provides that a State may seek judicial review, in the appropriate Federal district court, of: the conservation target established for the State; any determination by the President that an approved State plan is not achieving its assigned target; or any determination by the Secretary of Energy disapproving a State conservation plan.

The Secretary of Energy would be required to monitor implementation of State conservation plans and of the standby Federal conservation plan, and to make recommendations for modifications to the States. The President would report annually, and make recommendations, to Congress on the petroleum savings achieved under this legislation.

In summary, then, my amendment would require the President to establish a conservation target for the reduction of petroleum products consumption. The mandated conservation targets would then be implemented in precisely the manner prescribed by title II of the Emergency Energy Conservation Act. The act itself would not be amended by my measure, but its provisions would be incorporated into a mandatory conservation program.

The reasons for a mandatory conservation program are twofold: First, there is no need to delay for the President to make a finding that a "severe energy supply interruption exists or is imminent," as the implementation of the Iranian embargo establishes this fact, and second, action now, under procedures approved by Congress, is imperative.

Mr. President, a voluntary conservation plan is simply insufficient. Although I applaud President Carter for his effort in requesting States to conserve energy, I am afraid that his solicitations will fall on deaf ears. For any State to comply, all the States will have to be willing to conserve.

The problem with asking, as opposed to requiring a State to devise a conservation plan was made clear in an article concerning the White House proposal which appeared in yesterday's New York Times:

> Governors of half a dozen states expressed unhappiness with federal energy policies last week when they attended a White House meeting aimed at promoting conservation. Some governors said their states had already made significant savings in energy, yet had been asked to conserve further.
>
> Some federal energy officials have expressed their own misgivings about the seriousness of some states in drafting conservation plans. As of last February, 19 had no plans and, according to one Congressional report, "with respect to the 31 states who do have

some emergency statutory authority to reduce energy consumption, there is a wide variation among the states in the extent of those authorities."

Indeed, the conferees in their report on the Emergency Energy Conservation Act recognized the importance of a mandatory program:

The conferees believe it is very important for a coherent national response to acute energy shortages. Nothing can do more to destroy such a response than the perception that the citizens of some states are not reducing consumption while others are sacrificing to meet a target set for them by the federal government. The legislation therefore must contain effective authority for the President to act if it appears that a state plan is not being implemented according to the provisions of that plan. It is even more important that states not be permitted to avoid participation altogether by failing to submit a plan the Secretary of Energy can approve. In each of these instances the conference substitute directs the President to make all or any part of the federal plan effective in the state for such period or periods the President finds appropriate to achieve the target in effect in that state.

Petroleum consumption in the United States was at an all time high in 1978. Last year we consumed on the average 18.8 million barrels of oil per day. Of that amount 7.4 million barrels were gasoline.

This year the United States reduced its consumption of petroleum by 2 percent and gasoline by 4.2 percent from last year's record high level of consumption.

This conservation effort is commendable, but in my opinion it is not enough.

Compared to 1977, our Nation has only reduced its gasoline consumption this year by 1 percent and we have remained even in total petroleum products consumed. Moreover, this year's conservation effort may only be temporary.

In fact, according to recent press releases, the administration's forecast for gasoline consumption next year indicates an increase of about 1.4 percent above this year's level. The administration expects the Nation to consume on the average 7.2 million barrels of gasoline per day in 1980.

It has also been reported that the administration plans to establish a voluntary goal for gasoline consumption of 7.0 million barrels per day for 1980. This would only reduce consumption of gasoline by 2.7 percent from the projected forecast and 1.4 percent from the actual consumption level in 1979.

I feel we should reduce our consumption of gasoline next year by an even greater amount. I am afraid that if compliance with the administration's target is voluntary it will be meaningless.

Voluntary targets simply do not work. For example, this past spring a number of Western States indicated their unwillingness to comply with the 55-mile-per-hour speed limit. So far this year the burden of gasoline conservation has not been borne equitably. According to a New York Times article yesterday, the State of New York has reduced its consumption of gasoline by 6.1 percent from last year; New Jersey 3.9 percent; and Connecticut 3.6 percent. Looking at the data for PAD V (Petroleum Administration for Defense District V: Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington) you find a slight rise in gasoline consumption for the first 7 months of this year.

Mr. President, this amendment provides for the Government to anticipate an energy shortfall, rather than simply engage in a knee-jerk reaction to a problem. Six OPEC nations have already announced that they will cut back their production of petroleum. This amendment would give the President the tools to implement an effective conservation program, which he may design, without having to wait unitl there is a crisis or near crisis situation.

I urge my colleagues to carefully consider this mandatory conservation program which is directly tied to the Iranian oil embargo. The resolve of Congress on this issue can only be viewed as a reflection of the resolve of the Nation at this critical time.

The real question here is what are we going to do, as a nation, to respond to the threat posed on the Nation by the Government and the people of Iran?

I have heard much breast beating, much name calling, much grieving in this country over the 50 Americans held hostage in that compound in Tehran. But aside from that breast beating and aside from that grieving, and aside from those political statements, I have not seen one single action taken which brings closer the day of freedom for those people.

The other question that one hears, is, What can we do? What can we do?

I think we all realize our options are severely limited, precisely because we place a value on human life. But always when the question is asked, people expect the answer to involve what it is that somebody else is going to do for us rather than what we ourselves can do.

I realize that I have been a ridiculous figure on this floor for 6 years in the cause of conservation. I have lost 83 to 7, I have lost 79 to 10, and I understand that there is a probability I will lose out here again this afternoon. But finally, events are catching up with our inability to respond as the leadership of this Nation.

I was offered the opportunity as a substitute for this piece of legislation to offer a sense-of-the-Senate resolution. I do not know why I was even offered that opportunity. In light of where the votes have been in the past, I do not think my chances are too good here this afternoon. But I was offered that as a substitute. Something, in other words, that would take just a little less political courage, but. I might add, commensurately, would also be received as less than an act of self-discipline in Tehran and elsewhere.

How can a nation be expected to defend 50 people in a compound in Iran, or take any action on their behalf, when its people are not even willing to drive their cars one less day a week here in the United States?

What we suggest in this amendment is that we follow the guidelines set forth in legislation already passed by the Congress and signed into law by the President. What we are doing is saying that those events in Iran have indeed triggered a crisis, and are triggering a shortfall, or will. So let us put the plan into operation.

I note this afternoon the Department of Energy suggested voluntary targets. Mind you, after 6 or 7 years of voluntarism not having worked, the Department of Energy has made a suggestion that each State cut back voluntarily. Do you want to know how well we are doing on conservation? There are two States that do not have to cut back. They have conserved. Those two are Alaska and Colorado. But then the list starts, and this indicates, in other words, how much higher the consumption was in the first quarter than a year ago: Alabama, 7 percent; Arizona, 7 percent; Arkansas, 7 percent; California, 7 percent; Connecticut, 10 percent; Delaware, 8 percent, and so on down the list.

There you have a good example as to how well voluntarism has worked in the past year.

Cynicism abounds in this Nation. When the President made his speech on the cutback of Iranian oil, immediately people said, "Oh, we will get that on the spot market, we will get that from Saudi Arabia, we'll even get it from Iran through our allies who will transship it to us."

Do you not think this is readily understandable to the captors in Tehran? Do you not think they have read us accurately for 6 years and know that we are not willing to discipline ourselves to the point where we can make a meaningful response?

We can fool ourselves here on the Senate floor, I say to the lady and gentlemen of the Senate. We can fool ourselves even within the Nation. But we are not fooling the world and we are certainly not fooling Iran.

Mr. PERCY. Will the distinguished Senator yield at some appropriate point for some comments?

Mr. WEICKER. In 1 minute I shall be through. I am anxious to hear the comments of the distinguished Senator from Illinois.

So, Mr. President, I hope that when we ask the question of what can we do on behalf of those 50 people in the compound in Tehran, the answer will be that we can pass this amendment on the floor of the U.S. Senate. That would send a message that has never been sent from this Nation, and certainly has never been heard around the world. It would be as important a step toward their freedom as any of the braggadocio or boasting or arms-waving that has gone on up to this point, and which has produced no result. I hope my amendment will pass.

I yield to the distinguished Senator from New York.

Mr. JAVITS. I thank my colleague.

Mr. President, I have cosponsored this amendment because I believe mandatory controls are demanded by the existing crisis. If it is a crisis, then the way to meet it is the way Americans traditionally meet crises, by equality of sacrifice. Nobody should get special breaks. I have heard of black markets and other

problems, but they are a natural and small part of the difficulties we run into. But the law should be equal and strict if we are really going to save, and if we are really going to meet this crisis, we have to save. We have to do it. We have to save for ourselves, and if we want the cooperation of other nations, we have to have something which we can share with them as well.

It is because I believe in the Weicker amendment that I am joining with him. I am extremely pleased that I have been able to make a contribution by the arrangements we made so that he can present a full and strong case.

May I say, too, because one never knows what will happen around here, that whatever may happen on this amendment, I believe deeply that its acceptance is in the highest national interest. The conferees can iron out any rough spots, if there are any, when they get into conference.

I do hope that whatever happens, the Senate will express itself clearly on this issue of conservation. That is the least thing that this Congress and the Senate ought to do in the highest national interest, in the interest of national security, national honor, and national viability. That is why I joined with the Senator, and I hope very much his amendment will be agreed to.

Mr. WEICKER. I thank the distinguished Senator from New York. Most particularly, I appreciate the support of one of my colleagues on an unpleasant issue—one that gains no votes in New York, Connecticut, or anywhere else in this country.

Up to this point, Iran has not misread the United States. It has read us very accurately, and no place more so than on the floor of the U.S. Senate. Until men of courage, such as the distinguished Senator from New York arise and insist on measures of self-discipline and self-sacrifice, believe me, our words are empty words indeed in that part of the world. So I thank my distinguished colleague from New York.

(Mr. EXON assumed the chair.)

Mr. PERCY. Mr. President, I commend my distinguished colleague for his amendment. I am very pleased to cosponsor it.

This is not an impetuous decision, by any means. Some 3 years ago, as my colleagues know, I walked into the office of Hubert Humphrey and talked over the future of America's need for energy, and our need to cut our terribly conspicuous, wasteful consumption of it.

I asked him that day to found an organization with me in the private sector. Government cannot do everything. In fact, the Government's voice is not always a credible voice.

And together we did establish in the private sector the alliance to save energy—an alliance of businessmen, private citizens, consumers, and producers. All kinds of people in America were brought together in the alliance to study the nature of our energy problem and work to solve it.

It was our judgment at that time that conservation was the quickest, most equitable, and best approach to the energy crisis we faced, because it would return to energy the reputation for efficiency that the United States has long had in almost every other area of production.

Our economy is an efficient economy. We are efficient, hardworking people. But we are wasteful and squandering in our energy habits. This is because energy has always been so utterly cheap, it has never had to be regarded as an element of cost. We never, mistakenly, have thought about whether our supplies would run out.

Those days are over. We have no choice but to think about it now. Now, 3 years after my original conversation with Hubert Humphrey, the United States of America and its people realize that we probably have as much crude oil as we shall ever have. Our oil is running out. In 30 years, it may be totally exhausted. Our prices today, high as they are, are the cheapest prices we shall ever have.

There is only one direction energy costs can go, and that is up. In light of this, Mr. President, we must reaffirm our dedication to conservation—immediately.

Mr. President, I remember saying to Hubert Humphrey, in the conversation I have just recalled, "No one has the right to ask you at this stage in your life to do anything more. But would you be willing to establish a national alliance to save energy with me?" He thought only 30 seconds, and came to a decision "Of course I will," he said. "It could be the most important single thing I do in my lifetime."

The Alliance to Save Energy today continues to work toward making Americans realize that precious energy resources are running out. As one organization, affiliated with well over 150 Members of Congress and many organizations, it has helped immeasurably. But there is a great deal more that has to be done, through private efforts and through the federal system.

The genius of this is in how well it utilizes our federal system of government. We have 50 States. Each can play a key role in solving our national problem. Our national goal can be solved by letting States work for themselves to determine what conservation plan best suits their particular needs.

It is the heart of the federal system to ask the States, to enact and develop a plan which will enable them to move forward toward tangible, substantive energy savings. Yet we need to mandate, now, that States fulfill their obligation to our national objective.

The President of the United States pledged in a recent speech that we would never use one drop more of imported oil than we did in 1977. That pledge will simply not be met unless we conserve. What the distinguished Senator from Connecticut is giving us her is a chance to realize the President's pledge.

Let us not fool ourselves. If we had left our speed limit to anyone's judgment, let everyone decide what speed they were going to travel at, what speed was best for them and best for their fellow travelers, we know what the consequences would have been. But we decided that there was a national need for safety on the highway, and so we mandated a Federal 55 miles an hour limit. It has saved millions of barrels of oil already and thousands of lives.

The need for mandatory State consumption reductions is every bit as great.

The amount the President will ask Americans to conserve is minimal. But in a sense, it has tremendous symbolic importance, in light of the crisis in Iran. It has been estimated that the United States could cut consumption by 5 percent were everyone to drive 2 miles less per week. It is far better to impose a mandatory conservation plan now, in response to our cutoff of Iranian oil than to have to resort to the spot market to make up the loss of oil. This would defeat not only the spirit but also the purpose of the embargo.

Mr. President, figures came out today on food price increases. They have jumped 2.6 percent, and we are shocked. But we are no longer shocked when energy costs keep going up, up, and up.

Well, there is only one way that we are going to reduce costs, and that way is to conserve and reduce consumption. We have to do it, and we have to do it now.

By passing the Emergency Energy Conservation Act earlier this year, Congress showed that it favors mandatory conservation in emergency situations. We certainly have an emergency situation today—far more drastic than we had when that bill was passed. This amendment is an appendix to that. It says, "the crisis we are preparing for has come."

When Secretary Miller went several weeks ago to a group of Gulf States, including Saudi Arabia, what they were most interested in was, "What are you doing to conserve?" This was the first question put by Sheik Yamani. "What action is being taken to conserve energy?"

Earlier this year, Sheik Yamani responded to the Alliance to Save Energy's invitation, and came from Saudi Arabia to address the conference at Dumbarton Oaks. He got his message across: "If you do not cut energy consumption, we have no alternative but to raise prices."

This comes from one of the most distinguished spokesmen for world energy supply, a man who has really stood the ground and fought to hold down energy costs.

A mandatory plan can lead America to show the world that it can be done. We can demonstrate to ourselves, and the world, that we intend to do something about energy consumption. Never have Americans better understood the need for, nor have they ever been more prepared to, sacrifice on behalf of national security. We cannot lose this opportunity.

Once again, I commend my distinguished colleague for giving us a plan we can vote on, a plan that will enable States to make real energy consumption cuts—cuts that are needed to hold to the President's pledge about limiting our consumption of imported oil.

If we do not do this, we are just talking in rhetoric, and it will fall on dead

ears, except for those of the leaders of oil supplying countries, who will cut our consumption eventually by jacking up the price even more. There is no limit to where they can go if we continue the unreasonable and insatiable demands we now have for imported oil.

I strongly support the amendment by the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Illinois for his comments. As one who has led in the fight over the past several years, I hope his comment is not prophetic, when he says that unless we do something, it is going to fall on deaf ears. It is going to fall on 50 dead bodies, unless people understand that what we say, we are willing to back up. So far, there has been no indication of that. This is as good a place to start as any.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, this is a good amendment, and I would support the amendment, but for two reasons:

First, it is a nongermane amendment. We are considering a windfall profit tax bill, and this is an amendment which should have been offered to the energy conservation bill we considered a month ago. Certainly, the Committee on Energy and Natural Resources would object to this being offered as an amendment to a tax bill, without the proper exercise of the Energy Committee's jurisdiction.

Second, I oppose the amendment for the reason that the objectives as outlined in the amendment have been accomplished by virtue of passage of S. 1030, which has been signed into law by the President. I do not know whether the Senator is cognizant of the recent action taken by the President. As a matter of fact, I believe it was today that the President took action in line with the mandates of S. 1030.

Mr. WEICKER. Mr. President, will the Senator yield on that point?

Mr. MATSUNAGA. I yield.

Mr. WEICKER. No, he did not. All he did was suggest what could be done, but he did not officially trigger that.

Mr. MATSUNAGA. Under S. 1030, as was announced in a release issued today by the Department of Energy—I do not know whether the Senator is familiar with it—the Department of Energy has set a target of 7 million barrels a day for average national gasoline consumption during 1980, with a 7-percent reduction during the first 3 months, compared to 1979—not 5 percent, as the Senator had proposed. As I understand, by acceptance of the amendment by Senator JAVITS, no percentage is set forth. The President has set forth a target of 7 percent, which is 2 percent greater than that proposed by the Senator, and 7 percent, at least is a definite figure, compared to none by the amendment offered by the Senator from New York.

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

Mr. MATSUNAGA. I yield.

Mr. WEICKER. On a technical point: This was strictly on gasoline consumption, and I am talking about total petroleum usage.

The answer is that the action of the Department of Energy is not in pursuance of the legislation which was passed. This was a unilateral effort requesting voluntary compliance. It was not in conformity with the measure we passed, which provides that a finding has to be made and then appropriate action taken.

Mr. MATSUNAGA. On this point, I will yield to the Senator from Louisiana. I think he is more familiar with the facts than I am. I yield to the Senator from Louisiana.

Mr. JOHNSTON. I thank the distinguished floor manager.

Mr. President, there is not the slightest disagreement about the need to conserve in this country, with the criticality of our present situation. It is very grave. The Nation needs to conserve. The proposal as put forth by the Senator from Connecticut and the Senator from New York has some good points. Indeed, the amendment of the Senator from Connecticut takes most of S. 1030 verbatim and makes some changes in it. However, we oppose this amendment, for a number of very practical and very cogent reasons.

First, in my judgment, this amendment actually would have the effect—unintended though it may be—of delaying this country in getting on the road to a conservation plan.

Why do I say that? First of all, the amendment of the distinguished Senator from Connecticut provides that the energy targets shall be set by the President within 90 days after the enactment of this measure—this measure, of course, being the windfall profits tax bill. When is a windfall profits tax bill finally going to matriculate its way through the conference committee and be signed by the President? No one knows. But if past history is any guide, it will take a matter of some weeks; indeed, it could take some months, although I pray that it will not be too many months. I hope this is not a replay of the natural gas bill, which took well over a year.

This is the largest revenue bill dealing with one industry ever enacted by Congress, one of the largest in the history of the country. It promises to take many weeks. So what we would have would be a 90-day delay before the targets even would be announced, before we could come up with a plan.

Compare that to the present situation. At present, we are operating under a bill signed into law just last month, November 5. The conference report was adopted by the Senate by a vote of 77 to 18.

It is not fair to style the present law as totally a voluntary plan, because there is a very strong club in the closet with respect to the present program. Under the present program, if there is a shortage—and a shortage is defined under a very broad grant of discretion to the President—what is a shortage? It is the difference between what we are receiving over some base line. Under S. 1030, that base line can be interpreted very broadly by the President as meaning, for example—as the floor debate on S. 1030 will indicate—that which we would have had there been no shortage—in other words, a desired consumption level at previous prices.

Under that kind of discretion, the President really has authority to define the shortage almost at will. Instead I think it would be perfectly proper and possible for the President under today's consumption and import levels to declare an 8-percent shortfall because we are operating right now under a shortfall compared to an extrapolation of consumption levels that would be 8 percent less than it would have been had there been no cutoff from Iran, no cutback from OPEC countries, and no shortage of petroleum in the world.

So the President has a very broad discretion as to how to define that shortfall.

Under S. 1030, the President can declare a shortfall and upon making that shortfall declaration can submit energy targets based upon that shortfall to each State. If it is less than an 8-percent shortfall then each State must come up with a conservation plan, and they must come up with assurances. If they fail to come up with a conservation plan or the assurances, or if they come up with a plan and assurances and those are approved and the State does not deliver on its assurances, then the President may invoke under S. 1030, the present bill, a mandatory Federal plan, which is what the Senator from Connecticut wishes to accomplish by his bill.

So, Mr. President, it is not a voluntary plan at all. It is a plan with real teeth. If there is a shortage of above 8 percent, then the mandatory program may be invoked under similar circumstances in the State, that is, if they fail to submit a plan or if they fail to deliver on their assurances, with one additional element, that is, if they do not reach the 8-percent target then the mandatory Federal plan can be invoked.

So what we have under existing law is very broad and strong authority.

Mr. President, there is not the slightest indication that the White House is being remiss, that this administration is being remiss in proposing their plan. Indeed, just today, the President through the Department of Energy has set forth for each Governor a goal of 7 percent reduction with each State having its particular gasoline targets defined. For my State of Louisiana, for example, there is an 11,000-barrel-a-day target for the first quarter of 1980.

Mr. President, coming up with targets, measuring petroleum usage and consumption, sounds like it is easy to do. The fact of the matter is we do not have the data base at this time. We do not have the experience to be able to set arbitrary targets at 5 percent or anything else and to be assured that the machinery will work and will measure properly.

But we are assured that the President is proceeding as fast as possible, announcing his plan today for his targets. The Federal mandatory plan, so-called club in closet, will be announced February 4, and that announcement of the Federal plan is really a necessary predicate for the States to come up with their plan, because in order for a State to come up with its plan, if it wants to use any Federal powers, those powers, must in turn be set forth in the Federal plan.

If a State is to pick and choose among various remedies we want that State to have the ability to have the option of picking the various elements that would be in the Federal plan. And that plan will not be announced until February 4, which I think is monumental speed, considering the gargantuan size of the task.

Mr. President, the administration does oppose this amendment, and let me just very briefly give the points by which as stated by the administration in a memorandum set forth on December 4 as follows:

The administration opposes enactment of the Weicker amendment. It is not feasible to comply with the provisions of the amendment for the following reasons: First, the amount of the reduction in consumption proposed is unnecessarily large.

That has been amended by the Javits amendment. I ask the Senator from Connecticut, is that correct?

Mr. WEICKER. That is correct.

Mr. JOHNSTON. So that at present those targets could be set anywhere from zero to 100 percent, is that correct?

Mr. WEICKER. That is correct.

Mr. JOHNSTON. Is it not then correct to say that the Weicker amendment is also a voluntary plan since the President need not set any particular target at all? Is that correct?

Mr. WEICKER. No, it is not. It, in effect, goes ahead and takes the present law and pulls the trigger. The President has cocked the gun. If we pass this amendment the trigger is pulled.

Mr. JOHNSTON. If the President can set it anywhere from 0 to 100 percent, where is the compulsion to tell him where to set it?

Mr. WEICKER. What the President is going to do, first of all, is wait and find out if the States act. It is not a mandatory Federal plan. It is mandatory upon the States to enact their conservation plans.

Mr. JOHNSTON. I know, but we have to have the Federal target.

Mr. WEICKER. That is correct. Hopefully they will go ahead and do that, and hopefully they will go ahead and meet that target. In any event, it sets all the apparatus in motion so expertly devised by the distinguished Senator from Louisiana in the passage of that act. But as the Senator himself has said, and I do not want to impinge on his time, the shortfall has already been established. But the President has not chosen to act. What I am saying is, we are going to force that action. Insofar as the Senator is concerned, I will try to restrict myself to answering his question. I tried to answer it, and I will reserve my comments for my time.

Mr. JOHNSTON. I understand what the Senator from Connecticut is trying to do and with that goal I very much agree. The Senator from Connecticut has been a leader in the whole realm of conservation. So it is not as if I am here trying to oppose conservation. I am simply saying that the machinery in place now is more workable and is more feasible than this amendment.

This amendment has very many good points. Indeed, as I pointed out, much of it the machinery from S. 1030 is contained. But I think as the administration points out, and let me mention the other two points, they say:

Second. Data is not now available to set targets for total petroleum use on a state-by-state basis.

DOE does not have state data on total petroleum consumption. The only product for which valid and complete end use consumption data is now available is gasoline. DOE is developing a data series on all middle distillate end use consumption for every state. This data could be available for use in about a year. Individual states do not maintain petroleum consumption data that would be comprehensive enough to develop state targets or monitor progress on the conservation plans discussed in the Amendment.

If I may just expand on that very briefly, under the amendment of the Senator from Connecticut those targets must include all petroleum products even though we do not now have data on which to set a target. So if the President should follow through with a target for all petroleum products, without being based upon adequate data, then one of two or three things would happen. Either, first, the target would be meaningless because it could not be measured, or, second, it would impinge improperly upon individual States because the consumption allocated to individual States would not be properly allocated since there is no data base on which to do it. Or, third, it would be totally meaningless.

What the administration says is let us proceed with gasoline, a product for which we have data, and for which targets, goals, and which Federal plans are feasible and enforceable.

I think one of the worst things we could do is come up with a target and a goal and an enforcement mechanism that would not be measurable, therefore not be enforceable and, therefore, be meaningless.

To proceed with the third point of the administration's opposition, they state:

The States and Federal Government do not have the capability to develop conservation plans to obtain oil consumption reductions of this magnitude in the near term.

That refers, of course, to the 5 percent. They go on to say:

The States and the Federal Government do not have the capability to develop conservation plans in the near term which could achieve the level of savings required.

For example, a "sticker" plan to require a still day for each vehicle one day per week is expected to save only 200,000 to 300,000 barrels per day and cause serious economic impacts. Much further work and implementation lead time is required to develop conservation plans that might achieve this level of savings without causing very severe economic losses.

So, Mr. President, there are many ways to save energy which we have debated here on the floor of this Senate. One of those measures which is being seriously considered now, as I understand it, by the administration is a gasoline tax, unpopular in many quarters but, nevertheless, effective.

But to require any target from unmeasured petroleum sources and to require energy savings, for example, in electric powerplants which may not be susceptible to saving middle distillates or residuals, except at the risk of loss of reliability, I think is totally impracticable.

Mr. President, in closing, I would say that the intent of the Senator from Connecticut is excellent. The need to conserve could not be more clearly demonstrated by the events in Iran. But the present law, enacted November 5, just last month, upon which implementation is proceeding at almost breakneck speed, and certainly I think all that most of us on the Energy Committee and in this Congress could expect in terms of speed, that is proceeding, and we ought to give that a chance to work.

In any event, Mr. President, we could not put into place, first of all, a delay in that machinery because there would be a delay if the Senate enacted this bill, and we would, therefore, stymie any efforts under the present bill and simply delay the whole process. Second, it would be under unworkable machinery.

So, for those reasons, Mr. President, we would oppose this amendment, not its intent, not the need to conserve, but because of the machinery by which it would be made manifest.

I thank the distinguished Senator from Hawaii for yielding.

Mr. MATSUNAGA. Mr. President, I would be happy to yield now to the Senator from Washington.

Mr. JACKSON. Mr. President, I want to thank the distinguished Senator from Hawaii for yielding.

First, Mr. President, I want to associate myself with the remarks of the distinguished Senator from Louisiana (Mr. JOHNSTON). I have the highest regard for the efforts that the Senator from Connecticut (Mr. WEICKER) has made in the area of conservation. But I must say that the amendment before us, as has already been pointed out, contains essentially the provisions, with some modifications, of S. 1030, which was enacted into law on November 5 to deal with the very situation that the Senator is talking about.

I oppose the Weicker amendment for the following reasons:

It is not germane to H.R. 3919 and, therefore, as a provision of law, binding on the President, it has an extremely unlikely future.

More to the point, the President is engaged in the very delicate business of responding to the crisis in Iran. He is doing a good job. I do not think we should—even by implication—be detracting from the unity the vast majority of Americans feel in our desire to stand up to the irrational and unconscionable demands of the Ayatollah Khomeini.

The President today set targets for gasoline consumption on a State-by-State basis and has begun the process of designing the Federal emergency conservation plan which will guide the States efforts. These actions are entirely consistent with S. 1030, the bill enacted on November 5, 1979, to deal with just this kind of situation.

We have a workable law on the books which vests in the President the necessary authority to respond to this situation. He is responding. It is hardly appropriate for the Senate to be heckling

him by adding hastily considered, nongermane amendments to whatever bill happens to be on the Senate floor.

I hope the Senate will reject the amendment.

Mr. MATSUNAGA. I thank the Senator from Washington, the chairman of the Energy and Natural Resources Committee, and I thank the Senator from Louisiana for clarifying the matter as it stands today.

I might point out to the Senator from Connecticut that the target as set forth by the President in his announcement today through the Department of Energy sets a quarterly target for the first quarter of 1980 at 82,700 barrels of gasoline per day as compared to the average of 91,500 barrels per day actually used in the State of Connecticut during the first quarter of 1979. This, I believe, would be a tremendous target conservation for the State of Connecticut to meet.

I also note in the table set forth for my State of Hawaii a target of 20,600 barrels per day for the first quarter of 1980, which is a reduction from 22,500 barrels per day for the first quarter of 1979.

So our target insofar as Hawaii is concerned would not be a difficult one to meet as compared to that which is set forth for the State of Connecticut.

I suggest to the Senator from Connecticut that the people of Connecticut are thrown a real challenge by this target. In the event they are unable to meet this target, then, of course, as was pointed out by the Senator from Louisiana, the President is authorized to impose Federal standards on the State of Connecticut. We are hoping that the State of Connecticut will take the leadership of the Senator from Connecticut and voluntarily comply with the target set forth.

If the Senator will look at the table, he will find that this is a target which is acceptable, one which sets forth a goal of 6.8 million barrels per day as the national first quarter target, as compared to 7.1 million barrels per day consumed the first quarter of 1979.

So I would strongly urge my colleagues to vote down this amendment. It is a good amendment, but it is already taken care of by existing law, and the adoption of the amendment would not only tend to confuse the issue, but even to delay the implementation of the law already on our books.

I reserve the remainder of my time.

Mr. WEICKER. Mr. President, first of all I want to make one point clear: This delays absolutely nothing. The President is free to go ahead tomorrow and implement the provisions of the law. My amendment delays nothing.

I hear a statement made here on the floor as to the fact that we can wait until February. Does everyone on this floor want to face the issue and make that statement relative to the hostages, that we can wait until February?

This place sits insulated by those doors and these walls as if nothing had changed since the initial passage of the legislation in June. It is very much like when we had the Presidential plan on Amtrak, and I asked the question of Senator CANNON, when they wanted to cut 40 percent, "What is your data base?" That was in July of this year. Their data base was 1977.

Do Senators think nothing has changed since 1977 insofar as Amtrak is concerned? Do not Senators think that maybe we can use as a data base the public experience in July of 1979? Do Senators not think we can go ahead and use as a basis for our action what has transpired in November and December of 1979, rather than what the condition of the world was in May and June of 1979?

February; is that a convenient date for everybody here? As you watch your television screen, are you thinking in terms of February for the hostages? Or is everyone of the view of everyone on the streets of America, that this ought to be resolved tomorrow?

It is not going to be resolved by coughing up the Shah. It is not going to be resolved by acceding to the demands of the terrorists in that compound. It is not going to be resolved by the 7th Fleet U.S. Marines and the 82d Airborne Division. It is not going to be resolved by jeopardizing—or indeed by losing—those lives.

It is going to be resolved by all of us right here at home, on the Senate floor and outside, showing we are willing to go ahead and make a sacrifice ourselves for our fellow Americans.

I have lived through the last 7 years. First, we said, "Oh, let's go ahead and relax the auto pollution standards, and sacrifice the elderly." Then it was "Let's continue the rationing by price, and so sacrifice the poor in order to maintain our supplies of energy." Now we have gotten to the point where we say, "Oh, let's sacrifice 50 lives to keep it going as it always was."

I understand the legislation that we passed back in June, that became law in November. I understand that the President can trigger that anytime he wants to. But the point is, he has not.

Two things happened. He asked for volunteerism, and he has had a release by the Department of Energy urging conservation by States.

If you want the point made to you, let me read you the release that announces the targets:

> The Department of Energy has set a target of 7 million barrels a day for average national gasoline consumption during 1980, with a 7 percent reduction during the first three months, compared to 1979.
>
> The 7 million barrels a day average is about the same level as 1979. The first quarter reduction, to an average of 6.8 million barrels a day, is sharper because the first quarter of 1979 was a higher than usual gasoline consuming period.

So they tell you they have to impose it because the volunteerism is not working. Why, then, do they ask for more volunteerism? What nonsense! Volunteerism has not worked since the volunteerism began, and so it is not working now.

I understand it is a drastic step to ask for mandatory conservation, but is anyone willing to risk a few votes in exchange for a few lives?

The Senator from Louisiana indicated to us—and there could not have been a better brief for my argument—that we have a shortfall of 8 percent. And, indeed, that was, in his own words, sufficient to have the President go ahead and trigger the law. Why has it not been triggered?

All my amendment does is set the time certain out there. I grant you it will take some time to pass this and have it go through conference, but at least there will be a definite time when it goes into being. As we have it now, there is no end of this. No one wants to take the responsibility, including the President. Now we have an impasse between Congress and the President.

I say we will take on ourselves, 100 strong, that nasty job of saying mandatory conservation is here. Let us let the President off the hook, instead of trying to put him on one.

I would hope—and I have little left to say, Mr. President, on this point—that this step will be taken by my colleagues. It certainly will not change much in the United States tomorrow. But I think it may change the perception of the United States of America by the rest of the world, and most importantly, the perception of this Nation by those students in the compound in Tehran.

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

Mr. WEICKER. I yield to the distinguished Senator from New York.

Mr. JAVITS. First, again I would like to reiterate my support for the Senator in what he is trying to do, and to say that I do not think that Members are going to be deterred here from voting for this mandatory law because they are afraid of losing some votes. With all respect to the Senator, we lose votes no matter what we do, and no matter how we vote. It is just a matter of degree.

I do understand the reserve with which Senators approach rationing, no matter how we may explain it, it does take a certain process of education, but even more of experience.

I think what the Senator is doing is very important for this reason: I do not see this crisis improving. Right now it pinches very hard on the American people held in Iran; and the Senator is right about the fact that if we gave this demonstration of support, it would have a very profound effect upon our allies in the world, upon the members of the United Nations, and upon thoughtful people—I do not know that it will necessarily upon those called students in the compound—but upon thoughtful people in Iran.

It will show a purposefulness which will be a great demonstration of American resolve. And I believe the people are ready for it. The people would accept this fact of life, they feel so deeply about the ayatollah.

I think our duty—mine, yours, and that of the other cosponsors—is to lay this question before our colleagues, and, I would add, to keep laying it before our colleagues, because I think we believe that our responsibility does not end with a vote on this amendment.

I believe our responsibility is a continuing one, to persuade the public and

our colleagues their representatives—that we mean business. I have been at the U.N., and I think I know a little about the world situation. The idea of military action is very appalling to the world community, not that they do not believe it will take place, or that it may, if this situation really deteriorates to the point where it must, but simply that they are appalled at its consequences. Nobody knows where it leads, what it triggers, what costs it may have.

This amendment is an action which is not military action, which takes sacrifice out of ourselves, which is an eloquent way of showing our determination. So I hope that Senators will understand, at least in my case—I cannot speak for the Senator from Connecticut—the purpose in pressing this issue. This is something real, tangible, and effective in terms of the kind of efforts we need to make, and I admire the Senator for having authored it.

That is what really takes the kind of courage that he speaks of.

But I would not say what he says about my colleagues. They have their reasons. We have had difficult experiences with price control and with rationing, and there have been injustices and leakages and national difficulties.

But we are right, and, therefore, being right, without being overly critical of anyone else, let us keep pressing the issue.

THE URGENT NEED FOR INTERNATIONAL ENERGY CONSERVATION

● Mr. BIDEN. Mr. President, I support the amendment now before us offered by the distinguished Senator from Connecticut (Mr. WEICKER). This amendment would trigger within 45 days after enactment a mandatory energy conservation program in order to reduce U.S. consumption of petroleum products.

Mr. President, on November 5 President Carter signed into law the Emergency Conservation Act of 1979, containing measures to provide for a means for the Federal Government, States, and units of local government to establish emergency conservation measures with respect to gasoline, diesel fuel, home heating oil, and other energy sources.

These measures would be triggered whenever the President finds, with respect to any energy source for which the President determines a severe supply interruption exists or is imminent. The act further defines a severe energy supply interruption as a national energy supply shortage of significant scope or duration, which may cause major adverse impact on national security or the national economy.

Mr. President, we are in the midst of such a supply interruption today, prompted in part by the reprehensible behavior of the Ayatollah Khomeini in seizing the U.S. Embassy in Iran and holding hostage American citizens and officials of our Government. In order to help insulate our country from Khomeini's attempt at international blackmail, the President has suspended U.S. importation of Iranian crude oil—an action which could curtail U.S. oil supplies by about 700,000 barrels a day—or about 4 percent of American consumption. Mr. President, I strongly support the President's decision to sever our reliance on Iranian oil. We, therefore, take every measure necessary to insure that the President's decision is meaningfully implemented by reducing our domestic oil consumption accordingly.

We must also, Mr. President, thwart Iran's effort to gain economically from the suspension of U.S. exports, by doing everything we can to dampen demand on the world spot oil market where Iranian crude previously bound for the United States under contract is now sold to the highest bidder—commanding prices far in excess of already excessive official OPEC prices.

Mr. President, some very fundamental changes have taken place in world oil markets in the last year. Increasing amounts of the world's oil available for trade has been shifted onto the spot market, prompting real oil price increases significantly above the more than 60 percent spiral in official OPEC prices. Whereas last January less than 5 percent of the non-Communist world's oil was traded on the spot market, today the amount exceeds 20 percent. Mr. President, this dramatic change in world oil commerce alone demands a concerted U.S. response of oil consumption restraints.

We are also warned, Mr. President, of impending official price hikes by OPEC at its December meeting in Caracas, as well as probable reductions in the oil production rates of various OPEC member states.

Should such reductions be effected, Mr. President, the world oil market will witness substantially more tightening with the expected follow-on of upward pricing pressures.

Mr. President, we cannot afford further delays in reducing U.S. demand for petrolum products. We must do everything possible to insure that the countermeasures invoked by President Carter against the ayatollah's outrageous demands are fully effective. Of necessity, Mr. President, this means we must reduce our consumption of foreign oil.

I am encouraged, Mr. President, by recent indications that our allies are also attempting to moderate their reliance on the oil spot market. I strongly support the effort expected to be made this weekend at the International Energy Agency. The United States will be urging the IEA to put some teeth into the Tokyo Summit Agreement on oil consumption restraints, agreed to by our Western allies and Japan earlier this year. But we cannot expect our friends to exercise restraint when we, ourselves, who are much less dependent on foreign oil then they, refuse to tighten our own belts. As the respected oil weekly, the Lundbug Letter, recently stated:

> It is no exaggeration to say that U.S. oil consumption overwhelms world supplies. If dependence on OPEC oil is ever to be reduced significantly, the only meaningful action would have to come from the United States.

The United States consumes nearly 40 percent of all petroleum produced in the non-Communist world—two out of every five barrels. Our consumption of crude oil produced outside the United States has escalated from 9.5 percent share of all non-Communist world production in 1973 to 16.8 percent in first quarter of 1979. We import more of the world's crude oil than any other country on Earth—with foreign oil feeding nearly 44 percent of our domestic oil habit.

This excessive dependence on foreign oil not only threatens our very security and ability to work our will in the world, it also saps our economic might like a national hemorrhage. Pending the outcome of the next OPEC meeting, our oil import bill next year could run more than $80 billion, a figure nearly double 1978's drain on our economy of $43 billion. The cost of foreign oil to the United States has escalated 868 percent since 1972, fueling domestic inflation and destabilizing the country's economic position in the world.

Mr. President, there is no way we can put our domestic house in order as long as nearly half of our double-digit inflation rate is attributable to galloping energy costs. I say to my colleagues in this distinguished body, we must firmly regain control of this country's future. We have allowed it to slip by ever so slowly over the years as we have become increasingly dependent on a dwindling world resource. We must begin today, Mr. President, by adopting the amendment now before us which will mandate a reduction of our consumption of petroleum products.

We must do this, Mr. President, in addition to what we have already done to provide for reductions in U.S. energy demand, and increases in our supplies. We must do this even though industrial energy efficiency increased by 17 percent between 1973 and 1978. We must do this despite the fact that half the homeowners in this country have reinsulated their homes in some way since 1973.

We must do this even though our gasoline consumption this year is actually lower than it was in 1977 or 1978. The American people have responded to our national need to conserve fuel, and for that they must be commended. But now, Mr. President, we must appeal to the patriotism of all Americans to more aggressively reduce our energy use.

Mr. President, in the last few months the Senate has taken great strides to chart a new energy course to direct this country through the perilous waters of a future of increasing oil scarcity. We have undertaken a massive synthetic fuels development program, helping to unlock the remaining hydrocarbon resources of this vast country. We have sought to eliminate the bureaucratic impediments to quick energy development by providing for an energy mobilization board.

We have authorized billions of additional Federal dollars to encourage voluntary conservation, and our only long term hope—the development of renewable energy resources. But all of these measures, Mr. President, will take time to have their desired effect.

We, therefore, a brief time ago passed "the Emergency Energy Conservation Act" to give the President the authority to invoke mandatory conservation measures in the event of urgent need.

I say to my fellow Senators, we are today faced with just such an urgent need. That is why we seek support of the amendment before us now.

This amendment, Mr. President, is a simple one. It is one essentially already approved by this body and enacted for emergency use. It would implement the conservation plan provided for in title II of the Emergency Energy Conservation Act.

The conservation program itself instructs the President to establish, within 45 days after enactment, monthly conservation targets for petroleum products for the Nation generally and for each State. Each State is required to implement an approved State conservation plan. If the State plan does not meet the conservation target, then a standby Federal plan could be imposed. A petroleum conservation program to achieve the same target would also be established by the President for the Federal Government and its employees in connection with their employment.

The Governor of each State would be required to submit a State conservation plan within 45 days of the determination of the conservation target for that State. The plan must contain adequate assurances that its provisions will be effectively implemented, either by measures authorized by State law or by measures for which the Governor seeks a delegation of Federal authority to administer and enforce. The State plans, like the Federal plan, must be consistent with the protection of public health, safety and welfare (including the maintenance of residential heating), the national defense and maintaining public services.

The State is entrusted with the administration and enforcement of the State plan.

Mr. President, this conservation plan is necessary. We must wean ourselves off of foreign sources of crude oil, and we must begin now in light of the threat posed by the suspension of Iranian oil exports. Mr. President, this plan is fair. By allowing the States to develop their own plans, responsive to each State's individual characteristics, this plan avoids the charge of Federal insensitivity to local needs or imposition of disproportionate harm on any one State.

Mr. President, I believe the American people are eager to demonstrate to the rest of the world that we do not lack the will to do whatever is necessary to reassert the free and independent spirit which has characterized this great country of ours since its founding.

I urge my colleagues to lead the way for our people to do just that by passing this amendment.●

IN SUPPORT OF WEICKER AMENDMENT ON ENERGY CONSERVATION

● Mr. HART. Mr. President, I urge my colleagues to support this amendment by Senator WEICKER to establish conservation plans in all 50 States. The President will shortly announce a plan which could allow State Governors to establish 5 percent conservation of petroleum usage. I believe the President's plan is in the right direction, but is not strong enough. Therefore, Senator WEICKER's amendment is necessary.

It is not enough for this country to cease importing oil directly from Iran's oil exporting company. American importers can buy oil from third parties which has been produced in Iran. To effectively reduce our oil imports from Iran, we must reduce our oil imports by the equivalent of what we used to import from Iran.

This means we must reduce our oil consumption by 5 percent. Some time ago, the President met with the State Governors to discuss implementing the new legislation which allows the President to initiate State conservation plans. The President has announced a plan which will allow the State Governors, if they wish, to implement 5 percent petroleum conservation.

A voluntary plan of this nature will not work effectively. Basic human nature tells us this is so. It would be extremely difficult for an individual to conserve energy if that individual knew that a neighbor was not conserving, and indeed may be using more energy which was made available because of the first person's conservation.

The President will put the States in such a situation. The Governor in an energy-conscious State may try to institute a State conservation plan which could contain economic and other incentives for substantial conservation. Such a plan could work, especially in a State like Colorado, if nearby States were also conserving energy. However, such a plan would not work if States nearby did not also have such plans. It just would not seem fair for one State's residents to be making sacrifices to achieve energy savings which would free gasoline for residents of nearby States to consume.

On this basis, I support the amendment by Senator WEICKER to make the President's State conservation plans mandatory for all States in this country. This does not mean that the eventual plans that are developed by the States to achieve the conservation targets will require mandatory conservation. Indeed, most States will adopt a system of incentives for carpooling and use of public transportation and incentives to lower the use of energy for heating businesses and residences. Most of these incentives will be economic in nature and will be developed as a sensitivity to the patterns of energy use unique to the particular State.

Mr. President, as a cosponsor of Senator WEICKER's amendment, I urge my colleagues to support this necessary strengthening of the action which the President is about to take. Efforts to induce conservation must be made so that individuals will know that their individual conservation efforts will be matched by those of their neighbors.●

● Mr. DOMENICI. Mr. President, we start with the fact that a clear violation of international law took place when the Iranian students, with the blessing of the ruling government in Iran took nearly 50 American Embassy personnel as hostages. The terms for release of the hostages were returning the Shah of Iran for prosecution. There is no question that the Khomeini government acted illegally and in violation of every principle of diplomatic law and custom. Debate in the U.N. is ample evidence that we are right on this issue. Whether the Iranian people feel strongly about the Shah or not is irrelevant. Taking diplomats on official business as hostages has deeply offended and angered the American people and this Senator.

America has been portrayed recently as a giant tied down by strings with the ayatollah dancing on its chest. Since the United States hasn't taken any direct military action or show of force to release the hostages, some may feel that this portrayal is accurate. However, I do not. We are a strong nation and the people of this great land know that.

The American people do not want a needless show of force to result in the loss of any American. And so we wait. But at the same time we are giving the students every opportunity to release all the hostages into American hands.

One of the most important actions we can take is to make ourselves invulnerable to Iranian oil by not using any at all. The President has banned importation of such oil in any form and I support that decision. But, we can go further. And based on the possible flow of events in the near future, we must. Since the early spring of this year, gasoline consumption has varied between 5 and 10 percent below last year's levels. Last week it was 7.7 percent. Total demand for petroleum products is down a little more than 4 percent. This shows clearly that Americans have responded to a call to conserve. They should be congratulated; they have done a magnificent job. But unless we start now to develop a strategy for a further reduction in demand for all petroleum products, we will be unable to respond in a timely manner to any deterioration in the worldwide petroleum situation. Serious harm to our economy and way of life will result.

The Emergency Energy Conservation Act of 1979 was signed into law by the President on November 5, 1979. That act grants sweeping powers to the President to act in the face of energy shortages and to command the cooperation of the States in reducing energy consumption. Under the Emergency Energy Conservation Act, the President is authorized to establish State-by-State conservation targets and to develop a Federal energy conservation plan. Those targets and the Federal plan are intended to serve as guidance to the States as they set about to develop conservation strategies which best meet the consumption patterns and priorities in their States. The Congress was firm in its commitment to the States to allow their ingenuity and innovation to be tapped before any Federal bureaucrats impose a Federal plan on the State. In view of the petroleum situation worldwide, it is critical that the President and the Governors act together to develop these conservation strategies for possible use in the very near future.

I was pleased to be informed just this

morning that the President through the Secretary of Energy has announced such State conservation targets. And he is in the process of setting up meetings with the Governors to review the targets and to encourage the Governors to submit those gasoline conservation plans which will assure that the targets are met in each State.

So far the operation of this program is entirely voluntary. The Governors have indicated in the past their interest in being cooperative in a national conservation effort and as we approach a very serious time in American history, I think the Governors should be given every opportunity to respond in the interest of their States and in the overall interest of the Nation.

Some may feel that unless mandatory conservation programs are put in place we will simply be deceiving ourselves and the American people that anything is being done to reduce energy demand and reduce our dependence on insecure energy supplies. I maintain that such arguments are demonstrably false and our experience during the last 11 months are ample proof. Last year at this time gasoline demand was at all-time highs and projections indicated that near record growth in gasoline demand would take place. Since the world price of oil has been declining in real terms for many months, the price of gasoline was also declining in real terms and more and more people were returning to the highways of America.

The revolution in Iran changed all that. Gasoline prices have nearly doubled in the last year. In addition, supplies in the aftermath of the Iranian cutoff were seriously reduced and measures had to be undertaken in the United States to reduce demand. Based on our experience, it is my view that the most effective means of reducing demand for gasoline fortunately happened to be the only one available and that a number of ideas for reducing demand by mandatory conservation programs simply never got off the ground because of political and technical difficulties.

Let me explain. The only means we had for dealing with shortages of gasoline last year were to allow the companies to handle the situation by allocating gasoline to their own dealers on a basis that was proportionate to prior use. The companies set their own allocation fractions using their best judgment about how far to stretch supplies, and how much of a stock they needed. They only put so much on the street for sale and that amount was clearly less than the American people wanted and as a result long gas lines resulted. At that time individual States, at the encouragement of the Federal Government instituted some gasoline purchase ordering schemes and from all indications, they appear to have had a positive effect in reordering the gasoline market.

If one thinks back to the previous year, gasoline lines disappeared after a couple of months everywhere in the country, to the surprise of nearly everyone. The most efficient system for reducing demand was minimum involvement by the Federal Government and maximum use of individual initiative and reaction by all Americans. There is no easy way to reduce demand for gasoline. But the method of this past year has proven to be far more effective than expected and worthy of use in the future.

Because of the very tenuous situation in world oil supplies, it is possible that much more substantial reductions will be required. In that event, the States and the Federal Government must debate extensive efforts to advance planning and how best to handle the shortages in their States. That is really what is contemplated under the bill which the Senate and House sent to the President early last month and which he signed into law.

At the appropriate time, that is the process that he should and can use and it is a process which will allow the orderly development of mandatory conservation plans. It is bad policy to more prematurely develop mandatory conservation plans without the support of the States and the people of this country.

And if it is at all possible, the use of mandatory conservation authority should not be used if market mechanisms free of the decisions of Federal bureaucrats can work. Our experience of this past year is ample evidence that market mechanisms can work with the assistance of State plans to order gas lines. I suggest that such will be the case until we hit really more substantial shortages. And for that reason I oppose the amendment.●

Mr. WEICKER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. MATSUNAGA. Mr. President, I am happy to yield back the remainder of my time.

But, in closing, let me say this: we are opposed to the amendment because it is a nongermane amendment, because the objectives of the amendment are already accomplished under existing law.

Mr. WEICKER. In closing, Mr. President, when the Iranians took over the compound, that was nongermane to world order and world law. But it happened. It happened. And I suggest that we start becoming germane in response to that on the floor of the U.S. Senate.

Mr. President, I yield back the remainder of my time.

Mr. MATSUNAGA. Mr. President, I yield back the remainder of my time and ask for a vote.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Connecticut (Mr. WEICKER). The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Tennessee (Mr. SASSER), the Senator from Georgia (Mr. TALMADGE), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Arkansas (Mr. BUMPERS) would vote "yea."

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. STEVENS) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Oregon, would vote "yea" and the Senator from South Carolina would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there any other Senators wishing to vote?

The result was announced—yeas 26, nays 60, as follows:

[Rollcall Vote No. 459 Leg.]

YEAS—26

Biden	Jepsen	Pressler
Chafee	Levin	Ribicoff
Cohen	Mathias	Riegle
DeConcini	McClure	Sarbanes
Dole	Metzenbaum	Stafford
Durkin	Nelson	Stone
Exon	Packwood	Tsongas
Hart	Pell	Weicker
Javits	Percy	

NAYS—60

Armstrong	Garn	Morgan
Baucus	Glenn	Moynihan
Bellmon	Hatch	Muskie
Bentsen	Hayakawa	Nunn
Boren	Heflin	Proxmire
Boschwitz	Heinz	Pryor
Bradley	Helms	Randolph
Burdick	Hollings	Roth
Byrd, Harry F., Jr.	Huddleston	Schmitt
Byrd, Robert C.	Humphrey	Schweiker
Cannon	Inouye	Simpson
Chiles	Jackson	Stevenson
Cochran	Johnston	Stewart
Cranston	Kassebaum	Tower
Culver	Laxalt	Wallop
Danforth	Leahy	Warner
Domenici	Long	Williams
Durenberger	Lugar	Young
Eagleton	Magnuson	Zorinsky
Ford	Matsunaga	
	Melcher	

NOT VOTING—14

Baker	Gravel	Stennis
Bayh	Hatfield	Stevens
Bumpers	Kennedy	Talmadge
Church	McGovern	Thurmond
Goldwater	Sasser	

So Mr. WEICKER's amendment (No. 701) was rejected.

Mr. MATSUNAGA. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 692

(Purpose: To provide a credit against the tax based upon increased production)

Mr. BELLMON. Mr. President, I call up my amendment No. 692 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON), for himself, Mr. BOSCHWITZ, Mr. GOLDWATER, Mr. LUGAR, and Mr. ARMSTRONG, proposes an amendment numbered 692:

On page 40, between lines 12 and 13, insert the following new section:

"SEC. 4987A. PRODUCTION CREDIT AGAINST TAX.

"(a) GENERAL RULE.—There is allowed as a credit against the tax imposed by this chapter for any taxable period an amount equal to the product of—

"(1) 25 percent of the tax liability for that taxable period, multiplied by

"(2) the number of whole percentage points (but not more than 3) by which the taxpayer's production of taxable crude oil for the taxable period exceeds the greater of—

"(A) the taxpayer's average quarterly production for 1979, or

"(B) the taxpayer's production for the most recently ended taxable period.

"(b) CARRYBACK AND CARRYOVER OF EXCESS CREDIT.—If the amount of the credit allowed by subsection (a) for any taxable period exceeds the taxpayer's liability for tax under this chapter for that taxable period (hereinafter in this subsection referred to as the 'unused credit period'), such excess shall be a production credit carryback to each of the 28 taxable periods preceding the unused credit period and a production credit carryover to each of the 12 taxable periods following the unused credit period, and shall be added to the amount allowed as a credit by subsection (a) for the taxable period to which such excess is carried. The entire amount of the unused credit for an unused credit period shall be carried to the earliest of the 40 taxable periods to which such credit may be carried and then to each of the other 39 taxable periods to the extent such unused credit may not be taken into account for a prior taxable period to which the unused credit may be carried.

"(c) TAXPAYER MAY ELECT APPLICATION OF SECTION ON AN OVERALL OR PROPERTY-BY-PROPERTY BASIS.—

"(1) IN GENERAL.—For purposes of determining the amount of the credit allowable under subsection (a) for any taxable period, the taxpayer, at such time and in such manner as the Secretary may prescribe, may elect to have the tax imposed by section 4986 and the credit allowed by subsection (a) applied on a property-by-property basis.

"(2) SYNTHETIC CRUDE OIL PRODUCTION.—In the case of a producer of synthetic crude oil (as defined by the Secretary after consultation with the Secretary of Energy) who does not make the election provided by paragraph (1), the taxpayer's production of taxable crude oil for any taxable period shall be increased, only for the purpose of determining the amount of the credit allowable under subsection (a) for that taxable period, by the amount of synthetic crude oil produced by the taxpayer during that period.

"(d) NEWLY ACQUIRED PROPERTY.—For purposes of this section, production from any property acquired by the taxpayer after December 31, 1979, shall be disregarded for purposes of determining increases in production over production for a quarter ending before acquistion of the property, unless the taxpayer establishes to the satisfaction of the Secretary the average quarterly production from that property for 1979 and treats such amount as if it were his average quarterly production from the property for that year.".

On page 39, in the matter between lines 9 and 10, immediately after the item relating to section 4987 insert the following new item:

"Sec. 4987A. Production credit against tax.".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BELLMON. Yes.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the distinguished author of the amendment would be agreeable to a 1½-hour time limitation equally divided. Am I correct?

Mr. BELLMON. The leader is correct.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield so I may make that request?

Mr. BELLMON. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I have cleared this with Senator RIBICOFF who is presently managing the bill. I make the request that time on this amendment be limited to 1½ hours, to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON. Will the Senator permit a question to be asked of the Senator from Oklahoma to identify the amendment?

Mr. ROBERT C. BYRD. Yes.

Mr. NELSON. Will the Senator explain which amendment this is?

Mr. BELLMON. Mr. President, this is amendment No. 692, dealing with production tax credits. I shall explain it in full in a moment. It provides that producers who actually bring on up to 15 percent increased production would be entitled to a tax credit against the revenues otherwise owed.

Mr. NELSON. Is that the one the Senator discussed the other day, that could offset only against the increased production?

Mr. BELLMON. The Senator is correct.

Mr. NELSON. I thank the Senator.

Mr. BELLMON. The amendment has been modified by making it so that the provisions become effective only after September 30, 1980. It puts it into the 1981 tax year.

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

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

Mr. BELLMON. Mr. President, I call up this amendment in behalf of myself and Senators BOSCHWITZ, GOLDWATER, LUGAR, and ARMSTRONG. I ask unanimous consent that Mr. Bob Boyd and Ms. Gail Shelp of the committee staff be granted the privilege of the floor during debate on this amendment.

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

Mr. BELLMON. Mr. President, it is plain now, I believe, that there is one common position upon which virtually every Member of the Senate agrees—namely, that the country needs to produce more oil and import less while conserving every drop we can.

Our problem is that some Members are concerned that increased income to oil producers may not translate into more domestic production. This amendment is designed to assure that more domestic oil production will result from increased income resulting from decontrol. This amendment can accurately be called the produce-or-pay amendment; either producers increase their production over the base year 1979 or they pay the taxes this bill imposes. It guarantees that consumers will get more oil production from the higher prices they pay.

Consumers need more domestic oil production. Producers say they need more capital to develop our abundant energy resources. This amendment makes the capital available to producers who succeed in bringing more oil into production each year over the next 10 years.

Mr. President, aside from this amendment, I feel the Senate is finally headed in the right direction so far as energy is concerned. After years of floundering, we are passing legislation aimed at gaining more domestic production and less reliance on imports.

Within the last month, Mr. President, the Senate has acted affirmatively on major legislation aimed at accomplishing this goal of increased domestic production. We have passed the synthetic fuels bill and the Energy Mobilization Board legislation. These bills, if they produce expected results, will have a significant benefit in future years, but only in future years—but only in future years. The country will be fortunate if synthetic crude production reaches 500,000 barrels per day by 1990. In the interim, increased quantities of domestically produced oil and natural gas will be of vital importance.

In other words, what we have done with the synthetic fuels bill and the Energy Mobilization Board is set the stage for major increases in domestic production in the decade of the 1990's and beyond. But between now and 1990, increased quantities of domestically produced oil and gas will be of growing and vital importance, because synthetic fuel does not offer much hope for the next decade.

Mr. President, the record is clear that the oil and gas industry regularly reinvests more money in exploration and development than is realized in profits. The record further shows that these investments are successful in bringing on more production. The U.S. decline rate for domestic crude oil production, excluding North Slope oil, has been halted in recent years. More funds for investment in exploration and production will be needed to bring increased supplies to the market and to turn the production trend upward.

This amendment is designed to provide the incentive and the means for producers to increase oil production. What this amendment does, Mr. President, is allow a 25-percent credit against the excise tax created in this bill for each 1 percent of increased production above the base period. This credit would only be applicable to the first 3 percentage points of increased production, thereby ensuring that at the very minimum, one-fourth of the excise tax will be paid irrespective of how much production increases. This credit of 25 percent for each 1 percent of increased production up to 3 percent would remain in effect for 10 years and provide for a carryback of any excess credit over 7 years and a carryover of any excess credit for 3 years. In addition, Mr. President, this amendment specifically includes synthetic crude oil production for purposes of determining the allowable credit. Finally, a producer may elect to apply this credit on an overall company basis or on a property by property basis.

To insure that production is actually increased before any credit may be taken, a taxpayer's production of taxable

crude oil for the various taxable period must exceed the taxpayer's average quarterly production for 1979 or the taxpayer's production for the most recently ended quarter—whichever is greater. In other words, the amendment provides for a floating base period, but with a floor—that being the average quarterly production for 1979. So, in no case, would the credit come into play should production drop below 1979 levels.

To fully understand the impact of this amendment, it must be remembered that oil production declines at an average rate of 12 percent per year. Consequently, before a producer can realize any benefits under this amendment, the producer must increase production 12 percent to overcome the normal decline rate. So it would require 13 percent of new production to qualify for the first 25 percent reduction of the crude oil excise tax and 15 percent of additional production to qualify for the 75 percent tax credits.

Mr. President, some have called this amendment a modified plowback. While it is conceptually similar to a plowback, it is not a credit applicable to simply plowing back money into the ground with the hopes of producing more oil. Instead, it is a credit applicable only when increased production is realized. There is no credit for failure. Only increased production qualifies. This amendment does not merely justify expenditures as energy related, but looks instead to the output or production which results from energy related expenditures. This is what we all are after, Mr. President—increased domestic production to help back out imported foreign oil.

Now, Mr. President, I bring myself to the apparently all-encompassing issue which has surrounded every debate associated with this legislation. That is the supply response associated with this amendment and the growing misnomer of the so-called public cost to the Treasury of this amendment. As regards the public cost side of this issue, I must confess that I have no figures to reveal to my colleagues. It is virtually impossible to estimate how much revenue will be lost under this credit. Whatever the cost, it must be remembered that we are realizing increased production in its place—or there will be no public cost from this credit. In fact, this amendment will produce only public benefits in that sense.

In other words, if there is no increased production, the taxes will be paid and no credits can be claimed. It is a fact, then, that this amendment will produce only public benefits when looked at in that sense.

Mr. President, I have a chart that has been put together by a member of my staff. I cannot credit it to CBO or OMB or Treasury. It has been done in good faith, and it demonstrates as well as possible what the effects of this amendment would be in the unlikely event we were able to claim all the credits and to get the maximum production which the tax credits anticipate.

The chart shows that if oil production increased in each of the next 11 years, from 1980 through 1990, by 3 percent, the amount of increased production during the first year would be 93 million barrels and during the last year would be an increase of 125 million barrels, for a total of almost 1.2 billion barrels for the 11-year period.

Using the price assumptions already in the bill, starting with $30 oil and increasing at the rate of inflation of 2 percent a year, the gross revenues that would be generated to the U.S. Treasury by the increased production would be $57.8 billion.

Obviously, there will be some revenue losses because of the credits. But as best we can figure, after taking into account the cost of the tax credits and the amount of increased revenues resulting from the larger production, the U.S. Treasury still would net approximately $26 billion from corporate taxes alone, in addition to other billions that would be paid by those whose personal incomes had gone up as a result of the increased production.

This chart, as I say, has been prepared by my staff, in an effort to try to compute the revenue results of this bill. I offer it only as an example of what would happen. I am not saying this is what would happen. If the tax credits brought on the amount of production that is anticipated and if our assumptions in the bill are correct, these figures will not be too far wrong.

I ask unanimous consent to have the table printed in the RECORD.

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

BELLMON PRODUCTION TAX CREDIT—CASE A: FEDERAL INCOME FROM 3-PERCENT GROWTH

[Revenue amounts in billions]

	Per year—1980 to 1990			
	Increased production		Average price per barrel	Gross revenue (Before costs and taxes)
	Barrels per day	Per year millions		
1980	255,000	93.1	$33	$3.1
1981	263,000	96.7	35	3.4
1982	270,000	98.5	39	3.8
1983	279,000	101.8	42	4.3
1984	287,000	104.8	46	4.8
1985	296,000	108.0	49	5.3
1986	304,000	111.0	54	6.0
1987	313,000	114.2	58	6.6
1988	323,000	117.9	64	7.5
1989	333,000	121.5	69	8.4
1990	343,000	125.2	75	9.4
Total		[1] 1.193		57.8

[1] Billion barrels.

Note: Federal income equals 45 percent of gross revenue, equals $26 billion plus personal income tax inc.

Mr. BELLMON. Mr. President, with respect to the supply response, we can do only what we have done in the chart I have submitted for the RECORD; but there is some simple arithmetic that can explain it a little further. I find these prospective results to be somewhat astounding as well as highly encouraging.

Using the average daily quarterly production of 1979 to date as the base period, let us assume the maximum amount of increased production which would be applicable to the credit—3 percent. For example, the average daily quarterly production in 1979 is 8,555,000 barrels a day. If production were to increase 3 percent in 1980, an additional 256,000 barrels a day would be realized. Utilizing 8,811,000 barrels a day in 1980 as the new base, again assuming a 3-percent increase in production in 1981, an additional 264,000 barrels a day would be realized. Carrying this progression out to 1990 would mean an additional 3.3 million barrels a day of additional production over 1979.

I believe every Member will agree that this is a dramatic increase to bring our daily average at that time up to 11.8 million barrels a day, compared to the 8.55 million barrels a day we are producing now. This would be an extremely significant supply response which would be of enormous importance to the country; and unless it were to happen, the tax credits could not be claimed, or they could be claimed only to the extent that it happened.

So what the situation is here, as I said earlier, is that the industry would have to produce or pay the tax. There is no cost unless we get increased production.

Increased production will mean that we spend less of our national wealth for importing crude oil and increased production, as I have already said, means more income for the U.S. Treasury through the corporate taxes and income taxes that are already in place.

If the supply response is high, the credits are high. If the response is less the credits are low.

I feel that any increased response is greatly in the national interest, and this in the main reason I feel so strongly about this production tax credit which I am proposing.

Mr. President, as I have said previously, any revenues lost will be directly attributable to increased crude oil production. Every increased barrel of domestic production backs out a barrel of insecure, costly imported oil. This is a real bargain. Further, since there is no way for a producer to escape total tax liability under this amendment, and in view of the fact that from decontrol alone increased revenues from the corporate income tax will be $197.4 billion. Over the 1980–90 period, we should have more than sufficient revenue available to meet the cost of government-mandated programs and the synthetic fuels program as well.

Mr. President, I have two articles that bear on this subject. One is a special report published on November 12 by the Oil & Gas Journal, a very highly respected industrial publication published in my State, in Tulsa, Okla. It is sort of a bible of the industry. I have read it for years, and I find it to be normally very accurate and very reliable.

Mr. President, I ask unanimous consent that this article entitled "U.S. Petroleum Will Face a Monumental Task in the Next Decade" be printed in the RECORD.

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

OIL IN THE EIGHTIES: TIGHT SUPPLY, SOARING CAPITAL OUTLAYS

The oil and gas industry, supplier of more than 70 percent of the world's energy, is about to enter a decade of unprecedented challenge and opportunity.

During the next 10 years, non-Communist energy demand will continue to rise, if only at half the pre-embargo rate.

Despite the slowing effects of conservation and sluggish economies, staggered by a 70 percent increase in oil prices this year, energy consumption is forecast to grow 3-3.5 percent per year in non-Communist countries as a group and 1.5-2 percent in the U.S. Nevertheless, energy supply will have to strain to keep pace with even this more modest growth in demand.

Production of crude oil will be restrained by mounting reluctance of key members of the Organization of Petroleum Exporting Countries to expand production. If OPEC flow plateaus, and if significant new supplies aren't brought on production elsewhere, non-Communist crude output could peak during the 1980s—as early as 1985, according to some projections. In fact, there are warnings from British Petroleum and the U.S. Central Intelligence Agency of even earlier peaks.

On top of this, major importers will soon have to compete with Communist nations for a portion of non-Communist supply. The Soviet bloc, a net exporter of 1 million b/d, is expected to become an importer early in the decade. The U.S.S.R. disputes CIA predictions that its production will peak this year or next. But the Soviets have notified eastern European customers that any increased demand must be met from other sources.

CIA believes the Soviet position is more serious than that. From an exporter of 3 million b/d, CIA predicts in a new assessment that the Soviet Union will slip rapidly into deficit and will be forced to import 700,000 b/d by 1982.

Most forecasters are not so pessimistic. But they do foresee a decade of chronic tight supply, in spite of prospects for shrinking demand growth. Non-oil energy supplies, they fear, can't come on stream fast enough and in sufficient quantities to make up the difference during the 1980s.

Coal and nuclear power are the only petroleum alternatives with technologies advanced enough to make any significant contributions.

But each of those options is mired in political and environmental problems that will limit expansion in the next decade.

It will be up to oil and natural gas, therefore, to continue to carry the main energy load and fuel at least part of world economic growth until alternate sources are able to take up more of the slack.

Long-term economic growth at an acceptable level, 3–4 percent, undoubtedly will require additional OPEC production. If OPEC should hold oil output at its present level, it is unlikely that the rest of the non-Communist countries could expand production fast enough to sustain this level of economic growth.

The challenge is awesome. W. J. Levy Consultants Corp. says cumulative crude production during 1978–90 must total 250 billion bbl to satisfy demand. To replace those volumes, industry would have to discover about 19 billion bbl/year, including 3 billion bbl in the U.S.

And that exploration effort must take place in increasingly remote and hostile areas, where drilling and production costs dwarf those of earlier days. Most discoveries, furthermore, will be small compared with the giants of the past. That will require more wells.

Thus, in the 1980s, industry will be called upon to invest enormous sums in exploration and development. If industry is to expand production at all or even sustain present levels, it must have access to prospective acreage and capital resources needed to finance the effort.

The challenge, according to Shell U.K. Ltd. chief executive J. M. Raisman, is for "governments to set the climate by means of sensible and stable licensing, taxation, and depletion policies . . ."

And if that happens, "It is up to us in the oil industry to put our money where our mouth is and thereby to insure that our case for fair treatment continues to command public support."

In the U.S. the surge in capital outlays has already begun. The barriers to exploration and development are still significant. But with the phasing out of price controls on natural gas and oil, even after the impending excise tax on oil revenues, producers have a new opportunity. There is new incentive for drilling and the capital to make it possible.

Most of the 1980s talk may be of alternate sources, but most of the investment will still go into development of new supplies of oil and gas. The Age of Petroleum will extend through the decade ahead, and the one after that, too.

Energy demand. The next decade will be a period of what one forecaster calls "uneasy equilibrium," another "heightened sensitivities" in energy supply and demand.

Energy surpluses will be rare, as production stabilizes and demand continues to grow. As a result, importing nations will be increasingly vulnerable to supply interruptions that translate into immediate shortages. Major industrial countries may be able to fulfill pledges not to increase oil imports above existing levels because increased volumes may not be available.

Projections of total energy demand vary widely. Last year, for example, Exxon Corp. estimated non-Communist total energy demand at 104 million b/d of oil equivalent in 1980 and 148 million b/d of oil equivalent in 1990. That assessment was made before the 70 percent increase in the price of oil this year rendered all demand forecasts obsolete.

More recently, W. J. Levy Consultants projected 1990 non-Communist energy demand at 131.6 million b/d of oil equivalent.

Key factors in demand projections are economic growth and relationships of energy and economic growth rates, which reflect efficiency of energy use.

Until the 1973–74 Arab oil embargo, energy demand and economic growth rates about matched in industrialized countries. According to Levy Consultants, during 1951–73 energy consumption among Organizations for Economic Cooperation and Development (OECD) nations increased an average 4.9 percent/year, and real gross domestic product (GDP) increased an average 4.5 percent/year. The resulting energy/GDP coefficient was 1.09.

"These relatively high energy coefficients typically reflected both unusually rapid levels of economic expansion and relatively low, and in some cases declining, real energy prices," Levy Consultants say.

But the situation is changing as energy prices climb and conservation measures take effect. During 1974–77, the firm says, OECD energy/GDP coefficient was 0.33. And it projects an average coefficient of 0.74 during 1978–90, with energy consumption growth of 2.3 percent/year and GDP growth of 3.1 percent/year.

In its 1978 study, Exxon predicted a similar trend, although its projections were slightly higher for energy and economic growth.

"The trend toward a lower energy-to-economic-growth ratio is projected to persist in the future as old less-energy-efficient equipment is replaced, as other steps are taken to reduce energy use, and as the mix of economic activity becomes less energy intensive.

"As a result, the long-term energy growth rate in the 1980s is projected to be considerably below the rate of economic growth."

OIL'S SUPPLY ROLE

Energy surpluses are expected to occur only infrequently during the 1980s and only as the result of reconcession-induced demand slums. Thus, most forecasts peg demand at projected available supply.

And oil will continue to account for nearly one-half of all energy supplies through 1990, although its share will decline slightly.

Exxon predicts oil's share at 48 percent of total non-Communist energy supply in 1990, compared with 54 percent last year. Levy Consultants also predicts a 48 percent share for oil in 1990, although its projected non-Communist energy supply is lower—131.6 million b/d of oil equivalent.

The firm is more optimistic than Exxon about the role of natural gas in the total energy spectrum of 1990, predicting gas will account for 23.5 percent of total non-Communist supply. Exxon estimates the gas share at 15 percent.

Crude-oil production rates, therefore, remain critical to the energy supply outlook for the 1980s. Until recently, the energy consuming world has turned to OPEC when it needed production boosts.

Those days probably are over. OPEC is stressing conservation, which means members probably will enforce production controls more strictly in the next decade.

During the third quarter this year, OPEC produced 31.2 million b/d of the 52.4-million-b/d output of non-Communist countries, according to the Petroleum Industry Research Foundation Inc. (Pirinc.). And that included the above-ceiling production of Saudi Arabia and others that came in response to last winter's Iranian production decline.

Most industry analysts expect OPEC production to remain about 30 million b/d at least through 1985. British Petroleum Co. Ltd. explains why.

"The supply of oil for any significant growth in demand will be at the discretion of a few oil-producing countries throughout the 1980s. The export of this discretionary oil would increase its producers' external financial assets rather than their domestic economic growth.

The experience of 1979 suggests that demand for increases in these discretionary supplies may well go unsatisfied—at least during the next 5 years—with the result that prices escalate rapidly.

"The more they escalate, the less incentive there will be for the key producers to expand discretionary production, because the export revenue from nondiscretionary production would increase with the price.

"The net effect for the exporters would be merely to exchange oil in the ground for financial assets abroad."

PRODUCTION OUTLOOK

Projections of non-Communist production have become more and more pessimistic recently, notes the International Energy Agency (IEA).

An IEA monograph by John R. Broadman and Richard E. Hamilton compares 78 studies conducted during 1969-June 1978 and says production outlooks jumped after the price hikes following the 1973-74 embargo. But they've declined since then, reflecting forecasters' uneasiness over exploration disappointments or government policies.

In line with that trend, Exxon's 1978 production forecast is more optimistic than some later projections. Exxon predicted non-Communist oil flow of about 57 million b/d in 1980 and 72 million b/d in 1990. And it assumed OPEC production of more than 40 million b/d by 1990.

But that outlook predated the Iranian crisis.

The numbers are lower in later projections.

Last June, the late Shell Transport & Trading Co. Ltd. Chairman C. C. Pocock predicted

a supply/demand balance at about 51 million b/d in 1980.

After that, he said, non-Communist crude and natural-gas-liquids output will depend on economic growth, OPEC output, real oil prices, and actions by consumer countries to reduce oil dependence.

If those factors favor business expansion, he said, production will reach 70 million b/d in 1990 and 74 million b/d in 2000. If expansion is stymied, production could reach 60 million b/d in 1990 and 66 million b/d in 2000.

In a short-term outlook, Standard Oil Co. (Ind.) chief economist Ted Eck describes a "base case" in which non-Communist crude production would be 53.8 million b/d in 1980—300,000 b/d less than desired supplies—and 59.1 million b/d in 1985, matching desired volume.

But Eck foresees serious trouble if OPEC holds production at 30 million b/d, Communist countries become substantial net importers, U.S. output is less than expected, and consumption is higher than anticipated.

In that case, production would be 52.5 million b/d in 1980—1.3 million b/d less than desired—and 55.1 million b/d in 1985, 4 million b/d less than desired.

One of the most-pessimistic projections of non-Communist crude production comes from British Petroleum. (see chart). BP sees output peaking in 1985 at about 55 million b/d if OPEC countries maintain current production, and at 64 million b/d if they produce at maximum rates. However, non-Communist production may already have peaked, a BP analyst speculates.

CHALLENGES, OPPORTUNITIES

If BP is correct, the consuming world is due some drastic belt-tightening. The firm predicts maximum non-Communist crude production of 62 million b/d in 1990, 52 million b/d if OPEC doesn't produce its discretionary oil.

At the lower figure, assuming oil makes up 48 percent of 1990 energy supplies, total energy supply at the end of the coming decade would be only 108 million b/d of oil equivalent, far below anyone's projected needs.

The challenge for consuming nations, therefore, is to insure pessimistic crude-production forecasts don't come true and to improve energy efficiency in all consumption sectors.

And the key, Shell's Pocock said, is allowing oil prices to play an honest economic role.

"Higher energy prices not only dampen demand, they encourage all the desirable things. They encourage the search for oil and gas in new places. They allow experimenters to press forward with the development of alternative energies. They encourage the switch from oil to coal and nuclear. . . ."

INDUSTRY'S OPPORTUNITY

If the oil industry—particularly in the U.S.—is chary about prospects for uncontrolled crude prices in the 1980's, that's understandable.

As the IEA points out, price jumps following the Arab embargo of 1973–74 sparked a flurry of optimistic production forecasts based on producers everywhere being allowed to collect market crude prices.

In the U.S., always a key variable in production and consumption forecasts, producers are still waiting for world market prices.

President Carter's phaseout of crude price controls breathed life into U.S. energy prospects. But uncertainty remains over how much benefit will accrue to energy production, because Congress still is working on an excise tax Carter insists must accompany decontrol.

The tax that ultimately emerges will determine how much U.S. firms can invest in the energy effort, but it won't curb rising world prices.

Gulf Oil Corp., in a study it conducted with Stamford Research Institute, assumed prices would remain constant in real terms until 1985. Then demand would stretch supplies, forcing prices up.

Gulf expects prices during 1985–2000 to reach $30/bbl in 1975 dollars. In the U.S., that would make synthetic fuels competitive with conventional fuels, Gulf says.

For U.S. oil companies, Carter's decontrol plan would allow oil firms just a piece of that increasing revenue. R. M. Bressler, Atlantic Richfield Co. executive vice-president, cites government projections that decontrol would add $16 billion to oil company revenues by the end of 1981.

A Standard of Indiana study projects added net income under decontrol of at least $96 billion during 1979–90. This is based on provisions of the excise tax as passed by the House, whose bill will be reconciled with a more favorable Senate bill to produce the final legislation.

CAPITAL REQUIREMENTS

The capital boost that decontrol with an excise tax would give U.S. producers is pale compared to the requirements, some forecasters say.

Bressler says the $6–7 billion/year boost would expand available capital by 15–20 percent. Yet H. Andrew Thornburg, senior vice-president of Security Pacific National Bank, says investment must increase by 2–2.5 times the annual rate of the past 5 years if the U.S. is to have energy growth of 3 percent/year during the 1980s (OGJ, Oct. 15, p. 106).

Throughout the non-Communist oil industry, capital requirements will grow from $20 billion (1978 dollars) in 1980 to more than $70 billion in 2000, D. de Bruyne, president of Royal Dutch Petroleum Co., told the World Petroleum Congress in September (OGJ, Sept. 17, p. 55). Those projections are just for development of oil productive capacity. Nothing is included for downstream investment or for natural gas.

Investment requirements will increase, De Bruyne says, because increasing shares of the capital outlay will go for more expensive types of oil.

He described three categories of production: low-cost conventional oil that requires investment averaging $2,000/daily bbl of capacity (1978 dollars); medium-cost oil requiring investment of about $8,000/daily bbl of capacity; and high-cost oil that could require investment of $20,000–33,000/daily bbl of capacity by 2000.

De Bruyne says low-cost production could increase by 15 million b/d before it begins to decline, and medium-cost production could climb to 10 million b/d by the late 1990s.

Most production will be in the two less-costly categories until "well into the next century," he says. But investments in high-cost oil already are heavy, accounting for about $10 billion/year of industry's outlay.

"Whereas total volumes of oil are expected to begin declining within the next 20 years, projections for total exploration and production expenditure keep on rising—and fairly steeply, at that," he says.

EXPLORATION, PRODUCTION EFFORT

Higher prices and investments in oil exploration and production should produce record drilling rates worldwide and in the U.S. during the 1980s.

"Higher oil prices and greater uncertainty about future OPEC behavior are a great stimulus to the search for and the development of oil and gas wherever they can be found—but especially in politically safer areas, if, indeed, there are such places," says Shell U.K.'s Raisman.

Drilling-rate forecasts are optimistic. Rotan Mose Inc., Dallas investment firm, predicts 75 percent expansion of oil-related drilling activity during the next 6 years in the U.S. The firm also sees expansion in worldwide drilling (OGJ, Sept. 24, p. 82).

"We believe the stage has been set by the events of this year for long-term growth of worldwide oil-field activity at rates of 10–12 percent in real terms and 19–21 percent in current dollars," says Frederick Z. Mills, vice-president.

"We see this growth rather balanced among domestic and foreign; onshore and offshore; exploration, development, and production."

U.S. drilling. In the U.S., explorationists must drill 388,514 new field wildcats during 1978–90, totaling 2.6 billion ft of hole, to maintain discovery rates of 2 billion bbl/year, says John D. Haun, president of the American Association of Petroleum Geologists.

That would require drilling and completion investments of $179 billion, he says (OGJ, Oct. 15, p. 94).

The high footage requirement results from a decline in the rate of discovery per foot or per well.

Haun predicts drilling costs will be $600,000/well in 1990, compared with an estimated $260,000/well last year. And he says that to maintain the discovery rate at 2 billion bbl/year, the number of wildcats drilled would have to total 23,606 in 1979, rising to 42,571 in 1990.

Indiana Standard's Eck predicts an average increase of 5.2 percent/year in the number of wells completed in the U.S. during 1980–90.

He estimates well completions and footages of 54,000 wells and 270 million ft. in 1980, 70,000 wells and 360 million ft. in 1985, and 82,000 wells and 440 million ft. in 1990.

The increase will slow after 1990. Eck predicts 1995 drilling of 85,000 wells and 480 million ft. and 2000 activity of 86,000 wells and 500 million ft.—double the estimated footage for 1979.

The prospects. Regardless of the size of the exploration effort undertaken worldwide, crude production will begin to decline before 1993, says the U.S. Geological Survey.

David H. Root and Emil D. Attanasi of USGS say the decline will result from physical limitations alone. And their reasoning highlights some of the challenges that will confront explorationists in the coming decade.

"The decline in the worldwide petroleum discovery rate is a consequence of the fact that most of the world's crude oil is in a few very large fields, and that in the exploration of a petroleum province the large fields are usually discovered early.

"Because exploration of frontier areas has moved almost exclusively offshore, we can reasonably conclude that prospects in accessible onshore areas are significantly poorer than prospects offshore.

"The existence and durability of the oil cartel (OPEC) is evidence that crude oil is found in large quantities in only a few places."

Root and Attanasi base their prediction of a production decline before 1993 on the discovery-rate decline, increasing production trends relative to reserves, and the assumption that the crude reserves-to-production ratio never drops below 10.

They say the primary factor in the discovery rate decline is the ever-decreasing size of fields being discovered. In short, small fields are harder to find than large ones, and their payoff obviously is smaller.

But that will be the exploration arena of the 1980s, a development the USGS officials interpret as a bad sign for the industry.

"The fact that explorationists have accepted the higher costs of moving into physically hostile areas is evidence that the world's petroleum industry is in difficulty.

"The increase in the discovery rates in Western Europe and the Far East are a re-

sult of this movement to new provinces offshore. Relatively few unexplored or lightly explored basins remain, so areas that have improved their discovery rates are unlikely to do so for long."

DEEPWATER DRILLING

One exploration frontier already may be closing off.

According to a study by Pace Co. Consultants & Engineers Inc., Houston, exploration may peak within the next 2–3 years in waters more than 600 ft deep unless a large number of giant fields are discovered in deep water.

Throughout the 1980s, Pace says, there will be a surplus of rigs capable of drilling in waters more than 600 ft deep. Last year, 185 rigs were rated by owners as capable of drilling at such depths, but only 32 were in use in deep water.

Industry has spent $5.4 billion on deepwater activity since the first deepwater well was drilled in 1965, Pace says. Of 281 deepwater wells drilled since then, only two discoveries—Exxon's Hondo and Shell's Cognac—have undergone development drilling.

In most cases, deepwater discoveries must indicate giant fields in order to be commercial.

Pace predicts, nevertheless, that deepwater expenditures will total about 10 percent of total offshore outlays during the 1980s.

OVERCOMING OBSTACLES

The USGS and Pace projections are downbeat, but there can be little question the oil industry thinks the obstacles they cite can be overcome. And industry is willing to put money on it.

The investment will come in the 1980s, and if the effort is successful, the non-Communist world will be able to bring unconventional fuels on stream as oil production fades.

Royal Dutch Petroleum's DeBruyne gives this assessment of the long-term picture: "A projection of the volumes we can realistically expect to be available over the next few decades—from both conventional and unconventional sources, such as tar sands—might rise gradually to a peak of almost 70 million b/d toward the end of the 1980s, which could then be sustained at this level for over a decade.

"However, at some time toward the end of this century, we must expect the production curve to start falling. Opinions differ as to how quickly new oil will come on stream to arrest the decline.

"But current evidence suggests the total could drop to around 50 million b/d before the curve flattens out into an extended plateau in the second decade of the next century."

That type of oil production would see the energy-consuming world through the transition to alternate fuels with little difficulty. But it depends on the oil industry taking the huge risks and making the enormous investments required to keep the oil flowing.

It also depends on governments allowing oil men to do so. Most analysts believe economic imperatives will force consuming-nation policy makers into the decisions they sidestepped during the illusory oil gluts and witchhunts of the 1970s.

And industry is counting on those decisions being aimed at a return to market economics.

"The energy crisis," BP says, "is here. We have to choose between foregoing economic growth or starting to grow without more oil."

U.S. PETROLEUM INDUSTRY WILL FACE MONUMENTAL TASK IN NEXT DECADE

The 1980s will be a pivotal decade for the U.S. petroleum industry.

That's the consensus of industry leaders facing a host of uncertainties as they lay plans to cope with persistent oil-supply problems.

Foremost among the uncertainties are government policies and how much foreign oil will be available.

Industry executives fear that U.S. government actions on prices and taxes won't yield sufficient capital for the massive buildup in exploration and development required to boost domestic oil and gas supply—or even to arrest the decline.

The task facing the U.S. industry in the 80s is a monumental one indeed. Most forecasts for the coming decade, including those by the government, assume domestic production of oil and gas at about present levels. But that alone would be a tremendous accomplishment.

The U.S. currently is producing allout at the rate of some 3 billion bbl of oil and 20 trillion cu ft of gas annually. If production is to be maintained at these levels, the U.S. during the next decade would produce roughly 30 billion bbl of oil and 200 trillion cu ft of gas. Those volumes exceed present U.S. reserves of oil (27.8 billion bbl as of Jan. 1, 1979) and equal present gas reserves (200.3 trillion cu ft).

Thus, to hold production at current levels until 1990, the industry will have to find and develop reserves in this one decade at least equal to total current proved reserves of both oil and gas.

Assuming a constant for reserves added per well drilled, U.S. operators would have to drill about twice as many wells as they are now drilling to add reserves of this magnitude.

That would be nearly 100,000 wells/year.

The U.S. industry drilled 48,513 wells in 1978. Reserves meanwhile dropped 1.7 billion bbl for oil and 8 trillion cu ft for gas. Reserves added, thus, replaced less than half the domestic oil produced and three-fifths of the gas.

The most optimistic of recent drilling forecasts is for a 75 percent increase in U.S. drilling over the next 6 years.

Along with the obvious requirement for a very sharp increase in domestic drilling, there is the vital need for places to drill all these wells—the continuing problem of access to acreage with potential for large additions to reserves. Where is the prospective acreage? Much of it is lands owned by the federal government in such highly promising areas as the Overthrust Belt of the Rockies, the Alaskan North Slope, and the offshore frontiers—especially those off Alaska. Therein lies another major uncertainty.

So far the Congress and those in the administration charged with administering the federal lands—up to and including the President himself—still show more concern for pristine environment than for leasing in these areas. A prime example: The Beaufort Sea north of Alaska is perhaps the country's brightest hope for very large additions of oil and gas reserves—witness the Dome group's significant finds across the median line in Canadian waters and the wealth of very large structures. Yet the Interior Department is only now beginning to take the first tentative steps toward leasing in the open sea. A lease sale will not be held until 1983 at the earliest.

Present policy, or lack of it, explains the industry's second concern over oil imports. If government policies frustrate the tremendous outlay of capital required to increase or maintain domestic production, will the U.S. be able to obtain sufficient oil from abroad in competition with other oil-importing countries during an assured period of tight—possibly deficient—world supply? If the answer is yes, will U.S. government policy, which now limits imports to 1977 volume, be amended to permit imports over that level?

If not, the result will be a continuation of supply shortages which jolted the country twice during the 1970s.

It's quite likely now that the next decade will see the beginning of a U.S. synthetic-fuels industry spawned by government incentives, industry efforts, and a vast storehouse of alternate fuel sources. But synfuels production, even with the most optimistic set of conditions, can fill only a small fraction of U.S. demand by the end of the 80s.

Amid all the uncertainties, thus, there is this certainty: Conventional oil and gas will continue to dominate the U.S. energy-supply mix throughout the next decade and into the next century as well.

Further, government price policy for oil and gas—either already in place or to be put in place within the next few months—assures that the industry will have substantially more capital available for exploration and development than at present. Increased drilling is virtually assured in the 80s. And expanded U.S. rig-building capacity assures the rigs can be had to accommodate the increase.

TOTAL ENERGY SUPPLY

The latest revisions of forecasts by Shell Oil Co. and Standard Oil Co. of California are in close agreement on the dominant role oil and gas will play in U.S. energy supply during the next decade.

Shell foresees total primary energy supply of 49.93 million b/d of crude oil equivalent in 1990, with oil and gas accounting for 30.06 million b/d or 60.2 percent.

Socal pegs total supply in 1990 at 47.6 million b/d of oil equivalent, with oil and gas accounting for 30 million b/d or 63 percent.

Both companies acknowledge that the combined oil and gas share of the total energy market will decline.

Socal figures that oil and gas amounted to 15.8 million b/d of oil equivalent in 1960, claiming 73.8 percent of the total market. And Shell's study shows that oil and gas amounted to 18.58 million b/d of oil equivalent in 1965, accounting for 71.9 percent of the total market.

But Shell insists oil and gas will continue to meet the bulk of total energy requirements because each market has special fuel needs which aren't easily substituted—at least in the short term. For oil, an example is the transportation market.

Other markets—residential/commercial and chemical feedstocks among them—have some flexibility for substitution. But time and economics will prevent rapid change.

Shell believes that energy supply from coal and nuclear power will grow rapidly, but other sources such as hydropower, geothermal, and solar will remain small. Sites for expansion of major hydropower complexes are limited, and the geothermal resource base is small.

Solar power has great potential, Shell feels. Some will appear by 1990. But technological and economic problems will delay any major contribution from this source until later in the century.

Gulf Oil Corp. chairman Jerry McAfee emphasizes the further long-range importance of oil and gas in U.S. total energy supply.

He says, "Oil and gas are an absolute necessity and the backbone of the intermediate stage in our energy transition (to synthetic fuels).

"By 2000, we'll still be depending on oil and gas for half of our energy needs."

U.S. OIL AND GAS

The most recent forecasts peg U.S. production of crude oil and natural-gas liquids at 8.5-10 million b/d in 1990—some 15 percent less to about even with today's production.

Natural-gas production is seen declining from the 19.7 trillion cu. ft. in 1978 to 17-19.4 trillion cu. ft. in 1990.

Gulf's forecast of crude and NGL production involves a range reflecting the uncertainties involved in government policy.

Says McAfee, "Given ideal circumstances and some measures of enhanced recovery, the

U.S. could increase its oil (plus NGL) output by about one-fifth—to a maximum of 12 million b/d by 1990. Under the most adverse circumstances, production would decline by one-fifth—to 8 million b/d."

All things considered, the most probable future production rate will be about that at present—10 million b/d.

"In other words," says McAfee, "we'll do well just to stay level in domestic oil output during the next decade."

Socal agrees with the outlook for 10 million b/d of crude and NGL, but its forecasts includes 50,000 b/d of shale oil in 1985 and 500,000 b/d in 1990.

A study by Arthur D. Little Inc. (ADL) foresees a decline to 8.8 million b/d in 1985 and 8.5 million b/d in 1990 for total U.S. liquids production.

ADL economists don't expect the sharp decline of crude oil production from the Lower 48 in the next 10 years to be offset by additional oil from enhanced recovery methods, increased Alaskan North Slope production, and new offshore fields. They also expect a decline in NGL supply from forecast lower natural-gas production.

What's more, because of technological and regulatory uncertainties, ADL forecasts for 1990 a total synthetic and unconventional fuels production of only 1 million b/d of oil equivalent. That includes coal liquids and gas, liquid biomass fuels, shale oil, and unconventional gas.

The volume is less than half of the Carter administration's goal of 2.5 million b/d of oil equivalent from such sources by the end of the 1980s (see p. 189).

Shell's forecast anticipates crude and NGL production of 9.4 million b/d in 1980, falling off to 8.04 million b/d in 1985, and rebounding to 9.32 million b/d on the strength of increased production from the Alaskan Arctic and from synthetics.

During 1980–90, Shell says, Lower 48 and South Alaska production will fall sharply to 5.82 million b/d from 7.85 million. Alaskan Arctic production will rise to 3 million b/d from 1.55 million. Synthetic crude will rise to 500,000 b/d from zero.

For U.S. natural-gas production, Gulf says the most likely prospect is a slow decline to about 17 trillion cu ft by 1990.

Given circumstances encouraging maximum output, gas production would at best remain level at about 20 trillion cu ft. And under the worst assumptions for government policy, production could decline by almost half—to a minimum of about 12 trillion cu ft by 1990.

ADL predicts that natural gas production will remain at 19.7 trillion cu ft in 1985 and decline to 19.4 trillion cu ft in 1990. And although production in the Lower 48 will decline sharply, it still will exceed expected reserve additions.

Production of about 1.5 trillion cu ft is forecast for 1990 from unconventional sources—eastern Devonian shales, western tight sands, and coal gasification.

ADL expects LNG imports to rise "significantly" to 1.2 trillion cu ft by 1990. And imports of natural gas via pipeline from Mexico should reach 700 billion cu ft by the same year. But imports from Canada could decline at the same time. The resulting 2.2 trillion cu ft of net imports in 1990 would be insufficient to offset ADL's predicted decline in U.S. production.

OIL IMPORTS

Despite President Carter's vow last summer to hold net U.S. oil imports to 8.5 million b/d, industry analysts insist that imports must top that level if the country is to maintain its economic growth. There simply won't be enough conventional and synthetic oil and gas and other fuels to fill the U.S. supply/demand gap in energy unless imports increase beyond the President's ceiling.

The result, analysts feel, will be a continuing spiral in U.S. outlays for imports of crude and products. And that supply chain will become increasingly vulnerable to disruptions during the 1980s.

Socal's oil supply/demand study sees net imports of 8.1 million b/d of crude and products during 1979 rising to 8.4 million b/d next year. Shortly thereafter, they will pierce Carter's ceiling and climb to 10.1 million b/d in 1985 before slipping to 9.7 million b/d in 1990—if the ceiling is lifted and oil is available.

Gulf pegs 1990 gross imports at 10 million b/d.

And Shell sees an even higher level—12.84 million b/d of total liquids imports in 1990, accounting for 57.95 percent of total U.S. oil supply that year compared with 50.09 percent anticipated for the beginning of the 1980s.

A compilation of government figures by the Institute of Gas Technology (IGT) underscores the country's rising dependence on imports, along with the price exacted from the U.S. economy.

During the 1970s, U.S. oil imports rose to 8.5 million b/d from 3 million b/d. And the cost rocketed to $60 billion/year from $2.8 billion, requiring 24.6 percent of U.S. exports of goods and services to pay for oil imports (Table 1).

TABLE 1.—U.S. OIL IMPORTS

Year	Volume[1] (Millions of barrels per day)	Cost (billions)	Cost as percentage of exports[2]
1970	3.0	$2.8	4.3
1971	3.8	3.3	4.8
1972	4.7	4.3	5.6
1973	6.3	7.6	6.9
1974	6.1	24.3	16.6
1975	6.0	24.8	15.9
1976	7.3	31.8	18.6
1977	8.7	41.5	22.7
1978	8.2	39.1	17.9
1979[3]	8.5	60.0	24.6

[1] Crude oil and refined products.
[2] Total U.S. exports of goods and services.
[3] Preliminary.

Source: Institute of Gas Technology from Department of Energy and Department of Commerce data.

IGT says, "Despite a slower rate of growth in total energy demand, these large oil imports have been needed because some energy prices have been kept below market-clearing levels, U.S. oil and natural gas production has decreased, nuclear and the direct use of coal have encountered environmental delays and costs, and the cost of new energy technologies have been higher than the short-term direct cost of oil imports."

SUPPLY DISRUPTIONS

Warnings of import supply disruptions come from many industry executives, among them Samuel Schwartz, senior vice-president of Conoco Inc., and John E. Swearingen, chairman of Standard Oil Co. (Ind.).

"The world will remain highly vulnerable to disruptions in oil supplies throughout the next decade," Schwartz declares.

He urges resumption of purchases for the U.S. Strategic Petroleum Reserve, with a buildup to about 500 million bbl.

The SPR held a little more than 90 million bbl last summer, with the last supply bought under existing contracts trickling in (OGJ, Aug. 6, p. 49).

New contracts haven't been signed for a number of reasons: high global prices, government reluctance to put added pressure on world supplies in the wake of the Iranian shutdown last December, and sentiment among OPEC members against selling to SPR.

The U.S. also should develop an emergency response system to cope with supply dislocations, Schwartz says. The system should signal when the SPR should be tapped, and it should define in advance the mandatory conservation and allocation measures to be taken.

What's more, Schwartz says, the U.S. should develop better relations with OPEC "to increase the attractiveness of producing oil now instead of holding it in the ground."

While focusing on the security of supplies in the near term, the U.S. must stress the adequacy of supplies in the long term, Schwartz says.

Swearingen warns that continued heavy reliance on Middle East oil means continued inflation, continued distortion in the U.S. balance of payments, and, eventually, economic chaos and compromised national security.

Unrest in Iran, uncertainty over actions by governments in Iraq and Libya, and Saudi unease over being singled out as "the staunchest friend of the West in the Middle East" cast a shadow over the security of oil supplies from that part of the world.

"I believe that the revolution in Iran isn't over," Swearingen says. "It is unreasonable to assume that the Iranian political situation can be resolved without some further interruption of Iran's oil production."

Full-scale civil war in Iran could remove the country's oil exports from world supplies "for as little as 3 months or as long as several years."

For their part, the Saudis "no longer feel they should increase production substantially and invest the proceeds in monetary instruments of doubtful value."

The Saudis "must feel that their own national self-interest dictates building bridges to their more militant Arab neighbors."

To the current unrest must be added the question of Soviet activities and intentions in the Middle East.

Citing the military disparity between the forces of the Soviet Union and the U.S. in that region, Swearingen quotes ex-Energy Sec. James Schlesinger's warning: "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."

Therefore, Swearingen says, "The only sensible solution is to decide to make ourselves less reliant on unstable sources of supply."

Certain steps should be taken by all oil-consuming countries of the non-Communist world. These include cutting consumption "as much as is realistically possible," increasing domestic production of every energy source available, and stepping up development of all new types of alternative energy sources that the countries' resources and economies will allow.

While these alternate sources are being developed, oil and gas production from conventional sources in the U.S. and other non-Communist countries must be increased, "whether it be from existing fields or from new fields in remote and hostile regions of the globe."

"Failure to recognize this fact is the fatal fault in President Carter's current energy plan," Swearingen says.

WHAT'S LEFT TO FIND?

Consensus of industry estimates is that the U.S. still has a large exploration target for reliance on the secure supply sources that Swearingen and other industry executives urge.

The Potential Gas Committee tops most estimates. It places 820 trillion cu ft of gas resources in possible and speculative categories—those that might be tapped outside of existing fields in productive areas and in frontier regions (OGJ, Apr. 9, p. 82).

Most companies place the resource base at a somewhat lower level.

Shell, for example, estimates that 30-100 billion bbl and 150-500 trillion cu ft remain

to be found and produced in Alaska and the Lower 48, with most of those volumes offshore for oil and onshore for gas (Table 2).

TABLE 2.—SHELL'S FORECAST OF FUTURE DISCOVERIES

Area	Oil [1] (billion barrels)	Gas (trillion cubic feet)
Onshore:		
Lower 48	15	150
Alaska	10	50
Total	25	200
Offshore:		
Lower 48	10	70
Alaska	25	45
Total	35	115
Total United States	60	315
Range	30–100	150–500

[1] Excludes natural-gas liquids.

Source: Shell Oil Co.

The top of the range for oil is equal to the amount the U.S. has produced to date.

There's no question that finding that oil will be costly.

Says Gulf's McAfee, "Most of the remaining domestic oil and gas to be found is in frontier areas only slightly explored—the Alaskan North Slope, Atlantic offshore, and deep waters of the Gulf of Mexico.

"This oil and gas will be expensive to find and produce, but we know how to find and produce it. However, our resources still need strengthening in that regard."

John D. Haun, president of the American Association of Petroleum Geologists, estimates that maintaining the present discovery level of 2 billion bbl/year of oil equivalent will require the drilling of 388,514 new field wildcats with 2.6 billion ft of hole and an outlay of $179 billion during the next decade (OGJ, Oct. 15, p. 94). That would mean wildcatting at a rate 3½ times the 1979 level.

Despite the technological challenges and high costs, an intense exploration effort is absolutely required if the U.S. is to maintain or bolster its domestic production.

An analysis by Atlantic Richfield Co. shows that nearly half of the country's 1990 oil production must come from future discoveries (Fig. 3).

The biggest potential lies in frontier regions of the Outer Continental Shelf, says R. M. Bressler, ARCO executive vice-president.

Some "10–15 major untested OCS provinces hold the only real (production) trend-reversing potential for the U.S.," Bressler contends.

Alaska will claim a great deal of ARCO's efforts during the 1980s. During the next 5 years the company will spend two-thirds of a $10.5-billion capital program on conventional oil and gas exploration/development. And more than $2 billion of that amount will be spent in Alaska.

Elsewhere, smaller "but still major" reserves remain to be found onshore, Bressler says. Giant fields of 100 million bbl or more will continue to be found onshore, but they will be scattered in time and distance.

This leads ARCO to conclude that smaller discoveries and extensions will contribute more to new reserves than will major finds during the next decade.

"Our confidence in this projection is based on the continued improvement in seismic technology, which is opening many more opportunities than were formerly estimated."

He cites as an example the Overthrust Belt of the Rocky Mountains, a complex geological area, much of it covered with volcanic rock that formerly stymied the best efforts of geophysicists.

"Thanks to seismological advances," Bressler says, "the industry is forecasting reserves in this area ranging from 1.5 billion to 8.8 billion bbl of oil and 6 trillion cu ft of gas."

He believes the Gulf of Mexico still holds good opportunities for discovery of small to medium-sized fields "and possibly a few giants as well."

"Here again, the decline in the number of larger, more obvious prospects will tend to be offset by the increasing capability of new seismic technology to look deeper into the earth and detect more subtle geological anomalies where oil and gas may be trapped.

"We feel that improved prices will allow these smaller, more risky prospects to be drilled, enabling the industry to play this province heavily for the next several years."

WILL IT BE FOUND?

Petroleum economists attack Carter's excise tax on decontrolled U.S. crude. The danger, they charge, is that the levy will drain so much money out of the oil industry that the required exploratory campaign can't be mounted.

Typical criticism of the tax comes from E. Anthony Copp and Ronald M. Freeman, vice-presidents of Salamon Bros., New York.

They told a Senate finance committee hearing, "In this country, we always have managed to solve our energy problems by enhancing domestic output.

"Because lead times for petroleum and other natural-resource developments are long, we need to combine a sensible, national conservation effort with an effort to maximize near and long-term domestic energy supply.

"President Carter's program does not fully exploit this nation's domestic potential for exploring and rapidly developing hydrocarbons.

"The administration appears to have settled for a lower than possible effort at exploration in this country in favor of more capital-intensive, long-term, uncertain technologies.

"The so-called windfall profits tax is the Achilles heel of this country's mobilization effort on energy."

Mr. BELLMON. Mr. President, I wish to quote from it briefly.

The article states that:

The U.S. currently is producing allout at the rate of some 3 billion bbl of oil and 20 trillion cu ft of gas annually. If production is to be maintained at these levels, the U.S. during the next decade would produce roughly 30 billion bbl of oil and 200 trillion cu ft of gas. Those volumes exceed present U.S. reserves of oil (27.8 billion bbl as of Jan. 1, 1979) and equal present gas reserves (200.3 trillion cu ft).

In other words, over the next 10 years we are going to produce more oil than we now have proven as reserves in the ground and they would equal to the present gas reserves.

Thus, to hold production at current levels until 1990, the industry will have to find and develop reserves in this one decade at least equal to total current proved reserves for both oil and gas.

One can see what a monumental job is going to be for the industry to find this much new oil and gas in the United States where there are already many many wells that have drilled and yet where the industry continues to find new oil, although it is more difficult now and more expensive than it was when the prospects had not been so thoroughly picked over.

Further down in the article this statement appears:

Amid all the uncertainties, thus, there is this certainty: Conventional oil and gas will continue to dominate the U.S. energy-supply mix throughout the next decade and into the next century as well.

The article quotes the chairman of Gulf Oil, Mr. McAfee who says:

Given ideal circumstances and some measure of enhanced recovery, the U.S. could increase its oil (plus NGL) output by about one-fifth—to a maximum of 12 million b/d by 1990.

Mr. President, I quote that statement because there are some who claim there is no hope for finding oil and gas and that the money we spend will not produce results. Here is the chairman of one of the major oil companies who feels that given ideal conditions it is possible to increase this country's oil production by up to 12 million barrels per day by 1990.

It says further that most of the remaining domestic oil and gas to be found is in frontier areas only slightly explored, the Alaska North Slope, the Atlantic offshore, the deep waters of the Gulf of Mexico. This oil and gas will be expensive to find and produce, but we know how to find and produce it. However, our resources still need strengthening in that regard.

And then there is a quote by Mr. John D. Hahn, president of the American Association of Petroleum Geologists, who estimates that if U.S. explorationists maintain the present discovery level of 2 billion barrels per year of oil equivalent they will require the drilling of 388,514 new field wildcats with 2.6 billion feet of hole with an outlay of $179 billion through the next decade. This will mean wildcatting at a rate of 3½ times the 1979 level despite the technological changes and high cost and intense exploration efforts absolutely required if the United States is to maintain or bolster domestic production.

Mr. President, the point of this whole exercise is that the United States still has the resource base to make dramatically increased oil production possible. The problem is that there is a dramatic increase in the need for capital to drill these hundreds of thousands of wells and to bring the resources into production.

The Senate Budget Committee under the direction of the distinguished Senator from Colorado, Senator HART, caused a study to be made by a company here in Washington called ICF, Inc., and that company was charged with looking into the synthetic fuels prospects and gave us its report on September 5. I wish to read from the bottom of page 3 of that report which says:

Under current policy, oil imports would be about 11.3 million barrels per day (mmb/d) in 1990.

Then they say:

Although we have not considered all of the possible alternatives, we identified 7.7 mmb/d of import savings.

They feel that we can reduce our import level from 11.5 million barrels downward by 7.7 million barrels per day. They say:

These do not include synfuels, and each would achieve the import savings at a cost of per barrel saved of $30 or less.

And then they list the actions that would make that savings possible.

The first action they list is conservation, and they feel that by 1990 we can be saving up to 3.1 million barrels per day by an effective conservation program.

The next is substitution. They feel that by 1990 we can be saving 2.2 million barrels a day by substituting other types of fuel for oil.

But the figure that attracted my attention is the last one they listed, which is production. Their calculation is that by increased production we can be producing 2.4 million barrels per day of oil and saving that amount which would otherwise have to be imported.

Mr. President, I ask unanimous consent that this full report and statement be printed in the RECORD.

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

STATEMENT OF C. HOFF STAUFFER AND WILLIAM STITT

Mr. Chairman, it appears this Nation's energy problem has come into focus in the last few months for many Americans. Simply stated, the problem is that the United States does not have sufficient domestic resources to meet all of its demands for conventional oil and natural gas, with or without the production incentives provided by decontrolled prices. There have always been three ways to resolve this problem: import more petroleum, use less petroleum, or substitute coal and other domestic energy resources. In the last five years, the Nation has tried doses of all three remedies, but we have chosen thus far to rely primarily on increased imports of petroleum. As a result, oil imports have risen substantially since 1973.

In recent months, Americans have also been reminded of the two, heavy costs of oil imports. The first comes in the form of today's high price of foreign oil. On top of the four-fold price hike of 1974, OPEC has added another large increase in just this last year. The second cost of imports is in the form of risks to our economy, national security, and our freedom of action in matters of foreign policy and international trade. At this juncture, the probabilities for abatement soon of the oil circumstances in which we now find ourselves appear, as they say, to be "slim and none." There is an ever present threat of another embargo or permanent production cutback by a wealthy OPEC nation displeased by U.S. foreign policy.

As noted, the Nation has actually adopted some tough measures to reduce oil imports. Hundreds more have been proposed. This spring, a well publicized surge of interest in synthetic fuels occurred. The President's most recent energy initiative reflected that interest.

On July 15 of this year, the President set the goals of never again using more foreign oil than we did in 1977 and, further, of cutting the Nation's dependence in half by 1990. The long-term goal was to be met with a variety of actions. The first, actually announced on April 5th, was to allow the decontrol of oil prices as prescribed by law, but to tax away some of what the President called windfall profits. The revenue from that tax would then be used to finance other actions to cut imports, primarily the production in 1990 of 2.5 million barrels per day of synthetic fuels. The proposal for synfuels triggered the creation of this Task Force.

The purpose of our report to the Task Force is to provide information with which a choice can be made between two well-publicized approaches to creating a synthetic fuels industry in the United States. The first alternative is to immediately establish a production commitment by announcing a bold program for significant, commercial scale synfuel production by 1990. The second can be termed a two-stage approach in which demonstration plants are first built and operated and then, based on what was learned, a commitment is made to a particular amount and type of synfuel production.

A choice between the two aproaches can be based, in large part, on three factors. The desired oil import goal, the economic cost and other consequences of import reduction measures other than synfuel production, and the pace of technological development considered appropriate for these new processes. President Carter's import goal has already been stated. There remain a great number of alternative proposals regarding appropriate levels of future imports, but this report does not choose among them.

It's important at the outset to list the full range of ways to cut imports. First there are production options; these include both production of synthetic fuels and increased production of conventional and unconventional oil and natural gas. Second, there are conservation options for each of the major oil consuming sectors such as transportation, residential, and industry. Finally, there are substitution options, which include both switches from oil and gas to coal in some sectors and from oil to gas in others.

This statement first discusses our findings on the possible magnitude and cost of alternative means of import reduction. A second section presents our findings on issues in the design of a synfuel development program. We regret that only three weeks were available for our consideration of these key questions, and we hope the limitations imposed by that time constraint will be appreciated by those who read our report. But we also believe the Task Force will find the information provided to be useful. The Executive Summary of our report is attached to this statement.

Alternative means of import reduction

The highlights in our study of methods of cutting imports are as follows:

Under current policy, oil imports would be about 11.3 million barrels per day (mmb/d) in 1990.

Although we have not considered all of the possible alternatives, we identified 7.7 mmb/d of import savings. These do not include synfuels, and each would achieve the import savings at a cost per barrel saved of $30 or less. The actions and their results can be summarized as follows:

Action:	*Savings in 1990*
Conservation	3.1 mmb/d
Substitution	2.2 mmb/d
Production	2.4 mmb/d

In general, all three methods of import reduction would have similar economic efficiency and national security benefits.

The cost of these alternatives appear to be less than that for most synfuels.

However, the nation cannot "fine tune" import reduction in terms of either level or method. For this reason, the Congress may wish to develop a package of measures which, if they all worked perfectly, would overshoot the chosen import target. That package, to minimize risk of failure, should also be diversified to include all potentially attractive approaches, including synfuels.

In this context, we believe, the question is not whether to have synfuels at all. Instead, it is what pace of development is most appropriate for introducing these new technologies.

Pace of synfuel development

This analysis has found:

Experience has shown that time constraints and political visibility consistently limit the ability of federally supported pioneer projects to promote the commercialization of new technologies. The President's proposal clearly would achieve the important objectives of obtaining significant import reductions and providing a convincing symbol of America's resolve to decrease oil imports. Given previous experience, however, the plan appears less likely to result eventually in a commercially viable synfuels industry.

A program incorporating an aggressive first phase of synfuels production capacity development and a deferred decision about the magnitude and timing of future synfuel deployment provides an attractive alternative to the Persident's proopsal. Such as approach allows (i) effective action to demonstrate U.S. resolve, (ii) opportunities for follow-on synfuels deployment and the option to adopt more cost-effective import reduction measures, and (iii) the project-by-project flexibility found to be critical to the commercial maturation of technology innovations.

Of the wide array of policy mechanisms available to simulate private sector innovative activities, the President selected a specific set of tools for use in promoting synfuels. Of this set, two subsidy devices deserve special attention. Price guarantees offered through competitive bidding offer significant economic and commercialization advantages. Loan guarantees appear to present serious budgetary and commericalization difficulties.

EXECUTIVE SUMMARY

The purpose of this report is to provide information with which a choice can be made between two well-publicized approaches to creating a synthetic fuels industry in the United States. The first alternative is to immediately establish a production commitment by announcing a bold program for significant, commercial scale synfuel production by 1990. The second can be termed a two-stage approach in which demonstration plants are first built and operated and then, based on what was learned, a commitment is made to a particular amount and type of synfuel production.

A choice between the two approaches can be based, in large part, on three factors: the desired oil import goal, the economic cost and other consequences of import reduction measures other than synfuel production, and the pace of technological development considered appropriate for these new processes. President Carter's goal is that imports, however defined, may never again exceed their 1977 level and by 1990 will be out 50 percent below what they would have been. But there are a great number of alternative proposals and this report does not choose among them.

Under current policy, it is estimated oil imports will be about 11.3 million barrels per day in 1990. That estimate reflects an assumption that the world oil price will be maintained at its current level of about $20 per barrel except for annual adjustments for U.S. inflation. A variety of other assumptions specific to particular energy producing and consuming sectors are detailed in the text and appendices.

One action to cut imports is assumed to be in effect since at least some of the necessary steps have already been taken. That action is the decontrol of domestic oil prices. The Administration's windfall profits tax is also assumed to be approved. By this one step, imports are estimated to be cut to 8.9 million barrels per day (mmb/d) by 1990.

This summary first presents the findings of recent research on the appropriate pace for introducing new technologies. A second section presents estimates of the possible magnitude and cost of cutting imports below 8.9 mmb/d in 1990 through actions other than synfuel production; that is through conservation and coal substitution. A final section presents the specific findings of the report.

Policy options for synfuel development

A decision on the level and pace of a program to create a U.S. synfuels industry depends, obviously, on the purpose of such an endeavor. The Administration emphasizes two purposes or goals for its ambitious synfuels plan: to demonstrate U.S. resolve to reduce the Nation's import dependence; and to actually decrease U.S. imports by half over the next decade. To these two explicitly stated goals a third should be added: to create eventually a commercially viable synfuels industry.

It is important and fair to ask whether an approach other than the Administration's would be more likely to achieve the three goals. This analysis formulates two alternatives based on the phased approach mentioned above. Briefly, the Administration's plan as well as the two alternatives can be defined as follows:

The President's proposal creates the Energy Security Corporation which, by 1981, would sign contracts with six full scale synfuels plants. Approximately, another twenty contracts would be signed by 1984 so that subsidized synfuel capacity would be 1.75 mmb/d in 1990. Tax credits for oil shale and unconventional gas would add another .75 mmb/d of capacity in that year.

An alternative two-phase plan would quickly contract for six plants, but it would not automatically proceed with more on an accelerated schedule. Based on what was learned in Phase I, a decision would be made on whether to aim for 2.5 mmb/d of capacity in 1990 or 1995 and on what type of synfuels would be included.

A third hypothetical plan would also have two phases, but, based on what was learned, a decision could be made on whether to proceed at all with further synfuel development or to reduce imports through other more cost-effective measures.

The administration's plan, by definition, achieves the goals of demonstrating U.S. resolve and cutting imports. But, for several reasons, the fast pace approach to development could do harm to the ultimate, commercial prospects for synfuel technologies. Experience with other demonstration programs shows that technologies tested under severe time constraints seldom are adopted widely by the private sector. This is primarily because the uncertainties associated with the technologies simply are not explored thoroughly and credibly.

Either of the hypothetical alternatives could lessen the time pressure and thereby enhance commercial prospects. The question is whether they do less than the President's plan with respect to the import goals? The phased programs would not compromise these other goals if the world is convinced that they will inevitably result in production. Indeed, there are those who believe a phased approach might be viewed as a more credible attack on import dependence simply because a slower pace could enhance the Nation's chance of developing reliable production processes with reasonably priced products.

A variety of policy tools are available for any of the synfuel programs: government ownership; loan guarantees, market guarantees, etc. The challenge for the government is to find tools that minimally distort normal business decisionmaking and generate useful information for other potential synfuel producers. Price and purchase guarantees seem best suited to these purposes. Loan guarantees could distort decisionmaking and obscure important information.

Other means of import reduction

The last of potential approaches to cutting oil imports is limited only by the will of 200 million Americans. This report does not pretend to exhaust the possibilities, but rather to explore a sample of major actions which could add to, complement or substitute for synfuels production in the 1990 timeframe. Furthermore, we do not mean to imply that the result of any import savings action is certain. For this reason, the Congress may want to develop a package of measures which if they all worked perfectly, would overshoot the chosen import goal. The actions discussed here include three general types:

Conservation investments such as increased insulation in houses and improved automobile fuel efficiency.

Direct substitution of coal for oil and natural gas in utility and industrial boilers.

Increased production of conventional oil and natural gas through enhanced recovery methods.

Each of the representative ways to reduce imports is discussed more thoroughly in one of several appendices. Summary Table 1 presents the results which might be obtained through a conservation and substitution program pursued with an urgency equal to the Administration's proposed synfuels program. It displays the cost of cutting imports. Cost is defined as the oil price at which a particular action would be economically justified. For example, at somewhere around $30 per barrel it would be economically justified to have an average, EPA rating of 52 miles per gallon for all new cars. This action would reduce imports by about .7 mmb/d in 1990 and, for the purposes of Table 1, that level import saving would be said to cost between $20 and $30 per barrel.

SUMMARY TABLE 1.—SOME REDUCTIONS IN OIL AND GAS CONSUMPTION IN 1990 POTENTIALLY ACHIEVABLE THROUGH INVESTMENTS IN CONSERVATION AND FUEL SUBSTITUTION [1]

[In quadrillion Btu's]

	Cost per barrel saved					
	Up to $20			Up to $30		
Federal action	Oil	Gas	Total	Oil	Gas	Total
Increase auto MPG standards	1.3	.....	1.3	.....	.....	1.5
Conserve residential building energy [2]	1.6	.7	2.3	1.7	1.5	3.2
Conserve commercial building energy	.4	.2	.6	.5	.4	.9
Use asphalt substitutes	.5	.....	.5	.9	.....	.9
Reconvert coal-capable utility boilers [3]	.....	.....	.4	.....	.....	.9
Accelerate replacement of oil- and gas-fired utility boilers	.....	.....	.....	.....	.....	2.1
Prohibit oil and gas use in new industrial boilers	.....	.....	.....	.....	.....	1.7
Total (mmb/d)	.....	.....	5.1 (2.4)	.....	.....	11.2 (5.3)

[1] Two general points are key to understanding the table. First, the base case estimate of oil imports in 1990, adjusted for decontrol, already reflects the supply of considerable quantities of oil and gas produced with enhanced recovery methods; this amounts to 1.3 mmb/d of oil and 0.4 mmb/d of gas. Second, the table does not list all possible import saving actions. It does not include industrial oil and gas conservation and it does not include measures requiring lifestyle changes, e.g., a requirement that only compact cars be sold.

[2] Solar measures are not listed in this table because widespread use is not expected until after 1990. Moreover, solar technologies would usually supplant electricity which would by then be generated using little oil and gas.

[3] Split between oil and gas depends on regulations developed in the future. We assume that conserved natural gas replaces oil elsewhere.

Although Table 1 cannot be considered precise, it can be used to compare the cost of import reduction through synfuels and other means. For example, before paying $30 per barrel for a synthetic fuel, it might be cost-effective to exhaust all the actions that have a lower cost for import reduction; those actions sum to over 5 mmb/d of import reduction in 1990. Of course, effects in addition to cost would have to be considered before making a choice among alternative energy policies. Key among these may be the multitude of individual actions required to implement conservation measures throughout our diverse economy.

At least one other point should be made in order that Table 1 can be interpreted properly. Almost half of the actions to reduce imports are said to be economically justified at $20 per barrel, which is the assumed oil price in our base case. One must then ask why the actions would not be taken voluntarily, without Federal programs. For a variety of reasons, including consumer preferences for lower initial costs over later savings, lack of information, and failure of energy conservation investments to be incorporated into the value of capital goods, individuals often make energy decisions that are inappropriate on purely economic criteria.

Findings

This analysis has found:

Experience has shown that time constraints and political visibility consistently limit the ability of federal supported pioneer projects to promote the commercialization of new technologies. The President's proposal clearly would achieve the important objectives of obtaining significant import reductions and providing a convincing symbol of America's resolve to decrease oil imports. Given previous experience, however, the plan appears less likely to result eventually in a commercially viable synfuels industry.

A program incorporating an aggressive first phase of synfuels production capacity development and a deferred decision about the magnitude and timing of future synfuel deployment provides an attractive alternative to the President's proposal. Such an approach allows (i) effective action to demonstrate U.S. resolve, (ii) opportunities for follow-on synfuels deployment and the option to adopt more cost-effective import reduction measures, and (iii) the project-by-project flexibility found to be critical to the commercial maturation of technology innovations.

Of the wide array of policy mechanisms available to stimulate private sector innovative activities, the President selected a specific set of tools for use in promoting synfuels. Of this set, two subsidy devices deserve special attention. Price guarantees offered through competitive bidding offer significant economic and commercialization advantages. Loan guarantees appear to present serious budgetary and commercialization difficulties.

Provided that new sources of domestic production become available in the year 2000 timeframe to effectively put a cap on foreign oil prices, the national security and economic benefits of import reductions in 1990 would be the same whether that reduction is achieved through conservation or production. The choice between the two approaches should be based on a comparison of their economic, environmental, and equity effects.

There appear to be a significant number of opportunities to cut oil imports through energy conservation and coal substitution at a cost of less than $30 per barrel saved. Import reduction with such actions could reach 5.3 Mbpd in 1990.

An energy policy relying on conservation and substitution approaches to import reduction would not, however, be free of uncertainty and risk. There would be serious obstacles to reaching a political consensus on how to conserve and substitute. Moreover, there would be institutional problems with implementing any such programs.

Mr. BELLMON. Mr. President, here we have the oil companies saying that they can increase production up to 12 million barrels a day and here we have an absolutely independent think-tank organi-

zation here in Washington saying virtually the same thing. The only thing that seems to be needed is an incentive in the capital to make this kind of development possible, and that is the purpose of this amendment.

This amendment says to the industry "put up or shut up." We are saying our Nation has the energy resource base. We are saying the country needs the increased production. We are saying we know the industry needs hundreds of billions of dollars of new capital to invest to bring on this increased production. And then we are saying if the oil industry can deliver this increased production through the use of production tax credit, it will be a wise investment for consumers, for producers, and for the country.

Mr. President, as I said at the beginning, this is an amendment which I feel every Member can agree upon. It guarantees the consumers will get more energy and not more Government for the extra money they pay.

I urge the favorable consideration of this amendment.

I reserve the remainder of my time.

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

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I am glad to yield to my friend from Minnesota.

Mr. BOSCHWITZ. Mr. President, I am a cosponsor of this amendment, and I rise to speak in its support.

I believe that this is the only amendment that has been offered that ties a tax incentive to increased production. This is not exactly a plowback amendment, as my distinguished colleague from Oklahoma said. This amendment provides that the producers have to produce the goods in order to get any type of credit against the tax that we are now debating. It stipulates that they not only have to produce more oil, but they also have to return the normal depletion that an oil well goes down each year; and I believe that is approximately 12 percent. This amendment also addresses itself to the very basic question of demand and supply. Unless we are able to supply ourselves, unless we are able to get the elements of the marketplace into our own hands, we are going to be unable to impact, in any way, the price of oil. It is simply going to continue rising at the whim of the OPEC nations.

So I support this amendment. In order to get a 25-percent credit against the windfall profit tax, producers have to increase production by not only the 1 percent that is mandated in this amendment, but they also have to return the 12-percent depletion that would otherwise take place in an average property.

As my distinguished colleague from Oklahoma pointed out, these 3-percent increases, as they are compounded over the years, will mean a 3.3-million-barrels-per-day increase over present production 10 years from now. That is just presuming, Mr. President, that this incentive will bring about an additional 3-percent production.

I think, Mr. President, that we could look forward to a production increase in excess of that 3 percent. I think that we could, if we are going to seek energy independence, look forward to a significant production contribution. However, production alone will not be enough. As the Senator from Oklahoma pointed out, conservation is also very important.

I repeat, Mr. President, that if this 3 percent is taken and compounded over a 10-year period, we can expect at least 3.3 million additional barrels of additional production.

Yet, if there is a true incentive, probably greater increases can take place. And, as the distinguished Senator from Oklahoma pointed out, can indeed take place.

Not only that, but it would halt some things that may develop under this bill. For instance, allowing producing wells to become less productive in order to get them into the stripper category in an attempt to obtain a higher price for oil.

Hence, this amendment will encourage production, Mr. President, for many years to come. It will provide the producer with the capital that is necessary to put his equipment into meaningful productive use.

Mr. President, I believe, as the Senator from Oklahoma said, that this amendment is a put-up or shut-up type of amendment. No other such amendment has been offered to the windfall profits tax. All kinds of amendments have cut a corner or excluded this or included that or raised the tax or decreased the tax. But no amendment has specifically stipulated that there must be more production before you can indeed get the credit that will accompany that new production. This is a credit on the tax that is paid on the production that would otherwise be taxed at a rather confiscatory rate.

It is a put-up or shut-up amendment, Mr. President, and I encourage all the other Members to vote with us and bring it about.

Mr. BELLMON. Mr. President, I thank my friend from Minnesota. He is a cosponsor of the amendment.

I might say, in all candor, that it was in a discussion that he and I had some weeks ago that led to the development of this amendment. I wish to thank him for his input, and also for his support. He comes not from an oil-producing State but a consumer State, and I believe it shows there is support for this kind of approach pretty well across the board.

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

Mr. BELLMON. I am happy to yield.

Mr. BOSCHWITZ. Again, Senator, the principal point is that as you compound that 3-percent increase it would lead to 3.3 million barrels over the next decade. This is compared to, for instance, synthetic fuels where the goal by 1990 is half that. So indeed I think we can produce more than that. I think this incentive will not be limited to 3 percent compounded.

Mr. BELLMON. The Senator is correct. It is my hope that it will go far beyond the 3 percent, although I must admit that reaching that level is going to require a maximum effort.

So we are talking about, we say, 3 percent, and that is the effect, but we realize that to get that 3 percent we have to overcome each year the 12-percent normal decline curve, so we are talking far more than 3 percent from the current base.

I might say to the Senator the studies I have seen on the prospect for synthetic crude production give practically no hope for realizing 1½ million barrels of synthetic crude by 1990, whereas a realistic amount is 500,000 barrels per day.

Over the next 10 years we are going to have to depend almost entirely on crude oil to meet that demand, and this amendment is intended to accelerate the development of our crude oil reserves and our resources in this country to get us through the next decade and into the 1990's when synthetic fuels may be able to make a greater contribution.

I reserve the remainder of my time, Mr. President.

Mr. RIBICOFF. Mr. President, I rise to oppose the amendment. The amendment of the distinguished Senator from Oklahoma would virtually eliminate the tax for many producers. On the average, oil-producing properties decline at a rate of about 12 percent a year. The distinguished Senator from Oklahoma says if the property increases production at the rate of 3 percent a year you can eliminate 75 percent of the windfall tax.

The problem is that this argument sounds good, that it will bring us more production. But 30 percent of all oil-producing properties do not decline in a particluar year because they are in a development stage or are in a secondary recovery stage. As a result, even if the credit does not cause any change in production, it still loses revenue on 30 percent of the properties, and that is why it leads to a $30 billion revenue loss over a 10-year period.

Yesterday in the Bradley amendment we voted by a large margin to increase revenues by $22 billion. This proposal would lead over a period of 10 years to a revenue loss of $30 billion.

The ironic part of this proposal is that the oil industry itself has consistently testified before the committee that they oppose a plowback amendment. They like the idea but they do not know how it will actually work out, and this causes a great deal of concern.

Now, the following oil associations and oil companies have testified before the Finance Committee on plowbacks because they do not feel it will work: The American Petroleum Institute, the Independent Petroleum Association of America, Mid-Continent Oil and Gas Association, Rocky Mountain Oil and Gas Association, Western Oil and Gas Association, Sohio, Exxon, Arco, Gulf, Marathon, and Louisiana Land and Exploration.

Generally, it is ironic to find myself on the side of these particular organizations on any part of oil or energy legislation. But in this case they recognize, and the committee staff has recognized, and what has worried the members of the Finance Committee, the complications with the plowback and the difficulties involved.

We have been trying for 3 days to work out a proposal to bring us in increased

revenues, and that has been the subject of very serious negotiations.

I am afraid if we had adopted the Bellmon amendment we would find ourselves in a position that in no way could we get back the $30 billion without substantially increasing the windfall profit tax in many instances, which would cause a hue and cry from those Members who are now advocating the plowback provision. Consequently, I hope the Senate will reject the Bellmon proposal.

I yield as much time as the distinguished Senator from New Jersey would like to take.

Mr. BRADLEY. I thank the distinguished Senator from Connecticut.

I think it should be clear to the Senate that this is the first of a series of amendments to reverse the action the Senate took the day before yesterday in voting a 75-percent tax on tier 2 oil.

We have had a great deal of debate about that 75-percent tax on tier 2 oil, and 58 Members of this body thought it should be 75 percent. The vote was taken, the will of the Senate was registered, and now we have the beginning of a whole series of amendments to take the tax out the back door and to gut the tax on tier 2 oil by providing credits against the tax.

Mr. President, I would suggest that the Senate spoke very clearly on this matter just a short time ago. I would also suggest that on yesterday's amendment dealing with the depletion allowance, the distinguished chairman of the Finance Committee and the Senator from Texas said that the Senate had voted to exempt independents, and that if support was given to the depletion allowance, the Senate would be guilty of intellectual schizophrenia—that was the word used by the opponents of the depletion allowance amendment.

Mr. President, the same case can be made for this whole series of plowback amendments. We went up the hill with the 75-percent vote on tier 2 oil, and now we are about to come down the hill with the series of plowback amendments to take revenues away from the U.S. Government and its people.

Mr. President, I would suggest that the purpose of this bill is to produce more energy and to produce new energy. I would also suggest that the Finance Committee structured its actions accordingly, exempting new oil because we felt there would be a supply response if there was no tax.

But, Mr. President, this is clearly not the case in this particular amendment. I suggest that what we have here is diminishing marginal efficiency.

How do we want to use the $22 billion that the Senate approved by increasing the rate on tier 2 to 75 percent? Mr. President, I would suggest that the way to use that revenue is in producing new energy and new forms of energy. We will get no more new energy from oil production by cutting that tax.

One only has to look at how this tax would work to clearly see the problem. For example, producer X has several oil fields, or several producing wells, some of which are in tier 2. However, because he sees the world oil price going to $30 or $40 or $50, and sees that he can obtain a very substantial return on his investment because of that world oil price, he decides to invest in new oil production. If he is successful, his total production increases. Under this amendment, that producer is rewarded doubly, first by getting the world oil price; second by getting a tax credit that he can then write off against the tax he would have paid on the tier 2 oil.

Mr. President, I would suggest that there are much better ways to spend this money. There are alternate sources for producing more natural energy. For example, there is more energy production potential in coal, in solar, in cogeneration, and, for that matter, in urban waste and conservation. If we were to tax new oil at 50 percent or 60 percent, there might be some logic to this tax credit applied to a net increase in production; but by exempting new oil, we have eliminated the argument for this tax credit.

Mr. President, do we want a tax credit for energy sources and technologies with the most production potential? That is indeed what we want. We can generate energy from coal and coal gasification at about $45 a barrel nowadays. We can produce solar energy at about $25 a barrel, biomass at about $15 to $21 a barrel. cogeneration at about $16, hydro at about $6—Mr. President, a net production tax credit might make sense if it was for garbage, if it was for solar, or, most importantly, Mr. President, if it was for conservation. But that is not what this tax credit applies to.

However, I would call attention to one provision in this amendment to the effect that if a company not only has oil production, but also produces oil shale, and that if as a result of that synthetic crude production its total production increases, it receives a credit against the tax on oil in tier 2 that was in production before it ever started producing synthetic crude.

Mr. President, I would hope that the Senate would look very carefully at this amendment, because what it amounts to is subsidized capital. When we are in the business of providing subsidized capital for a particular enterprise, whether it is the production of oil or solar or a gas pipeline or a garbage-to-energy system, I think we need a careful cost-benefit analysis of each one of these enterprises. However, this credit is limited to oil production and no cost-benefit analysis has yet been made.

So, Mr. President, I ask that the Senate review this amendment, because it is clearly an attempt to negate the action that was accomplished but 2 days ago by increasing the tax on tier 2 oil to 75 percent.

Mr. RIBICOFF. Mr. President, I yield to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to have a brief colloquy, if I might, with the distinguished sponsor of the amendment, because I have some problems here.

It seems to me we have taken care of the independents, or at least a very substantial portion of them, with the 1,000-barrel-a-day exemption. Before the Finance Committee, as the acting floor leader just said, the testimony was that the majors were not interested in the plow-back provision because of the difficulties in calculating it.

But setting all that aside, here is the difficulty I have: You have a well that is producing a large amount. All wells do not decline at a rate of 12 percent a year. I think that is accepted; some relatively new wells are pumping along at a relatively even amount. There is the type of well one could easily jump up to get the increased production for this tax credit. You have another set of wells that are declining very rapidly. So would not the logical thing be, in order to get these tax credits, which are very substantial—as I understand it, each 1 percent above the level amounts to 25 percent of credit, up to 3 percent, which amounts to 75 percent, and then there is a cutoff; is that correct?

Mr. BELLMON. That is correct.

Mr. CHAFEE. It seems to me there would be a large inclination—correct me if I am wrong—for the producer to say, "Forget the well that is not doing very well, and concentrate on the ones that are producing the large amounts, that I can easily kick up into the higher brackets, that is, at the 1 percent, 2 percent, or 3 percent, and there is where I am going to get my money." Yet in the overall energy picture, there is not the production we would like to see. The owner says to himself, "I am not interested in that upper tier production from these declining wells that are not going to do much; I will concentrate on the ones that will give me the world price." I wonder if the Senator from Oklahoma would be good enough to help me on that.

Mr. BELLMON. Mr. President, first let me say that under this amendment, independents not paying the tax would not be eligible for this tax credit. Only those paying the tax would be covered by the amendment.

The Senator may have a point, and if he would like, we could probably change the amendment to take care of it.

The figure we use is 12 percent. There is no way to write an amendment to cover every situation, and we use the figure generally accepted by the authorities. That 12 percent is the average decline curve for the industry, nationwide

We made this amendment apply either on a company-by-company or field-by-field basis. We could drop the field-by-field. Our purpose was to not inhibit production. Everything we have done so far by putting on taxes tends to make producers feel that the longer they wait, the more they will get for their oil. We are trying to turn it around and make it go the other way.

If the Senator would like, we could remove the field-by-field basis and make the figures company-wide, or for every well the producer had. I think on that basis, you would find the 12 percent decline curve is realistic. I frankly do not think the problem the Senator raises is that great.

Mr. CHAFEE. Mr. President, this is an incredibly complicated situation, and I do not feel I have the expertise, at this

late hour, with the time limit, to come in with an amendment. I stand shoulder-to-shoulder with the Senator from Oklahoma in opposing the tax on new oil. I will vote against it. But I have great reservations as to this proposal we have before us, because of the incredible difficulties presented to us in hearings.

Mr. BELLMON. Will the Senator yield on that point?

Mr. CHAFEE. I yield.

Mr. BELLMON. I do not believe this amendment ought to be thought of as a plowback amendment. It is not a plowback amendment. A plowback amendment says that if the company spends money in oil and gas-related activities, those moneys are not taxed. There is no connection between production and expenditures in that kind of situatien.

Here we are saying either produce or pay. It is as simple as that. If the company spends money and does not get any additional production, then there is no tax credit.

I cannot see that it is that complicated. But it is vastly different from a so-called plowback amendment, where there is no connection between expenditures and results.

Mr. CHAFEE. I recognize the difference, and I appreciate the Senator pointing out the difference between this production credit and the plowback.

But in the illustration that I gave, based on my limited knowledge of this particular subject, it seems to me there are real difficulties with it. I just point that out. I am not in a position to present an amendment to cure the difficulties that I saw.

Several Senators addressed the Chair.

Mr. CHAFEE. Mr. President, I suspect my time is up.

Mr. BELLMON. I am not sure the difficulties are as real as the Senator feels, although there are some wells that decline more rapidly than others. But we have chosen what is the accepted decline rate.

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

Mr. BELLMON. I am happy to yield to the Senator from Minnesota.

Mr. BOSCHWITZ. Is this correct: that under this amendment, if a field production would go up, then there would be a production tax credit that would apply to the oil producer in that field?

Mr. BELLMON. The Senator is correct.

Mr. BOSCHWITZ. And not in the oil overall. So if there was another area going down, I do not understand how that would impact or why there would be an incentive to discontinue that production.

Mr. BRADLEY. Mr. President, will the Senator yield on that point?

Mr. BELLMON. Mr. President, before I yield, let me comment that the declining wells that the Senator from Rhode Island has mentioned would probably be likely prospects for secondary tertiary recovery. Under this amendment, that sort of activity would be greatly encouraged and capital would be available to undertake specific projects.

Mr. President, I yield to the Senator from New Jersey (Mr. BRADLEY).

Mr. BRADLEY. I just wanted to ask the proponent of the amendment: Is it not true that if the amount of revenue loss is correct—about $30 billion—would not that be directly applicable to the tax liability incurred under the tier 2 tax the Senate passed just 2 days ago?

Mr. BELLMON. I say to my friend from New Jersey, there is a direct connection between this amendment and the tier 2 tax. This amendment applies to all the taxes that a producer would owe under the terms of this bill. As we figured it, if the bill actually produced the 3 percent per year increase in production, it would not be in a revenue loser. It would be a very substantial revenue gainer, because of the fact that the additional 9.4 billion barrels of oil produced in 1990, and all of the other increment in the years between, would generate almost $60 billion of additional revenues to the Treasury from the corporate tax alone, to say nothing of the individual personal income tax.

So to say it is a revenue loser, I think, is to overlook the fact that there would be very significant revenue gains from the taxes that are already in place.

Mr. BRADLEY. But it would be a tax credit against the windfall profit tax, is that correct?

Mr. BELLMON. Increased production would be eligible for a tax credit and also eligible to pay corporate tax and corporate income tax.

Mr. BRADLEY. So that the effect would be, even assuming increasing corporate taxes, that there would be a decrease in windfall profit tax revenues as a result of this amendment.

Mr. BELLMON. Well, as far as I am concerned, revenues are revenues. If it is in the Treasury from the corporate tax or personal income tax, it is there. And whether it comes from one source or another is not noticeable, once the money has been collected.

But the point is that this amendment, if it is going to produce tax credits, is also going to produce increased oil. And that is what we are after.

Mr. BRADLEY. Has the Senator cited any figures about the relative efficiency of a tax credit for oil production and a tax credit for—well, let us say a tax credit for conservation, or a tax credit for solar energy, or a tax credit for cogeneration? If the Senator has cited those, I did not hear them. Why is this tax credit better than other tax credits that can obtain oil equivalencies at lower costs?

Mr. BELLMON. Perhaps the Senator was not in the Chamber when I read from the report by ICF Inc., which is a Washington think tank that was engaged by Senator HART's task force on synthetic fuels, which issued its report on September 5. I will read it again.

They say that it is possible, through conservation, to reduce oil consumption by 1990 by 3.1 million barrels a day. That is the conservation savings possible.

Mr. BRADLEY. At what cost?

Mr. BELLMON. Just a minute.

With substitution, it is possible to save 2.2 million barrels a day. The increased production is 2.4 million barrels a day. And then they say each of these would achieve a savings at a cost per barrel saved of $30 or less.

I think that answers the question the Senator raises.

Mr. BRADLEY. Well, your figure for conservation of $30 a barrel is much higher than the Harvard Business School study has stated, much higher than DOE has stated, much higher than any number of other bodies that have determined what it would cost to save a barrel of oil equivalent through conservation is.

Mr. BELLMON. Mr. President, this says $30 or less. It does not say $30 exactly.

I agree with the Senator, any oil we can save through conservation or through substitution, let us do it. But we also have to do all we can to bring on additional production. And that is the purpose of this amendment.

Mr. BRADLEY. Mr. President, I would like to reiterate that it is my understanding—and the Senator said nothing to change that understanding—that this tax credit would offset windfall profit tax liabilities and that the tax credit would decrease revenues by $30 billion and would be a decrease in revenues against windfall profit tax revenues, thereby reversing the Senate's decision yesterday to increase revenues by $22 billion through an increase in the tier 2 tax.

● Mr. DOLE. Mr. President, I strongly support the concept of a plowback. Indeed, at an appropriate point later in the consideration of this bill, I intend to propose my own version of a plowback or production incentive credit.

For the Senator from Kansas the attractiveness of the plowback concept is quite simple—it will insure that oil company revenues will be put back into new petroleum exploration and development. If the additional revenues from decontrol are not put back into the ground, the oil companies will get nothing. A plowback credit, however, will insure that there will be additional capital available to allow oil companies to step up their domestic drilling programs.

The plowback proposal offered by the Senators from Oklahoma, Colorado, and Minnesota is somewhat unique. Rather than tying the plowback credit to expenditures for exploration or development, the Bellmon credit is keyed to increases in oil production. As I understand it, the amendment would allow a 25-percent credit against windfall profit tax liability for each percentage point by which a company's current production exceeds the taxpayer's average quarterly production during 1979 or the most recently ended calendar quarter. Under the Bellmon amendment up to a maximum of 75 percent of a taxpayer's windfall profit tax liability can be eliminated if a taxpayer's current oil production is increased by 3 percent over 1979 production. The plowback credit could be carried forward for 3 years and carried back 7 years. Also, the credit could be computed on an overall basis or a property-by-property basis.

The amendment of the Senator from Oklahoma has the advantage that it rewards increases in oil production.

Thus, it encourages results. Additional oil production is what this country needs.

Even though the Senator from Kansas is attracted by the concept of rewarding results, he has some concerns about the pending amendment. Let me take a moment to review some of these concerns.

First, the pending proposal might allow some producers to largely escape the windfall profit tax. Under this amendment a producer can avoid up to 75 percent of his windfall excise tax liability. Consequently, this amendment might have a significant impact on the revenues yielded by this bill. Although it may come as a surprise to some, particularly those in the press, I have consistently supported the concept of having a real windfall profit tax—that is, a tax which actually raises a substantial amount of revenue. In my judgment, the Finance Committee did an outstanding job in reporting out such a tax. In general, I believe the Finance Committee bill strikes the proper balance between needed revenues and production incentives.

Nevertheless, the Bellman amendment may be worth its cost. It would seemingly produce more oil, or it would have no cost. Furthermore, even if the Bellmon amendment has a significant cost, it may simply restore the balance of the Finance Committee bill by offsetting the tax increases added on the floor of the Senate.

I am also concerned that this amendment might penalize the producer who makes a bona fide effort to find new oil but proves to be unlucky. For example, a producer might undertake an expensive drilling program and find that he hits a number of dry holes. Even though this individual has valiantly attempted to increase American oil production, he will be nonetheless socked with a tax on his existing production. Unfortunately, this may merely be the cost of a credit which rewards results. Those who do not produce get no credit.

Despite these concerns, I support the Bellmon proposal as a worthwhile approach to stimulating production. I commend the sponsors for developing and presenting to the Senate a truly novel approach to increasing America's petroleum production and alleviating our energy shortage.

Mr. RIBICOFF. Mr. President, I have no more requests. I am willing to yield back the remainder of my time.

Mr. BELLMON. Mr. President, unless there is a request for time on this side, I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Oklahoma (Mr. BELLMON).

Mr. RIBICOFF. Mr. President, I move to table the amendment of the distinguished Senator from Oklahoma (Mr. BELLMON).

Mr. BELLMON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

The question is on agreeing to the motion of the Senator from Connecticut (Mr. RIBICOFF) to table the amendment, as modified, of the Senator from Oklahoma (Mr. BELLMON). The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Tennessee (Mr. SASSER), the Senator from Florida (Mr. STONE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Oregon would vote "yea" and the Senator from South Carolina would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 50, nays 35, as follows:

[Rollcall Vote No. 460 Leg.]

YEAS—50

Baucus	Ford	Muskie
Bentsen	Glenn	Nelson
Biden	Hart	Packwood
Bradley	Heflin	Pell
Burdick	Heinz	Percy
Byrd, Harry F., Jr.	Hollings	Proxmire
Byrd, Robert C.	Huddleston	Pryor
Cannon	Inouye	Randolph
Chafee	Jackson	Ribicoff
Chiles	Javits	Riegle
Cranston	Leahy	Sarbanes
Culver	Levin	Stafford
DeConcini	Magnuson	Stennis
Durkin	Matsunaga	Stevenson
Eagleton	Melcher	Stewart
Exon	Metzenbaum	Tsongas
	Moynihan	Williams

NAYS—35

Armstrong	Hayakawa	Nunn
Bellmon	Helms	Pressler
Boren	Humphrey	Schmitt
Boschwitz	Jepsen	Schweiker
Cochran	Johnston	Simpson
Cohen	Kassebaum	Tower
Danforth	Laxalt	Wallop
Dole	Long	Warner
Domenici	Lugar	Weicker
Durenberger	Mathias	Young
Garn	McClure	Zorinsky
Hatch	Morgan	

NOT VOTING—15

Baker	Gravel	Sasser
Bayh	Hatfield	Stevens
Bumpers	Kennedy	Stone
Church	McGovern	Talmadge
Goldwater	Roth	Thurmond

So the motion to lay on the table Mr. BELLMON's amendment (No. 692), as modified, was agreed to.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas (Mr. DOLE) and the Senator from Washington (Mr. JACKSON) are recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? Who has the floor?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, there is some interest at this point in substituting for the moment an amendment by Mr. HELMS, letting Mr. HELMS go with his amendment this evening. I understand he will be agreeable to a half-hour equally divided on that.

Mr. HELMS. No more than that.

Mr. ROBERT C. BYRD. Will the Senator state what his amendment is?

Mr. HELMS. It is the gasoline tax amendment.

Mr. ROBERT C. BYRD. What does it do?

Mr. HELMS. It renews the exemption after next year, I say to the Senator, so it will not impact on the budget.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for Mr. HELMS to call up his amendment at this time, and that there be a half-hour time limitation, the time to be equally divided between Mr. LONG and Mr. HELMS.

Mr. PERCY. Reserving the right to object, will Senator HELMS advise if he is going to use all his time? Does he think he will take the half-hour?

Mr. HELMS. Indeed, I shall not. I shall only use 15 minutes myself and there may be other Senators who wish to speak.

Mr. PERCY. I have no objection.

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

Mr. ROBERT C. BYRD. I thank all Senators.

Once the amendment by Mr. HELMS is disposed of, the amendment by Mr. DOLE would then be pending. Is that correct?

Mr. DOLE. The Senator is correct. I may want to shift it or not offer it at this time. We are not required to offer them in sequence.

Mr. ROBERT C. BYRD. The Senator has not offered it?

Mr. DOLE. No.

Mr. ROBERT C. BYRD. Then, I am not mistaken.

AMENDMENT NO. 632

(Purpose: To amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels)

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from North Carolina is recognized to call up his amendment.

Mr. HELMS. Mr. President, I call up my amendment No. 632.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself and Mr. DOLE, Mr. HATCH, Mr. TOWER, Mr. MELCHER, Mr. RIEGLE, Mr. FORD, Mr. STEVENS, Mr. SCHMITT, Mr. GARN, Mr. HUMPHREY, Mr. STONE, and Mr. MORGAN, proposes an amendment numbered 632.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

"Section 164(a) of the Internal Revenue Code of 1954 (relating to taxes) is amended by adding at the end thereof the following new paragraph:

"(5) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels".

SEC. 2. (a) The heading of paragraph (5) of section 164(b) of such Code (relating to separately stated general sales taxes) is amended by adding "and gasoline taxes" after "general sales taxes".

(b) Paragraph (5) of section 164(b) of such Code (relating to separately stated general sales taxes) is amended by adding "or of any tax on the sale of gasoline, diesel fuel, or other motor fuel" after "any general sales tax".

SEC. 3. The amendments made by the Act shall apply to taxable years beginning after December 31, 1980.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I yield myself such time as I may require.

Mr. President, this amendment would restore the itemized deduction for State and local nonbusiness gasoline and motor fuel taxes. This deduction was deleted from the Tax Code by the Revenue Act of 1978, which was enacted into law during the frenzy of the final hours of the 95th Congress. The language of my amendment is identical to that of S. 79 which was introduced at the beginning of this session. Cosponsors of S. 79 include Senators DOLE, HATCH, TOWER, MELCHER, RIEGLE, FORD, STEVENS, SCHMITT, GARN, HUMPHREY, STONE, and MORGAN.

We believe that Congress should restore the deduction for the following reasons:

First. The absence of this reduction will be felt most severely by middle-income taxpayers.

Second. Its elimination will help undermine the incentive for taxpayers to make use of itemized deductions.

Third. Its reenactment will have no perceptible effect on energy consumption.

Fourth. It was deleted without adequate deliberation by Congress.

Beginning this year, individuals who itemize will no longer be allowed to deduct State and local excise taxes imposed on gasoline, diesel, and other motor fuels which are not used for business purposes. If Congress fails to restore this deduction, the middle-income taxpayer will bear the greatest burden in additional taxes. According to U.S. Treasury Department figures, over 70 percent of the revenue raised from the repeal of this deduction will come from taxpayers making less than $30,000 a year. In 1983 alone, the elimination of this deduction will, according to the Treasury, take an additional $2.2 billion from the pockets of the American taxpayer who must also face spiraling fuel prices.

Concern about the conservation of energy and the reduction of oil imports has been one argument advanced to support the deletion of the gasoline deduction. In our opinion, the elimination of this deduction will have little effect in assisting our Nation achieve its energy goals. Instead, it will create an unfair tax burden not just for taxpayers in western and rural States who must drive greater distances, but also for suburban commuters who must drive their automobiles to work. We promised our constituents a tax cut and then turned right around and deleted a meaningful deduction. We disguise our actions by claiming that it will somehow help cure our energy crisis. If this measure is designed to save fuel, how can Congress allow business to maintain its fuel deductions? Or will business be next?

When the elimination of this deduction was considered by the Finance Committee last fall, it was added to the tax bill during the final hours of markup. When the tax bill reached the floor of the Senate, an amendment to restore the deduction was ruled "out of order" because it would have lowered projected revenues below the legal limit set by the budget resolution. The Senate, as a whole, was not allowed to vote on the measure. Because of this parliamentary technicality, the Finance Committee's supposed "recommendation" became law without adequate review by the Senate.

In 1977, an amendment to delete this deduction was soundly defeated by a vote of 65 to 12. We believe the outcome last session would have been much the same—had the Senate been allowed to vote. H.R. 3919 presents a convenient opportunity to reinstate the deduction (to take effect in 1981), and I urge support for the amendment.

Mr. President, I reserve the remainder of my time.

Mr. LONG. I yield myself such time as I require.

Mr. President, there are reasons why the deduction for the State gasoline tax should have been repealed, and they remain as good now as they were previously when Congress acted to repeal it.

In the first place, the repeal provides for simplification of the tax code. Everybody has State gasoline tax expenses. But when you simply adjust the general tax rates, knowing you have to raise a certain amount of revenue from all the taxpayers, leaving the deduction puts them to needless bookkeeping expense to arrive at the same amount of tax. In other words, you can draw your tax bills one of two ways. You can provide a great deal of deductions, which require a great deal more bookkeeping and a great deal more itemization, and then have a higher tax rate on the amount of income left to be taxed; or you can provide less tax deductions and have a lower tax rate.

By having less tax deductions, you have a simplified tax law, less bookkeeping in filling out one's tax return, and paying whatever one owes Uncle Sam.

Reinstating the deduction would require additional bookkeeping for every taxpayer who itemizes. The proposed deduction would not benefit the great majority of taxpayers who do not itemize. Rather than moving toward making more people itemize on their tax returns, we should be moving toward simplification, making less people itemize, and generally reducing the rates.

In terms of energy conservation, there is no reason to have a special tax advantage to encourage people to use more energy. Insofar as it encourages them to expend more energy, it is a move in the wrong direction.

We have had thoughtful editorials in newspapers such as the Washington Post and the New York Times, saying that we should have a high tax on gasoline so that people will be discouraged from using more energy, rather than encouraging them to use it by a policy of trying to keep the price low in the United States. There is logic in that.

In fact, I am told that the administration is thinking about suggesting to us that we put a 50-cent tax on gasoline and use that tax to reduce other taxes, such as health insurance taxes or some of the social security taxes people would pay otherwise, so as to discourage the use of energy in a way that would not cause any increased burden on the taxpayer when you look at his overall tax burdens.

Furthermore, if this amendment were agreed to, it would cost $1.2 billion in the first year, but it would reduce the revenue in this bill by $34 billion. Senators who feel that we have put too much tax on the oil industry already should take into consideration that if this amendment is agreed to and we reduce the revenue in this bill by another $34 billion, that will put a great deal more pressure on the House conferees to insist that the taxes on this industry be made much higher in conference than the House would insist on otherwise.

So if one feels kindly toward the energy producers and wants to encourage them, he should vote against this amendment; because it would set the stage for the House to insist that we either make back this $34 billion, or a substantial portion of it, by putting on more taxes, or more than the House would have insisted on otherwise.

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

Mr. LONG. I yield for a question.

Mr. MUSKIE. I appreciate the comments made by the distinguished Senator from Louisiana, and I associate myself with them.

I ask the Senator this question: He mentioned the proposal that is floating around, to add a 50-cent gasoline tax for conservation purposes as well as asso-

ciated revenue purposes. What would be the loss in revenue if this amendment were to become law and that gasoline tax would be voted?

Mr. LONG. Under this proposal, we would lose $1.2 billion a year, at first, I assume that in the average year, in full operation, it would cost us $3.5 billion, because over a 10-year period, it would cause us to lose $34 billion.

Mr. MUSKIE. And that is with the tax rate at what figure?

Mr. LONG. That would be like about a 3½-cent tax on a gallon of gasoline.

Mr. MUSKIE. So if the gasoline tax went up 50 cents, the 10-year loss in revenues would be astronomical.

Mr. LONG. We are talking about a deduction. This amendment proposes simply to provide a deduction against the income tax what one has paid in gasoline taxes to the State government.

Mr. MUSKIE. I see. All right.

Mr. LONG. But in any event, Mr. President, we hope that next year we can postpone or call off or find some way not to have the big social security tax increase go into effect in 1981. This would make it more difficult to do that. We are committed to try to have a balanced budget. This would make it more difficult to do that. We would like to consider a tax cut for people in all walks of life, an income tax cut, and we would like to try to do something to encourage capital investment. This would make it more difficult to do that.

If this is to be considered, Mr. President, at a minimum it should be considered in connection with some revenue measure next year and not added on this bill at the last moment. As I say, this could only lead to a determination on the part of the House conferees to insist on even higher taxes on energy producers than the House of Representatives would otherwise hold out and require and insist on when we go to conference and try to settle our differences on this bill.

So for those reasons, Mr. President, I hope the amendment will not be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield to the able Senator from Kansas such time as he may require.

Mr. DOLE. Mr. President, I remember when this matter was first brought to the attention of the Senate on June 5, 1979. It was the Senator's feeling then that we had not adequately considered this on the Senate side before the deduction was deleted from the Internal Revenue Code. It really turned out to be a backdoor tax increase for millions of persons. Again we are talking about the working people. Restoration of this deduction will not increase consumption. It restores a tax deduction that a taxpayer gets at the end of the year. If a taxpayer drives his car and goes to work as most people do, he will be benefited by this amendment.

The chairman mentioned the windfall tax and relief of scheduled social security tax increase; however, there are a lot of other things we are thinking about doing with all this $500 billion in revenue. I am not certain what the full cost of this amendment will be when fully implemented. The revenue loss is about a billion dollars. But this money would help the working people, people who drive their cars to work to make a living and pay taxes. The Senate increased their taxes last year without even adequate hearing. We just dropped a little amendment in the bill and because we are under a budget constraint we had to adopt the amendment.

This is a chance for an up-or-down vote.

The Senator from Kansas has been listening here for several days and several weeks in the Finance Committee about how big the oil tax should be. Last year it was shown the gas tax does not impact on consumption. The gas tax deduction means at the end of the year a taxpayer might have a few dollars.

I would point out, in this very piece of legislation we are now considering there is $70 billion over the next 10-year period for low-income assistance. That encourages consumption. To be consistent in the argument we should eliminate the low-income assistance to reduce consumption. If we did not give them any money, they would not buy the gas to heat their home.

The distinguished Senator from North Carolina has properly raised this issue. I support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I am willing to yield back the remainder of my time if the distinguished chairman wishes to do so.

Mr. LONG. I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from North Carolina.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Tennessee (Mr. SASSER), the Senator from Florida (Mr. STONE), the Senator from Georgia (Mr. TALMADGE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maine (Mr. COHEN), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), the Senator from Delaware (Mr. ROTH), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

And I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yes."

The PRESIDING OFFICER (Mr. MATSUNAGA). Are there other Senators wishing to vote?

The result was announced—yeas 39, nays 40, as follows:

[Rollcall Vote No. 461 Leg.]

YEAS—39

Armstrong	Garn	Melcher
Baucus	Hatch	Morgan
Boschwitz	Hayakawa	Nelson
Byrd, Harry F., Jr.	Heflin	Packwood
Chiles	Heinz	Riegle
Cochran	Helms	Schmitt
Cranston	Hollings	Schweiker
DeConcini	Humphrey	Simpson
Dole	Jepsen	Tower
Domenici	Kassebaum	Wallop
Durenberger	Laxalt	Warner
Durkin	Lugar	Zorinsky
Ford	Mathias	
	McClure	

NAYS—40

Bellmon	Huddleston	Percy
Biden	Inouye	Proxmire
Boren	Jackson	Pryor
Bradley	Javits	Randolph
Burdick	Johnston	Ribicoff
Byrd, Robert C.	Levin	Sarbanes
Cannon	Long	Stafford
Chafee	Magnuson	Stennis
Culver	Matsunaga	Stevenson
Danforth	Metzenbaum	Stewart
Eagleton	Moynihan	Tsongas
Exon	Muskie	Weicker
Glenn	Nunn	
Hart	Pell	

NOT VOTING—21

Baker	Gravel	Sasser
Bayh	Hatfield	Stevens
Bentsen	Kennedy	Stone
Bumpers	Leahy	Talmadge
Church	McGovern	Thurmond
Cohen	Pressler	Williams
Goldwater	Roth	Young

So Mr. HELMS' amendment (No. 632) was rejected.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, we have said there would be no more rollcall votes tonight. If there is a motion to reconsider, if someone wants to make it now, the vote will go over until tomorrow, because we have stated this would be the last vote.

If not, I ask unanimous consent that there now be a brief period for the transaction of routine morning business of not to exceed 30 minutes, and that Senators may speak therein up to 5 minutes each.

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

THE NEED FOR LEADERSHIP IN HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, to date 83 nations have ratified the International Convention on the Prevention and Punishment of the Crime of Genocide, one of the major post-war human rights documents. The nations are extremely diverse, encompassing countries

of different sizes, political beliefs and economic development. The nations approving the Genocide Convention vary—from members of NATO to members of the Warsaw Pact, from African nations to nations of the industrialized West. The nations that have agreed to the treaty outlawing genocide include every developed country in the world with one thundering exception.

Mr. President, one country's absence from the list of ratifying nations to the Genocide Treaty is conspicuous. That country, I am sorry to say, is the United States. For too many years now we have balked at the opportunity to add our name to the list of ratifying nations.

At the same time, instances of human rights violations continue to occur, drawing attention and condemnation—but not action—from the world.

As in any cause, there is a need for leadership. So it is with the human rights movement. That movement needs a leader that is both powerful and respected, and the country should have a strong human rights record.

Mr. President, I know of no better candidate than the United States. We are a country both powerful and respected. We have a President who has given human rights top priority in our foreign policy. We have a fine domestic record of protecting human rights. We do not hesitate to condemn atrocities wherever they occur. We support aid to victimized nations. And we make every effort to insure that violations do not occur in our own land.

Mr. President, it is time for the United States to assume leadership in the worldwide struggle for human rights. Is there any better place to start than by ratifying the Genocide Convention of 1949? I take this opportunity to urge all my colleagues to join me in supporting this treaty.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

THE UNITED NATIONS SECURITY COUNCIL AND IRAN

Mr. CRANSTON. Mr. President, last week the Senate and the House unanimously passed a resolution calling for the immediate, safe, and unconditional release of all U.S. personnel held hostage in Iran and called upon the Security Council of the United Nations to take all measures necessary to secure that release of the American personnel.

Now the United Nations Security Council has passed unanimously the following resolution:

The Security Council

Having considered the letter dated 25 November 1979 from the Secretary General (S/13546),

Deeply concerned at the dangerous level of tension between Iran and the United States of America, which could have grave consequences for international peace and security,

Recalling the appeal made by the President of the Security Council on 9 November 1979 (S/13616), which was reiterated on 27 November 1979 (S/13652),

Taking note of the letter dated 13 November 1979 from the Foreign Minister of Iran (S/13626) relative to the grievances of Iran,

Mindful of the obligation of States to settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered,

Conscious of the responsibility of States to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations,

Reaffirming the solemn obligation of all States Parties to both the Vienna Convention on Diplomatic Relations of 1961 and the Vienna Convention on Consular Relations of 1962 to respect the inviolability of diplomatic personnel and the premises of their missions.

1. Urgently calls on the Government of Iran to release immediately the personnel of the Embassy of the United States of America being held in Teheran, to provide them protection and allow them to leave the country;

2. Further calls on the Governments of Iran and of the United States to take steps to resolve peacefully the remaining issues between them to their mutual satisfaction in accordance with the purposes and principles of the United Nations;

3. Urges the Governments of Iran and the United States to exercise the utmost restraint in the prevailing situation;

4. Requests the Secretary General to lend his good offices for the immediate implementation of this resolution and to take all appropriate measures to this end;

5. Decides that the Council will remain actively seized of the matter and requests the Secretary General to report urgently to it on developments regarding his efforts.

Mr. President, the action of the Security Council is very significant: it is a unanimous recognition of the illegality of the action taken by the Government of Iran.

The worldwide disapproval of Iran is reflected in the 15 nation membership of the Security Council. That membership, of course, includes traditional American allies such as Britain and France. But it also includes the two major Communist powers, U.S.S.R. and the People's Republic of China, as well as Czechoslovakia. Africa is represented by Gabon, Nigeria, and Zambia, the rest of Europe by Norway and Portugal. The Western Hemisphere is represented by Jamaica and Bolivia, in addition to the United States. And finally, the Middle East and the rest of Asia are represented by the Muslim nations of Kuwait and Bangladesh, respectively.

The Security Council resolution also calls upon the Secretary General "to lend his good offices for the immediate implementation" of the resolution and "to take all appropriate measures to this end," that is, the safe release of the U.S. Embassy personnel. The United States will expect strong actions from the Secretary General to effect this release.

Rarely, Mr. President, has the United Nations spoken so unanimously in support of an American position in a dispute with a "third world" country. The United Nations is as unanimous in its view of the illegal action of the Iranian Government as the people of the United States are.

The Iranian crisis, Mr. President, remains complicated and difficult on the one hand, and simple on the other.

It is complicated and difficult because many Iranians feel that the issue is not the holding of hostages as blackmail, but the Shah, the record of the Shah's government, and the U.S. relationship with the Shah. It is complicated and difficult because many Americans cannot understand why we should hesitate to use—and do not fully appreciate the consequencies of using—military force to free the hostages in Iran. It is complicated and difficult for numerous other reasons, including emerging nationalism, oil, religious fervor, and balance of power.

But, Mr. President, the problem is also very simple, because there is one and only one issue of import now, and that is the call issued by the United Nations Security Council to Iran:

To release immediately the personnel of the Embassy of the United States of America being held in Teheran, . . . to provide them protection and allow them to leave the country.

Mr. President, the Senate and the House have spoken unanimously on this issue and we must continue to do so. I believe the American people are prepared for a full review and discussion of our relations with Iran but that full review and discussion can never begin until after all our people in Iran are set free. The Iranian people and the Iranian Government must become convinced that no matter how just they believe their grievances against the Shah may be, these grievances will never be redressed by holding a gun at the head of innocent hostages in violation of every principle of international law. The Iranians defeat their own effort to win "justice" by the criminal actions which they have taken. These criminal actions, as President Carter has noted, violate "not only the most fundamental precepts of international law but the common ethical and religious heritage of humanity."

The United Nations Security Council, and the U.N. Secretary General, now offer the best hope for securing the safe release of the U.S. Embassy personnel. If the Iranian Government is foolish enough to rebuke their efforts and the resolution of the Security Council, it is clear that Iran, and Iran alone, will bear full responsibility for the consequences to Iran that will follow.

If the Security Council and the Secretary General cannot achieve the release of U.S. Embassy personnel with due dispatch, then the United States will inevitably pursue other options.

For there can be no misunderstanding to Iran—and there can be no misunderstanding to the world—the American people and their representatives in Government are united in their determination and in their efforts to achieve the immediate, safe and unconditional release of all U.S. personnel.

THE ECONOMIC CHALLENGE OF THE IRAN CRISIS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a speech I delivered today before the International Conference on "Critical Economic and Work Force Issues Facing Western Countries."

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

THE ECONOMIC CHALLENGE OF THE IRAN CRISIS "CRITICAL ECONOMIC AND WORK FORCE ISSUES FACING WESTERN COUNTRIES"

I am delighted to have this opportunity to be here today to extend a warm welcome to our friends from Europe and to commend the Work in America Institute—in particular its Chairman, Dr. Clark Kerr, and its President Jerry Rosow—for their initiative in convening this conference on the economic and workforce issues facing Western Industrial Countries.

That the International Institute for Labour Studies (Geneva, Switzerland) and the Work in America Institute should join in co-sponsoring this important conference is indicative of the vision of these two organizations and their leaders, and of the commonality of the problems our countries face now and will continue to face in the coming decade.

THE NEED FOR CONTINUED INTERNATIONAL COLLABORATION

One thing I have learned in nearly 35 years of service to the people of my state and nation is that the U.S. and its trading partners cannot think or act as if we were islands; that we cannot isolate ourselves in the naive belief that we can be insulated from each other's problems, or that we can ameliorate our problems at each other's expense. We know from bitter experience that the economics of isolationism are a blueprint for economic disaster; they are a prescription for building chasms of separation between us.

I hope you will remember as vividly as I do the international economic debacle that was precipitated by the wave of retaliatory tariffs initiated in the early 1930's. That a business downturn, spawned in part by the speculation of the late 1920's, was transformed into a worldwide economic cataclysm can be attributed, in large measure, to the beggar-thy-neighbor policies of that period—and we hope and pray we will not have to relive that nightmare.

But, there is nothing automatic about the spirit of cooperation among our countries and we must assume that the economic and energy-related perils we are certain to face in the decade ahead will greatly strain our alliances and understandings. We know only too well that the spectre of isolationism can loom very large on the economic horizon at any time.

We must remain alert; we must redouble our efforts aimed at preserving and also strengthening the economic partnership we have forged in the post-War era.

However, the present crisis in Iran is being viewed by some or perhaps many of our allies—including some supporting the U.S. in the U.N. Security Council—as purely a bilateral issue between the United States and Iran. Such a view is wrong; and if they fail to see the mutilateral dimension of this crisis and act accordingly, we all may very well live to regret our inability to understand what may be the most serious long-term implication of the crisis. For, the effects of this crisis have already been felt internationally in the relations between the United States and its allies; and we must insist that we have the same degree of inter-allied economic cooperation that we found in the United Nations Security Council when that body called for immediate release of our hostages.

I am specifically concerned with the vital areas of one, energy and two, the international monetary system on which we and our allies cannot be seen to be in disarray and weak. While I fully recognize that our allies face a different situation in terms of their even greater dependence on Middle East oil and that any cutoff of such oil would lead to major economic dislocations in Europe, we must take, in unanimity, some very tough decisions about limiting energy imports into our respective countries.

Next week our allies will have the opportunity to take collective obligations on oil when the 20 member International Energy Agency meets at our request in Paris to consider a series of proposals aimed at restricting oil imports and possibly at better controlling the oil spot markets—responsible for runaway oil prices. The importance of this meeting transcends the technical determination of new import levels or the development of a process to adjust energy demand to oil supply. Next week's meeting will have a far-reaching political importance which should not be underestimated. Progress in restraining oil consumption, imports, and purchases on the oil spot markets would be a clear signal to the Iranians that, with respect to the energy implications of this crisis, the allies are united and that we will not continue "busines as usual" and make deals behind each others' backs to gain access to vitally needed, but exorbitantly-priced oil.

The same can be said about the adequacy of inter-allied cooperation in the monetary field. While the political imperative of our action of two weeks ago to freeze Iranian assets must be recognized, we also realized at the time that such a freeze would have a long-term destabilizing effect on the international monetary system. Iran's announced intention to refuse to deal in dollars has exacerbated a situation already created by the uneasiness of other OPEC surplus countries about the safety of their reserves in US banks both here and abroad. Here again how our allies respond to the situation is as paramount as the substance of their response. While we can understand that our European allies may have serious reservations about the freeze of Iranian assets in branches and subsidiaries of US banks in their countries or about the attachments by US-based banks of Iranian assets in some of their industries, these are matters that should be settled in the courts and not in the press. The Iranians can only see a weak industrialized world when the German Government lets its concern be publicly known that the move by Morgan Guaranty against the Iranian share in Krupp and Deutsche Babcock-Wilcox may draw them into a bilateral confrontation which would hurt their relations with Iran.

The pressure on the dollar, which has sent the price of gold back over $400 an ounce and has sent the dollar to all-time lows against the Deutsche Mark, must be countered by cooperation among the central banks to bring back stability to the foreign exchange markets and cooperation in other economic areas of trade and international banking.

We are confronted today with acid tests which will measure the solidarity of the allies in the face of a common danger—not a bilateral problem between the United States and Iran—but a danger to the international economic system. We can either work together or hang separately. If we hang separately and the American people begin to believe that our allies are only willing to back us with resolutions in the Security Council, then we could well see a reaction by the American people who could disavow international cooperation and begin to consider actions predicated on the fact that the US can look after itself economically, politically, and militarily as it well can.

This is the critical aspect of the present situation in Iran, one which we may very well have to live with for a long time after the hostage situation is dealt with.

On this, the fiftieth anniversary year of the Great crash, (and next year is the fiftieth anniversary of the Hawley-Smoot Tariff), we must rededicate ourselves to a new decade of cooperation and understanding; we must not in the decade to come permit a new economic archipelage—a world of islands—to come into being.

And that is precisely why we are here today: because we understand the commonality of our many problems and we appreciate the necessity of our continuing to be open to teaching and learning from each other in the days and years to come.

THE EIGHTIES: A DECADE OF CRISIS AND OF OPPORTUNITY

As the decade of the 1970's draws to a close this month, our Western countries find themselves, individually and collectively, at a fork in the economic road: on one way there is new opportunity for economic well being, stability and success in the war on world poverty, on the other is divisiveness, jungle competition and instability—and that would be the road to the war peril as well.

THE PRODUCTIVITY CRISIS—THE KEY TO U.S. ECONOMIC PROBLEMS

Among the many domestic and international perils we may have to face in the coming decade, perhaps none is so profound or so consequential for the U.S. than the now-endemic stagnation of productivity; a problem that is for us a vestige of the present decade. U.S. productivity is the Achilles Heel of our current national economic order. It is the most important measure of the efficiency and vitality of our economy, and its growth has stagnated in recent years, precipitating a new and potentially destructive inflationary spiral. That the so-called underlying inflation rate in the U.S.—that is, the non-food, non-energy sources of inflation—now exceeds 10 percent per year in the U.S. is due largely to the failure in recent years of productivity growth to absorb higher compensation and other costs, as it has done in the past.

From 1948 to 1955 U.S. productivity in the private business economy grew at an average annual rate of 3.4 percent; and from 1955 to 1965, productivity grew by 3.1 percent per year; and from 1965 to 1973 productivity grew by 2.3 percent per year. But, beginning in 1973, the average annual rate of productivity growth began to decline sharply, to only 1 percent annually through 1977. Indeed, by 1977 productivity stood only 6½ percent higher than it did in 1972, 5 years earlier! And the stagnation in U.S. productivity became even more ingrained in 1978, as productivity grew by only one-half of one percent for the year as a whole. Indeed, in the first three quarters of this year productivity in the private business sector declined at annual rates of 3 percent, 2.2 percent and 0.7 percent respectively, making it likely that this Nation will post a decline in productivity for the year as a whole for only the second time (1974) since these records have been kept beginning in 1947.

The collapse of U.S. productivity in this decade has coincided with—and I believe helped bring about—a roller coaster experience for the U.S. economy, in which we have alternated repeatedly between galloping inflation and severe recession. Clearly, the failure of the U.S. to initiate a bold productivity improvement program aimed at reversing the decade-long stagnation we have had is the single most decisive reason for the inflation in which we now find ourselves. There can be little doubt that runaway inflation and intermittent recession has been related to U.S. productivity stagnation; and there can be little doubt that absent a major productivity improvement, double digit inflation will not abate soon; the U.S. standard of living will be eroded steadily; and, I am sorry to say, the leadership position in the world community still currently enjoyed by the U.S. will be challenged and possibly lost forever.

INTERNATIONAL IMPLICATIONS

There is an even more ominous dimension to the failure to reverse the decline of productivity: and that is that the decade-long productivity stagnation may be suggestive of something much more malignant than many of us may yet realize. The now-endemic quality of this problem may be indicative of a more fundamental economic malaise, which could have profound consequences in the decade to come. Some observers believe the persistent U.S. productivity decline proves that a more pervasive stagnation grips the U.S.; and that we are in danger of becoming ineffectual if we do not act soon to revive our energies. Concern is expressed in some quarters that the productivity problem betrays the fact that in recent years the U.S. morale has slipped materially; and that in the eyes of the world we have lost some of the vigor and some of the dynamism which made us great. In the period from 1960 to 1966 the U.S. ranked among the world's leaders in manufacturing productivity growth, averaging 4 percent per year. In the present decade, however, the U.S. has fallen into the cellar, to last place among the major industrialized nations. During the period since 1966, U.S. productivity growth declined by 45 percent, the steepest decline among any of our major trading partners.

Little wonder then that the rest of the world has begun to question whether the U.S. may have lost some of its vitality and, in our failure aggressively to reverse these trends, questions are raised about our resolve to deal with so fundamental an indicator of our economic health. Many wonder whether the U.S. can summon the strength necessary to pull itself together and in view of the possibly debilitated economic condition in which we may soon find ourselves if the present trends are not corrected we could end up a second rate industrial power before the year 2000.

There is an unfortunate tendency in the free world, because of their momentum in military armament, to consider the Soviets somewhat larger than life. The fact is that their industrial machine is markedly inferior to that of the industrialized free world nations; that their productivity is low, especially in the agricultural sector where they continue to be heavily dependent upon the world grain supplies, especially from the United States; that even in oil they are likely soon to become importers; and that their state trading ability does not avail them much in world trade, except within the closed Communist East European bloc. They are, of course, strong in productivity of military material, but the price they pay for it in terms of other production is very great; a price unnecessary to the industrialized nations in the free world, even in matching the Soviet military production.

Accordingly, the problems of economic superiority in the world are solely problems we in the industrialized countries of the free world make for ourselves. It is our failure to coordinate our economies, and to harmonize our policy (even in so elementary a matter as credit and credit terms to the Soviet bloc) which reduces our effectiveness in the economic competition with the Soviet bloc, reduces our effectiveness in development for the developing countries in the free world and reduces our ability to stabilize our economic situation.

If we of the industrialized nations of the free world really work together the Soviet Union would assume its proper size based on its real economic capabilities; to wit, it would be four not seven feet tall.

ECONOMIC COMPACT

It is my firm conviction, however, that the U.S. has not lost its competitive edge; that it is still every bit as vital and dynamic as it has always been. But we have to undertake a major restructuring of our economy: to promote investment and modernization; to encourage more savings and less consumption; and, most importantly, to stimulate an era of improved productivity.

We must act, and soon, to prepare and launch a new economic policy for the decade ahead—one which is based fundamentally upon a "new economic compact" between business, labor and government to improve U.S. productivity, increase real wages and make jobs more secure.

We must, and very early on in the new decade, begin to marshal the resources and creativity of business, labor and government, and concentrate all our energies upon the achievement of an economic renaissance in the eighties—the restoration of a progress in which we can all share.

For this reason I call upon the leaders of U.S. business and labor and upon our government to enlist in a new enterprise for the eighties; an historic new economic compact based upon the fundamental proposition that we are unlikely to stabilize prices, restore and sustain full employment, increase real wages or secure our leadership position in the community of nations absent a firm commitment to significantly increase U.S. capital investment and productivity growth as the top national economic priority of the new decade.

The terms of this compact must provide explicitly that: (1) workers will be assured that the gains of any productivity improvements will be shared equitably and that their jobs will not be sacrificed on the altar of productivity gains; and (2) U.S. business will be offered the tax incentives—accelerated depreciation, R.&D. tax credits, etc.—necessary to encourage needed capital investment and modernization, particularly in the older cities.

In short, the "economic compact" of which I speak would be based upon the essential principle of all such contracts, to wit: that there is something to be gained for each of the parties to it—labor, management and investors and government. That is why I would be inclined to condition the extension of significant new tax credits and other incentives to U.S. business upon its expressed willingness to secure the jobs and real wages of its workers.

And it is my most fervent hope and prayer that U.S. workers will come to understand how critically at stake their own futures are in this compact. For if the productivity problem continues for too much longer, inflation could go out of control, U.S. exports and the dollar could really plunge, and real U.S. wages and profits could collapse. And if we continue as we have been, with business pitted against labor in fighting for larger relative shares in a slower growth economy—and each often lined up against a government that treats the symptoms of inflation instead of its causes—I believe that sometime soon a major economic reverse—a depression—could ensue.

This is why I hope we will act in time to establish a new collaborative endeavor to reverse the trends of this decade. This is why I urge that we install this economic compact without delay, as the binding principle upon which we can chart an economic and social renaissance in the eighties.

FEDERAL GOVERNMENT ROLE

In this connection, the Federal Government can do much to be the catalytic force that marshals business and labor support and participation. In addition to enacting important capital investment and R&D incentives, the U.S. Government could sponsor the establishment of regional productivity councils, to deal with regional productivity problems and recommend necessary improvements. Such councils are found throughout Europe and could be resource centers available to local business to help in ameliorating unique regional productivity problems.

Our country is already beginning to take the initial steps toward a new era of collaboration between business, labor and government. Last year, in the Comprehensive Employment and Training Amendments Act (P.L. 95-524) Congress provided for two new programs of which I am pleased to be a co-author.

The first, the Labor-Management Cooperation Act, authorizes the Federal Mediation and Conciliation Service (FMCS) to undertake a program to encourage the establishment of plant, area and industry-wide labor-management committees. $10 million has been authorized to fund such committees, which would deal with a broad array of non-collective bargaining matters, such as planning for the introduction of new machinery; training for new hires; reducing equipment breakdowns; reducing absenteeism and tardiness; developing alcohol and drug abuse prevention and rehabilitation programs; conserving energy; improving safety and health; and involving workers in decision-making affecting their jobs.

Genuine cooperation and understanding, based upon a commonality of interests between management and workers, can help enormously to stabilize the labor relations climate, improve worker morale and effectiveness and, ultimately, help stimulate workers productivity on the job.

For the benefit of our European guests, I want to emphasize that the claims I make for these committees are substantiated by the facts: in my home State of New York labor-management committees in Jamestown and Buffalo have had enormously salutary effects on the local labor relations situation. Also, we have had micro-economic compacts in New York and they have worked—to harmonize the labor climate, stabilize employment and stimulate local economic development.

In Buffalo, under the able leadership of Dan Roblin and George Wessel, the Erie County Labor-Management Committee has had great success and is a model of participatory democracy for the whole country. What was once a disastrous labor situation has been turned around and the key to the turn-around has been the area wide labor-management committee.

This is why I have called upon the President to give a high priority to making some funds available for the labor-management committee program which is under the aegis of the Federal Mediation and Conciliation Service (FMCS). When he established the new Pay Board in August, which he labeled as a "new accord between business and labor," I urged him to extend that accord all the way down to the plant floor level, so workers in the plants themselves could have an opportunity to be participants in the implementation of that accord.

A hopeful sign is that OMB, FMCS and the Labor Department have agreed tentatively to propose that up to $3 million be included in the President's budget for FY 1981 for initiating the program of local labor-management committees authorized in the Labor-Management Cooperation Act.

Furthermore, I have urged the Senate Banking Committee to make provision in the Chrysler Loan Guarantee Bill for sufficient funding to enable FMCS to establish labor-management committees in Chrysler plants, a move I consider essential to the implementation of any rescue package for Chrysler.

The second major initiative that encourages me to believe we can deal with our structural economic problems in the 80's is the enactment last year of the new CETA Private Sector Initiatives Program. Under this new law, $400 million is being made available to 480 local government units in the U.S. to support the establishment of

local Private Industry Councils (PICs). These Councils, composed of local business, labor, education and community organizations, are committed to working together to help place and train the unemployed in private business. The local PICs will be models of local collaboration and enterprise, and job security for thousands of Americans could be the principal result.

This is where the American business community ought to dig in its heels. This is where we have to resolve this question of whether our country is going to be growing or whether it will stagnate and deteriorate into a second rate power, as it undoubtedly will if we do not act effectively to deal with this cancer in the American body politic: to wit, the stagnation of the productivity of our economy.

Our Nation has faced crises before and has always emerged from them undaunted. But we have never before faced the prospect of debilitating, feckless stagnation, as we do right now. I pray we will have the vision, the wisdom and the national and local leadership to rededicate ourselves to economic cooperation and to marshal our energies for new decades of economic vitality.

ZIMBABWE-RHODESIA

Mr. THURMOND. Mr. President, I rise today in support of the compromise offered by the Foreign Relations Committee to terminate sanctions against Zimbabwe-Rhodesia.

It is my feeling that the economic impact of the sanctions on Zimbabwe-Rhodesia has been devastating. Furthermore, evidence of the Government of Rhodesia's willingness to negotiate in good faith at an all-parties conference and evidence of its installation of a new government elected fairly and freely, should mandate the immediate lifting of economic sanctions.

While I would prefer an immediate lifting of sanctions, I believe that this bill offers a fair compromise. The bill does provide for the lifting of sanctions in the near future, while also preserving for the President an opportunty to coordinate U.S. policy with recent initiatives by Great Britain. Therefore, I hope the Senate will see fit to pass this legislation.

CERTAIN CIRCUMSTANCES ALLOW LIFTING OF RHODESIAN SANCTIONS

● Mr. DOLE. Mr. President, today the Senate is asked to consider legislation entitled "A Bill to Terminate Sanctions Against Zimbabwe-Rhodesia Under Certain Circumstances." It has been a long time, well over a year, since the Senate determined what those obliquely referred to "circumstances" ought to be.

Last year the Congress passed the International Security Assistance Act which directed that sanctions against Zimbabwe-Rhodesia be suspended upon a Presidential determination that the present government there had made a good faith attempt to negotiate at an all-parties conference and that a freely elected government had been installed with the participation of all political and population groups. The interim government did agree to meet with all parties at a conference, however, the Soviet-supplied, Marxist-dominated guerilla groups known as the Patriotic Front declined to participate.

RHODESIA MET PRECONDITIONS

As a result the white minority government moved ahead on its own in its plans for a transition to black majority rule. In January a new constitutional blueprint was ratified for the establishment of a new democratic government—a government which for the first time would allow all popualtion groups an opportunity to vote and hold office. This historic election occurred on April 20, 1979, thus meeting the preconditions we in this body required for the lifting of economic sanctions.

Quite a few critics claimed that this election was a sham, that it would change nothing. The Senator from Kansas and others in this country, and in Rhodesia's former ruler Great Britain, were convinced, however, that the white minority in Rhodesia had at last seen the futility of its racist, bigoted programs. We saw this transition to a full-participation, majority rule government as a meaningful change, a real, first step of progress—a clear signal that Rhodesians wanted to end the bloodshed of civil war and the hatred of racism.

The Carter administration would have us wait, however, refusing to accept this compliance in good faith with our preconditions, refusing to see that Rhodesians were trying to come together in an accommodation that would peacefully insure both black majority rule and a viable, prosperous economy. For nearly a full year since calls were first made in this Chamber to end the sanctions, we have had to wait. Finally, after a new, conservative government recognized that the people and Government of Zimbabwe-Rhodesia were indeed sending signs of compromise and good faith, a determined and evidently wholly successful series of negotiations was launched by Great Britain to end the war. This result might have been achieved much earlier if the United States had acted sooner. Many lives and much economic damage might have been saved if this administration had not been so inflexible in these past months.

There were claims that because the April constitution reserved 28 percent of the seats in parliament for the white minority we must reject the entire process of change. Mr. President, there are many countries we recognize today in Africa that are not known for their attention to democratic freedom, due process, and human rights. This by no means exculpated Rhodesia. But there is a ferment of change regarding attitudes toward race relations, in detectable amounts in Rhodesia and South Africa, of which we must work to take advantage.

Utilizing white minority representation to enhance the smooth transition to a majority rule Government has ample precedent among some of Rhodesia's strongest critics. In Tanzania, Kenya, and Zambia provision was made to avoid economic and technological disaster by allowing disproportionate minority participation in the post-Colonial Governments. I ask unanimous consent that this information sheet on such previous examples be printed in the RECORD at this point.

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

MINORITY REPRESENTATION IN POST-COLONIAL CONSTITUTIONS OF TANZANIA, KENYA AND ZAMBIA

TANZANIA

1958 Constitution

Legislative Council of 30 members—one African, one Asian, and one European from each of ten constituencies.

Population:—

African, 8.6 million.

Asian, 70,000.

European, 20,000.

Nyerere's TANU contested the elections on this basis and won ten African seats, seven Asian seats and four European seats.

1960 Constitution

Parliament of 71 members—50 open seats, eleven Asian and ten European. I.e. 30 percent of the seats were reserved for minority groups which together represented one percent of the population.

KENYA

1960 Constitution

Legislative Council of 65 members—45 open, 10 European, 8 Asian and 2 Arab.

Population:—

African, 6,000,000.

European, 62,000.

Asian, 161,000.

Others, 40,000.

Thus 30 percent of the seats in the legislature went to minority groups totalling 4 percent of the population.

ZAMBIA

1962 Constitution

A complex arrangement of dual voting rolls which in effect gave 15 seats to 84,000 Europeans and 15 seats to 3.5 milion Africans.

PATRIOTIC FRONT ACCEPTS WHITE PARTICIPATION

Even now, in this new compromise agreement, we still see constitutional guarantees being made and accepted by all parties to insure disproportionate, white minority participation in the Government. The black moderates within Zimbabwe-Rhodesia warmly embrace this compromise opportunity for a peaceful transition. They did not want to see the massive white flight that would come about if the Patriotic Front's original demands were met. It would take decades to recover from the damage to the economy and technology such a flight would cause. Instead, they hoped to see the orderly transition of power that accompanied the change from colonial status in Kenya.

The administration, in the inflamed rhetoric of former Ambassador Young, denied any formula that did not include the Marxist terrorists. But when the Patriotic Front saw that Muzorewa's moderate government was undercutting its claims that the white minority would never allow real, black majority rule, it was forced to join negotiations in earnest before it lost power.

We must encourage the moderate governments of Africa. We must give every opportunity for the new Government in Zimbabwe-Rhodesia to succeed. Our embargoes and sanctions during the last 12 months served only to drive the white minority into a circle of covered wagons, and to lengthen the time of dying and hatred. Our constructive involvement

now, after the success of the British efforts, can improve the conditions for success or failure for this desperate last chance experiment.

I would hope that in the future the United States would show a greater willingness to work for progress and democracy with those truly representative, legitimate parties who are pro-Western, not only in Africa, but in all the Third World. We cannot remain aloof from those crises that threaten our global strategic interests. We must commit ourselves to an involvement in compliance with our traditional principles of freedom and democracy, and aware concern for national self-interests.●

MEETING OUR FUTURE TIMBER NEEDS—AN ASSESSMENT BY SENATOR TALMADGE

Mr. HELMS. Mr. President, the able Senator from Georgia (Mr. TALMADGE) has long been dedicated to protecting our natural resources while meeting the important needs of American consumers and the economy. As chairman of the Senate Committee on Agriculture, Nutrition, and Forestry he is a recognized national leader in this balanced approach to resource utilization.

I ask unanimous consent that his remarks, made recently at the Southeastern Building Products Exposition, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HERMAN E. TALMADGE

MEETING OUR FUTURE TIMBER NEEDS

In January of this year, my committee on Agriculture, Nutrition and Forestry sponsored with the Department of Agriculture, a conference on the future of renewable resources.

Its main purpose was to increase general understanding within the Department about potential problems and possibilities in the next half century. The conference was also intended to enhance USDA's capacity to meet the legislative requirements of six significant Natural Resources Acts that emerged from the committe since 1974.

Generally speaking, these laws force the Department to look down the road with respect to the country's renewable resources and to plan programs of Federal action to assume that our national resource needs will be met.

Crystal-ball-gazing is a chancey business at best. We have been wrong about some of our assumptions in the past. Even so, it does seem to make more sense to plan ahead than to just muddle through.

In attempting to plan for resource protection and use, we must examine some of the driving forces to which the United States must adapt but over which we have little control.

The United States and many other industrialized nations are nearing zero population growth, but the so-called third world, or poorer nations, have exploding populations that will mean billions of additional people in the next 50 years. . . . Unless there is some sort of cataclysm that we cannot anticipate.

These additional people will add to the already increasing tensions between rich and poor nations. And they will put incredible strains on the world's food and fiber-producing systems.

The world is on the verge of shortages in many vital nonrenewable resources.

While it may be possible to obtain enough resources for a long time into the future, costs will undoubtedly be much higher and upheavals will develop.

And further, because of inflation and public demands to reduce Government spending, it is becoming increasingly difficult to make capital investments in major projects in both the public and private sectors.

At the same time, the demands on our forest and rangelands—and their products—have risen rapidly.

Timber consumption has increased from a level of around 11.5 billion cubic feet in the sixties to 13.6 billion cubic feet in 1977.

Projections based on expected increases in population, economic activity and income show that the demands for forest and rangeland products—outdoor recreation, wildlife, forage, timber and water—will continue to grow rapidly in the decade ahead.

However, if current investments in these lands remains constant, the capacity of the Nation to meet these demands is highly questionable.

For timber, this means that we are faced with the prospect of rapidly increasing prices for stumpage relative to general price levels . . . and to the price of competing materials. In turn, this means that the United States must increasingly rely on imported wood products and on alternative materials such as steel and plastics, which are energy intensive.

You asked me to speak to you about Federal timber. But as you are well aware, the great bulk of the Nation's forestland is under private ownership.

In Georgia, for instance, only 8 percent of the timber cut is from the national forests. Nationally, approximately 351 million acres—or 71 percent of the Nation's commercial timberland—is in private hands. Nearly half of these lands are in the South.

It is clear that production of timber on all types of forestlands is below potential. The average net timber growth in 1976 was 49 cubic feet per acre per year. This is only three-fifths of what can be attained in fully stocked natural stands, and far below what could be achieved with intensive management. This is particularly true in the South.

In the Pacific Northwest, our 50-year projection shows a sharp decline in the supply of old-growth timber.

Many large timber companies are hedging their bets by acquiring lands in the South. It is significant that Georgia-Pacific is returning its headquarters to Georgia. It is also significant that Southern Pine now has 60 percent of the plywood market while the share of Douglas Fir continues to decline.

Notwithstanding the opportunities for more timber production in the South . . . and the conventional wisdom that the southern forests will compensate for the decline in the Northwest production . . . I see some serious problems ahead.

Dr. Stephen Boyce of the U.S. Forest Service research staff probably understands the capacity and trends of the southern forests better than anyone.

He predicts a tailing off in southern availability that will coincide with the reduction of Douglas Fir supplies. If he is right, this has enormous regional and national implications.

We must look ahead in forestry if we are going to have the wood needed for the future.

Here in the South, there is 1.8 billion cubic feet of growth in excess of the present cut.

That glowing figure hides the fact that we have deficiency in softwood regeneration for smaller size softwood materials. A million acres of harvested lands in the South are reverting to natural hardwood each year.

Right now, we have a 2.4 billion cubic feet of annual surplus of hardwood growth over the cut.

Therefore our efforts must concentrate on both increased hardwood utilization and pine reforestation.

Private effort and public policy must encourage the use of more hardwoods for papermaking, energy, and construction where practical. Forest Service research has developed a press-drying system for making paper which permits greater use of hardwood pulp with less energy and processing cost.

Another joint Forest Service-industry effort involves the manufacture of large boards from small pieces of higher value hardwoods.

The Forest Service also has developed hardwood roof decking and a compressed hardwood product called "com-ply", both of which could free up significant volumes of pine.

Over the past several years there has been tremendous propaganda from some groups that want to reduce timber harvesting on the national forests. They claim that softwood monoculture was the rule both in public and private forest management.

That simply is not true.

Recently, I had an analysis done of Forest Service data on private and public forests. According to this analysis the growth and the cut for softwoods in 1952 was even. around 7.8 billion cubic feet annually.

However, for hardwoods, growth exceeded cut by 50 percent.

By 1977, softwood growth had jumped to 12.3 billion cubic feet, while cut was up to 10.5 billion feet. However, hardwood growth in 1977 had more than doubled—to 9.5 billion cubic feet—while the harvest remained at about the 1952 level of 4 billion. In short our hardwood surplus had grown by more than five billion feet.

The analysis showed that in every region, and on every class of land ownership we are growing more hardwoods but are not using appreciably more. And while we are growing more softwoods, we are also using 35 percent more than in 1952.

Some increases can be expected from the national forests. But these will be constrained by demands for uses other than timber harvesting and by the expected withdrawals for wilderness areas.

As a result of the divergent supply pictures by region, increased softwood supplies from the South will be largely offset by declines of similar magnitude from the west coast, leaving only a moderate gain in net supplies. By 2030, only 27 percent of the softwood supply will come from the Pacific Northwest.

Consumption of softwood is expected to rise from 49.9 billion-board-feet in 1976 to 67.6 billion in the year 2000, and to 78.7 billion by 2030.

It is evident from these statistics that a substantial rise in the relative prices of softwood stumpage will occur as the market attempts to balance supply and demand. And the Forest Service projects that the greatest increases in price will occur in the South.

Ordinarily one would expect sharp price increases to drive people engaged in your industry to other products. And that has been happening. No doubt you have noticed the sharp increase in the use of aluminum for cabinets and other products normally produced by the wood milling industry.

However, it may not be possible to make these substitutions much longer.

Imports of timber products from Canada can be expected to increase, along with increased imports of substitutes for wood. Increased domestic production of energy-demanding substitutes for wood will lead to further reliance on imported oil.

To help meet future needs, the timber industry can be expected to improve and reforest its own lands out of self interest. Hopefully, private non-industrial landowners will be encouraged to do likewise through a combination of Government incentives and increased stumpage prices.

While the public lands will play an important balancing role in the marketplace, the task of providing increased wood supplies will fall primarily on private lands.

It is also important to understand that while the national forest system comprises 180 million acres, only about 60 million of those acres are capable of growing more than 50 cubic feet per acre per year. While we could double the supply of wood coming from the national forests, there is serious doubt in my mind whether the investments will be made by Government to obtain that additional productivity.

You may say that is foolish not to make the appropriate investments in the public lands, given the timber supply situation that we see coming.

However, President Carter is rightly committed to balancing the Federal budget. And many of my free-spending colleagues are now finally convinced that the country is demanding frugality in government.

For my part, I believe that our national priorities must recognize the importance of protecting and enhancing our natural resources—soil, water, forest, crops, and rangelands.

If we allow the resources of the land to deteriorate and die, so too will our nation deteriorate and die.

There are urgent steps to be taken in protecting and improving the output of our timber resources.

The Forest Service has developed genetically improved trees with fast growth characteristics. There are enormous opportunities for timber stand improvement and conversion, particularly on private lands.

Timber yields can be increased 5 to 20 percent by the use of fertilizer. And we can reduce waste on the forest floor and at the saw mill.

The saw mill improvement program of the Forest Service has demonstrated that enormous conservation gains can be made through computerized milling.

While we have reduced forest fire loss from 40 million acres a year at the beginning of the century to about 5 million acres a year, we can cut those losses still further through improved fire detection systems and better control techniques.

Through research we also can do a better job of controlling insects. As you can imagine, I am particularly interested in the control of the pine beetle, which has caused untold damage in Georgia this year.

With appropriate treatment of these lands, net annual timber growth could be increased by 11.5 billion cubic feet—an amount about equal to the total net annual growth in 1976.

And again, the greatest opportunities for improvement are on the private lands. I have asked the society of American Foresters, the American Forestry Association, the National Forest Products Association and others to help me determine what the Federal Government can do to encourage more intensive management on these private lands. While we have made some progress in this regard, I suspect that the greatest motivator of all will be higher stumpage prices.

And as we move toward better conservation and utilization, public and private policy makers must decide now to make the investments needed to put more trees into the ground in order to assure adequate wood supplies in the future.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on December 5, 1979, he had approved and signed the following acts:

S. 132. An act for the relief of Dirk Vierkant;

S. 151. An act for the relief of Jerry W. Manandic and Ceferino W. Manandic;

S. 170. An act for the relief of Janet Abraham, also known as Janet Susan Abraham; and

S. 1686. An act to designate the building known as the Federal Building in Washington, Del., as the "J. Caleb Boggs Building."

MESSAGES FROM THE HOUSE

At 10:20 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 918. An act for the relief of Maryrose and Rosemary Evangelista;

H.R. 2743. An act to provide for a national policy for materials research and development and to strengthen the materials research and development capability and performance of the United States;

H.R. 3873. An act for the relief of Jan Kutina; and

H.R. 5892. An act to provide for an accelerated program of wind energy research, development, and demonstration, to be carried out by the Department of Energy with the support of the National Aeronautics and Space Administration and other Federal agencies.

At 11:23 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed, without amendment, the following bill:

S. 1788. An act to amend the National Consumer Cooperative Bank Act to provide for a small business representative on the Bank's Board.

The message also announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 562. An act to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

The message further announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 3948. An act to require a study of the desirability of mandatory age retirement for certain pilots, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 5:48 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 901. An act to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery;

S. 1491. An act to designate the building known as the Federal Building, at 211 Main Street, in Scott City, Kans., as the "Henry D. Parkinson Federal Building";

S. 1535. An act to designate the Federal Building in Rochester, N.Y., the "Kenneth B. Keating Building";

S. 1655. An act to designate the building known as the Department of Labor Building in Washington, District of Columbia, as the "Frances Perkins Department of Labor Building";

S. 1788. An act to amend the National Consumer Cooperative Bank Act to provide for a small business representative on the Bank's Board;

H.R. 4259. An act authorizing the President of the United States to present a gold medal to the American Red Cross;

H.R. 4732. An act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol; and

H.J. Res. 448. A joint resolution proclaiming the week of December 3 through December 9, 1979, as "Scouting Recognition Week."

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. MAGNUSON), with the exception of S. 1655 which was signed by Mr. LEVIN by unanimous consent.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 3892) to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes, with amendments in which it requests the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were each read by their titles and referred as indicated:

H.R. 918. An act for the relief of Maryrose and Rosemary Evangelista; to the Committee on the Judiciary.

H.R. 2743. An act to provide for a national policy for materials research and development and to strengthen the materials research and development capability and performance of the United States; to the Committee on Commerce, Science, and Transportation.

H.R. 3873. An act for the relief of Jan Kutina; to the Committee on the Judiciary.

H.R. 3948. An act to require a study of the desirability of mandatory age retirement for certain pilots, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 5892. An act to provide for an accelerated program of wind energy research, development, and demonstration, to be carried out by the Department of Energy with the support of the National Aeronautics and Space Administration and other Federal agencies; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee

on Banking, Housing, and Urban Affairs, without amendment:

S. 2094. An original bill to authorize loan guarantees for the benefit of the Chrysler Corp. (together with additional views) (Rept. No. 95-463).

CHRYSLER CORP. LOAN GUARANTEE ACT OF 1979

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing, and Urban Affairs, I wish to report the bill, S. 2094, to authorize loan guarantees for the benefit of the Chrysler Corp.

I ask unanimous consent that the balance for the copy of the report be delivered to the Government Printing Office by midnight tonight.

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

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 303. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2094. Referred to the Committee on the Budget.

BUDGET ACT WAIVER

Mr. PROXMIRE. Mr. President, as the bill reported by the Committee on Banking, Housing, and Urban Affairs contains new authorizations involving budget authority for fiscal year 1980 and is being reported after the May 15, 1979, deadline required by section 402(a) of the Congressional Budget Act, I report a resolution waiving section 402(a) ordered reported by the committee with respect to this bill.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96-464).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL (for Mr. CHURCH), from the Committee on Foreign Relations:

"Nomination of Sol M. Linowitz" (together with minority views) (Ex. Rept. No. 96-26)

ORDER FOR STAR PRINT—S. 2057

Mr. DURENBERGER. Mr. President, I ask unanimous consent that my bill, (S. 2057), the Investment Income Incentive Act of 1979, be star printed.

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

Mr. DURENBERGER. Mr. President, I also ask unanimous consent that the text of the star print be printed in the RECORD.

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

S. 2057

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) Dividend exclusion

Subsection (a) of section 116 of the Internal Revenue Code of 1954 (realting to partial exclusion of dividends received by individuals) is amended by striking out "$100" and inserting in lieu thereof the following table:

Year	Dividend exclusion	Dividend exclusion for a married couple filing a joint return under sec. 6013
1981	$100	$200
1982	200	400
1983	300	600
1984	400	800
1985 and after	500	1,000

(b) Savings exclusion

IN GENERAL.—Part III of Subchapter B of Chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as 129, and by inserting after section 127 the following new section:

SEC. 128. INTEREST.

(a) IN GENERAL.—In the case of an individual, gross income does not include any amount received as interest or dividends on a time or demand deposit with—

(1) a commercial or mutual savings bank the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the bank is located,

(2) a savings and loan association, building and loan association, or similar association, the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the association is located, or

(3) a credit union, the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or which are otherwise insured in accordance with the requirements of the law of the State in which the credit union is located.

(b) LIMITATION.—The amount of interest excluded under subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a husband and wife who make a joint return under section 6013)."

(c) TRANSITIONAL INTEREST EXCLUSION.—The amount of interest excluded under subsection (a) during the transition period shall not exceed the following amounts:

Year	Interest exclusion	Interest exclusion for a husband and wife who make a joint return under sec. 6013
1981	$100	$200
1982	200	400
1983	300	600
1984	400	800

(c) CROSS REFERENCE.—The table of Sections for Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following items:

Sec. 128. Interest.

Sec. 129. Cross references to other acts."

(d) LIMITATION.—Any exclusion of investment income (either savings interest or dividends) permitted by this Act shall be limited to an aggregate of $200 per individual or $400 per joint return.

(e) EFFECTIVE DATE.—The amendments made by these sections apply to taxable years beginning after December 31, 1980.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH:

S. 2086. A bill to amend the Freedom of Information Act, and to effect other changes in the law for the purpose of increasing the ability of law enforcement agencies to protect the public security; to the Committee on the Judiciary.

S. 2087. A bill to amend the Privacy Act of 1974; to the Committee on Governmental Affairs.

By Mr. DURENBERGER:

S. 2088. A bill to amend the Internal Revenue Code of 1954 to allow the targeted jobs tax credit for certain wages paid to individuals who are participating in work experience and career exploration programs; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. HELMS, and Mr. TALMADGE):

S. 2089. A bill to amend the Revenue Act of 1978 to provide that, with respect to the amendments allowing the investment tax credit for single purpose agricultural or horticultural structures, credit or refund shall be allowed without regard to the statute of limitations for certain taxable years to which such amendments apply; to the Committee on Finance.

By Mr. ROTH:

S. 2090. A bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in certain concurrent resolutions on the budget; to the Committee on the Budget and the Committee on Governmental Affairs, pursuant to order of August 4, 1977, and if reported, the second committee must report within 30 days of continuous session.

By Mr. CRANSTON:

S. 2091. A bill for the relief of Frank Fabian; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 2092. A bill for the relief of Mr. Francis S. Suarez and his wife, Maria E. Suarez, M.D.; to the Committee on the Judiciary.

S. 2093. A bill for the relief of Maria Luna Tan, M.D.; to the Committee on the Judiciary.

By Mr. PROXMIRE (from the Committee on Banking, Housing, and Urban Affairs):

S. 2094. A bill to authorize loan guarantees for the benefit of the Chrysler Corporation. Original bill reported and placed on the calendar.

By Mr. WILLIAMS (for himself and Mr. TSONGAS):

S. 2095. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to local governmental units and Indian tribes for the development of energy conservation plans and programs; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself and Mr. SIMPSON):

S. 2096. A bill to provide for a study by the Secretary of Health, Education, and Welfare of the long-term health effects in humans of exposure to dioxins; which was considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 2086. A bill to amend the Freedom of Information Act, and to effect other changes in the law for the purpose of increasing the abilitv of law enforcement agencies to protect the public security; to the Committee on the Judiciary.

S. 2087. A bill to amend the Privacy Act of 1974; to the Committee on Governmental Affairs.

(The statement of Mr. HATCH when he

introduced the bills appears earlier in today's proceedings.)

By Mr. DURENBERGER:

S. 2088. A bill to amend the Internal Revenue Code of 1954 to allow the targeted jobs tax credit for certain wages paid to individuals who are participating in work experience and career exploration programs; to the Committee on Finance.

JOB TAX CREDIT FOR YOUTH IN COOPERATIVE EDUCATION PROGRAMS

Mr. DURENBERGER. Mr. President, I am introducing a bill to expand one of the few Federal incentives for the employment of youth. Last year, the Congress provided a targeted jobs tax credit as part of the Revenue Act of 1978. At that time, it was decided to include youth participating in cooperative education programs as one group eligible for the credit.

The inclusion of participants in cooperative education programs was a major improvement in our effort to overcome the problem of youth unemployment. However, the final version scaled down the original proposal, excluding many youths in cooperative education programs only because they did not fall within the narrow age limit established by the act. Indeed, only young people between the ages of 16 and 18 in cooperative education programs are eligible. To be more effective, the age brackets should be expanded. My bill would lower the age bracket to 14 years of age and increase the bracket to 21.

I should point out that another provision in the Revenue Act of 1978 allows the job tax credit for disadvantaged youth between the ages of 18 and 24. Raising the age to 21 in the cooperative education programs would not be unreasonable. Likewise, lowering the age to 14 would be an incentive to youth to stay in school and participate in cooperative education programs.

The National Commission for Employment Policy recently released a report on youth employment in the 1980's. The paper points out that while the older population has an unemployment rate of less than 5 percent, the rate among youth is more than 10 percent. And, regrettably, minority group youth have even higher rates. Indeed, the unemployment rate for intercity youth exceeds a staggering 30 percent, with no signs that this abhorrent trend is abating. It is not an exaggeration to state that youth unemployment is and will continue to be the most serious employment problem in the next decade. One of the policy options suggested by the Commission is an expansion of wage subsidies or tax credits for employers targeted on youth. That is exactly what my proposal does.

Cooperative education programs allow youth to receive on-the-job experiences while in school. It is a means by which youth can improve basic and vocational skills, work habits, and experiences. Furthermore the Commission points out that noncollege youth who are employed while in school have a lower probability of unemployment once they are out of school.

Mr. President, this legislation would provide further encouragement for the private sector to participate in our public policy of creating productive jobs for the youth of America. I urge my colleagues to expeditiously consider and pass this necessary measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2088

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (8) of section 51(d) of the Internal Revenue Code of 1954 (relating to targeted jobs credit) is amended by striking out "16" and "19" in subparagraph (A)(i) and inserting in lieu thereof "14" "22", respectively.

SEC. 2. The amendment made by the first section of this Act shall apply in the same manner as if it had been made by section 321 of the Revenue Act of 1978.

By Mr. ROTH (for himself, Mr. HELMS, and Mr. TALMADGE):

S. 2089. A bill to amend the Revenue Act of 1978 to provide that, with respect to the amendments allowing the investment tax credit for single purpose agricultural or horticultural structures, credit or refund shall be allowed without regard to the statute of limitations for certain taxable years to which such amendments apply; to the Committee on Finance.

● Mr. ROTH. Mr. President, I am today introducing legislation to further clarify congressional intent to allow poultry producers to use the investment tax credit.

Last year's tax bill, the Revenue Act of 1978 (Public Law 95–600; H.R. 13511), contained a provision clarifying congressional intent to allow poultry producers to take advantage of the investment tax credit in the construction of structures specifically designed and used for the housing, raising, or feeding of poultry and their produce.

Congress enacted this provision to clarify the intent of Congress and end years of costly court battles. In 1971, the Senate Finance Committee, as expressed in its report on the Revenue Act of 1971, said the restored investment tax credit was to be allowed for the construction of special purpose agricultural structures. Despite this expression of intent, the Internal Revenue Service continued to deny the investment tax credit to poultry producers, even though recent court decisions have ruled in favor of poultry producers.

Because Congress felt the credit had been unfairly denied to poultry farmers by the IRS contrary to congressional intent, the provision enacted in 1978 was made retroactive to August 15, 1971.

However, the IRS is now taking the position the investment tax credit will only be allowed retroactively to taxpayers who disputed the original IRS regulations. In other words, taxpayers who could not afford to fight the IRS and who filed returns according to the service's interpretation of the 1971 law are now being penalized for following the laws and regulations.

I believe this recent IRS ruling is yet another example of law-abiding working Americans being denied equity by the system. The legislative intent of Congress is clear. According to the Senate Finance Committee report (Rept. No. 95–1263, p. 117), the new provision allowing poultry farmers to use the investment tax credit is to "be effective for taxable years which end on or after August 15, 1971."

Despite this clear congressional intent, the Internal Revenue Service claims a technicality is preventing them from allowing the investment tax credit to those taxpayers who did not dispute the original IRS regulations. According to the IRS, Internal Revenue Code prevents the IRS from granting tax credit refunds if 3 years have passed since the tax return was filed. Therefore, the IRS cannot allow the tax credit for returns filed before 1976, despite congressional intent.

Therefore, I am today introducing a technical amendment to clarify once and for all the intent of Congress with respect to the investment tax credit and poultry producers.●

By Mr. WILLIAMS (for himself and Mr. TSONGAS):

S. 2095. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to local governmental units and Indian tribes for the development of energy conservation plans and programs; to the Committee on Energy and Natural Resources.

COMPREHENSIVE LOCAL ENERGY CONSERVATION BLOCK GRANT ACT OF 1980

● Mr. WILLIAMS. Mr. President, over the last month, the Nation has been forced to endure the continuing outrage that Iran has inflicted on American diplomatic personnel stationed there. The scenes and stories coming out of Iran have gripped all of our people, and reveal, once again, in the starkest terms, the instability and unreliability of regimes we depend upon for a sure and steady flow of oil. With imported oil comprising more than 50 percent of our oil consumption, it is clear that our overseas energy sources are becoming more fragile even as our own dependence on these sources grows more profound with each passing day. Unless we pursue with the utmost vigor realistic and effective energy policies and programs, we shall continue to be at the mercy of governments determined to use their energy resources as an international weapon.

A cornerstone of this Nation's response to our foreign oil dependence must be conservation. Programs already enacted indicate that we have recognized the potential of energy conservation, but we have a long way to go to realize that potential. A large part of the problem lies in our failure to date to harness the enormous influence that local governments can wield in advancing conservation as part of a comprehensive national energy strategy. The legislation I am introducing today would provide communities the assistance they need to participate effectively in this endeavor. I am delighted to be joined by my distinguished colleague on the Sen-

ate Banking Committee, the Senator from Massachusetts (Mr. TSONGAS).

According to the Department of Housing and Urban Development, nearly 60 percent of this Nation's energy is consumed in cities, but the amount and manner of each locality's consumption varies according to its own distinct behavior. The relative energy use of the different components of each community—its residences, its public facilities, its commercial and industrial enterprises, and its transportation patterns, to name a few—will vary from one jurisdiction to another.

The relationships of these components to one another also differ among communities, and play a fundamental role in establishing local patterns of energy use. Unfortunately, the contribution of local governments to reduced energy consumption remains largely unexplored. The Federal Government has not applied its own resources to make local governments full partners in a national conservation program. Overwhelmingly, local governments do not even begin to have the capacity to determine their fuel consumption behavior, and then develop and implement programs to reduce their overall energy use. Few cities, for example, can tell what percentage of their fossil fuel goes for water and sewer services, as opposed to industrial lighting. Almost no community has the ability to assess the energy impact of a proposed parking lot, or a zoning change, or a revision in building codes, or a planned housing development.

There are a tiny handful of exceptions to this rule. The city of Portland, Oreg., after in-depth local analyses of its energy use, has embarked on an ambitious conservation program that would revamp local development policies to make them more energy conscious. One feature of Portland's program calls for the retrofitting of any residential dwelling prior to its sale. That most other communities have not followed Portland's example, stems more from a lack of national guidance and encouragement than from lack of individual community initiative. Energy expertise and technical know-how are primitive at best in many communities, particularly smaller ones, and many other cities are too financially hard-pressed to divert funds from critical immediate demands to longer range requirements.

The legislation I am introducing today corresponds to legislation introduced in the House by Congressman LES AUCOIN, a Member of that body who has has exhibited a sensitive respect for national and local needs and the impact on families of proposed Federal initiatives. The bill is based on the principle that local governments should bring an energy perspective to the decisions that they make on a day to day as well as a long range basis. It is designed to provide a Federal framework for assisting local governments to design full scale conservation plans and programs tailored to meet their own specific needs.

Rather than establish a new, untried mechanism, my legislation would achieve its purpose through an existing Federal program—the community development block grant program.

This program was enacted by Congress in 1974 to assist local governments in meeting their housing and community development needs through locally developed strategies. In making future plans, localities must acknowledge the critical importance of energy consumption, not just for ongoing business and neighborhood revitalization programs, but for all elements of local enterprise. New Decisions on housing rehabilitation, building codes, transportation, and zoning should all be made in the context of their impact on total local energy consumption in a manner that promotes the greatest fossil fuel energy savings. Moreover, their development decisions should be made with an eye toward how a particular program or enterprise under consideration will relate to existing activities and the long-term comprehensive needs of the community. Programs cannot be developed in a void. Their relation to one another is of paramount importance.

Under my legislation, communities would receive an allocation based on the existing community development block grant program's dual formula, plus energy related factors such as per capita reduction in the use of fossil fuels.

It would be up to the Secretary to determine the proper weight that would be accorded the dual formula factors and the energy-related factors in distributing energy conservation block grants. Use of the existing formulas will assure that cities which suffer the greatest economic and financial difficulties, and most need development assistance, receive the fullest attention, whether their needs arise from the problems of growth or decline. Application of energy factors would make certain that communities experiencing heavy consumption of energy not just because of their population size, but also because of their physical features and development patterns, will be accorded special emphasis in the distribution of grants.

In conformance with the present block grant program, large metropolitan cities and urban counties would receive entitlements, while smaller metropolitan cities and rural communities would receive funds by secretarial discretion.

A community seeking an energy conservation grant would be required to submit information, as part of its standard community development block grant application, describing the shape of its energy conservation plan, and the steps it will take to implement it. Among the actions that communities would be expected to take are the assessment of local energy uses, development of an energy conservation plan, improvements in public facilities to make them more energy efficient, establishment of assistance programs to effect energy conserving improvements in residential structures primarily occupied by low and moderate income people, and modification of existing planning and zoning ordinances to make them more consistent with energy conservation goals. Communities would be required to set forth timetables to meet the objectives of their energy conservation plans, and would have to project the amount of energy savings that these plans could achieve.

The communities would be expected to develop appropriate provisions for energy emergencies, as well as specific proposals for meeting low-income family and elderly needs. All such programs and plans would be expected to conform with any existing State energy plans. As with the existing block grant program, the energy conservation grant program would provide ample opportunity for local citizens to participate in the development of applications for assistance.

The Secretary would monitor the use of the block grants, measuring the actual performance of a community against the plans it sets forth in its application. A locality that fails to make progress toward developing or implementing its plans could expect some part or all of its energy conservation grant to be withheld. While it is not expected that the assistance under this legislation will allow communities to achieve all of their goals at one time, it is anticipated that the grants will allow them to make substantial and consistent progress toward the eventual accomplishment of these goals.

I want to emphasize that although communities must adhere to broad national guidelines, the methods they choose to meet their energy conservation objectives will be locally determined. Communities will have the freedom to fashion programs that respond to unique local conditions.

The legislation would authorize $600 million a year for fiscal years 1981 through 1983. The investment of these sums could reap enormous dollar savings through reduced energy consumption. The city of Portland projects that the comprehensive energy conservation program it has developed will reduce its projected energy use by 25 to 35 percent by 1995. This amounts to between 9 and 13 million barrels a year, or a dollar savings of $225–$325 million annually at today's market prices, or as much as $650 million at prices quoted in the spot market. Even if only a portion of these projected savings is actually realized, the contribution to energy conservation will be significant. And there is every reason to believe that other communities, through their own conservation programs, could make equally important contributions.

To a large extent, the economic and social future of the country hinges on our ability to control our use of energy. Energy conservation is one of the most critical challenges we face as a people. Our success will depend on whether or not we can bring together in a community of effort all segments of our society—government at all levels, private enterprise, and individual citizens. The legislation I have introduced is meant to make local governments full working partners in the achievement of a more energy conscious, more energy efficient America, an America more confident of its own future course.

Mr. President, I ask unanimous con-

sent that the text of my bill be printed in the RECORD at this point.

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

S. 2095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 of the Housing and Community Development Act of 1974 is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) There is authorized to be appropriated a sum not in excess of $600,000,000 for energy conservation block grants under section 121 for the fiscal year 1980, and such sums as may be necessary are authorized to be appropriated for such grants for each of the fiscal years 1981, 1982, and 1983.".

SEC. 2. The Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new section:

"ENERGY CONSERVATION BLOCK GRANTS

"SEC. 121. (a) In order to encourage units of general local government and Indian tribes to adopt and implement community energy conservation plans and programs designed to achieve significant energy savings within their jurisdictions, the Secretary is authorized to make energy conservation block grants as provided in this section.

"(b) No grant may be made pursuant to this section unless the applicant is eligible for a grant under section 106, has met the application requirements set forth in section 104 for the period for which assistance is sought under this section, and has submitted an application which—

"(1) describes an energy conservation program which sets forth the applicant's energy needs and objectives and which shall provide for, but need not be limited to (A) the development and implementation of a local energy conservation plan which details energy use by sector; (B) the enactment or modification of local ordinances to encourage or mandate energy conservation or renewable energy resource utilization; (C) the adoption and enforcement, where appropriate, of a local energy conservation code; (D) the encouragement of energy conserving improvements in public buildings; (E) financial or other assistance to effect energy conserving improvements of residential structures, primarily for the benefit of low- and moderate-income tenants and homeowners; (F) appropriate provisions for energy emergencies; (G) specific proposals for meeting the needs of the elderly and of persons of low income; (H) such other energy conservation-related activities described by the Secretary; and (I) a schedule for implementation of each element provided for in the energy conservation program;

"(2) projects the timing and amount of (A) savings in scarce fossil fuel consumption, and (B) savings through development and use of renewable energy resources that will result from implementation of the program described in paragraph (1);

"(3) describes how its energy conservation program will be administered;

"(4) specifies the activities to be undertaken with the energy conservation block grant funds applied for in furtherance of the program, together with the estimated costs and general locations of such activities;

"(5) provides satisfactory assurances that the citizen participation requirements of section 104(a)(6) have been met with regard to the development of its application for assistance under this section;

"(6) provides satisfactory assurances that the program will be conducted and administered in conformity with the Civil Rights Act of 1964 and the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968; and

"(7) certifies to the satisfaction of the Secretary that the program is consistent with any applicable State energy conservation plan.

"(c) In addition to activities authorized under subsection (b)(1), grants under this section may be expended for such other activities as the Secretary, in consultation with the Secretary of Transportation and the Secretary of Energy, may determine to be consistent with the purposes of this section.

"(d) The Secretary shall not approve an application for an amount determined in accordance with subsection (h) unless—

"(1) on the basis of comprehensive data pertaining to local needs and objectives, and consistent with and in cooperation with any applicable State energy plan, the Secretary determines that the applicant's description of such needs and objectives will lead to a per capita reduction in fossil fuel consumption. Such estimates of 'energy saved' may be expressed as a yearly estimate or for an average of 5 years as a result of the conservation or renewable resource activity;

"(2) on the basis of the application, the Secretary determines that the applicant has given equitable consideration and analysis to the impacts of such actions on income groups in the applicant's jurisdiction; and

"(3) the Secretary determines that the application complies with the requirements of this section and that the applicant is effectively carrying out its energy conservation program as proposed under subsection (b).

"(e) Each grantee under this section shall submit to the Secretary each year a performance report concerning the activities carried out pursuant to this section, together with an assessment by the grantee of the relationship of those activities to the needs and objectives identified in the grantee's application submitted pursuant to subsection (b). The performance report shall include any citizen comments submitted pursuant to subsection (b) and the Secretary shall consider such comments, together with the views of other citizens and such other information as may be available, in carrying out the provisions of this subsection. The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out a program substantially as described in its application, whether that program conformed to the requirements of this section and other applicable laws, and whether the applicant has a continuing capacity to carry out in a timely manner the approved energy conservation program. The Secretary may make appropriate adjustment in the amount of the annual grants in accordance with the Secretary's findings pursuant to this subsection. With respect to grants made pursuant to this section, the Secretary may adjust, reduce or withdraw grant funds, or take other action as appropriate in accordance with such reviews and audits, except that funds already expanded on eligible activities under this title shall not be recaptured or deducted from future grants made to the recipient.

"(f) An application subject to subsection (b), submitted on or before the date established by the Secretary for consideration of applications which shall be the same as the date specified pursuant to section 106(k), shall be deemed approved within seventy-five days after receipt unless the Secretary informs the applicant of specific reasons for disapproval. Subsequent to approval of the application, the amount of the grant may be adjusted in accordance with the provisions of this section.

"(g) Of the amount approved in an appropriation Act under section 103(d) for grants in any year, 80 per centum shall be allocated by the Secretary to metropolitan areas. Except as otherwise provided, each metropolitan city and urban county shall, subject to the provisions of subsection (b) and except as otherwise specifically authorized, be entitled to annual grants from such allocation in an aggregate amount not exceeding its basic amount computed pursuant to this section.

"(h)(1) The Secretary shall determine the amount to be allocated to each metropolitan city and urban county by applying the formula contained in section 106(b) to the amount allocated by subsection (g), except that such energy requirements as may be determined by the Secretary shall be included as factors in determining such amounts.

"(2) Any portion of the amount allocated to metropolitan areas which remains after the allocation of grants to metropolitan cities and urban counties in accordance with paragraph (1) shall be allocated by the Secretary in accordance with section 106(d)(2), except that such energy requirements as may be determined by the Secretary shall be included as factors in determining such amounts and paragraph (3) of section 106(d) shall not apply to grants under this paragraph.

"(3) Of the amount approved in an appropriation Act under section 103(d) for grants in any year, 20 per centum shall be allocated by the Secretary in accordance with section 106(f)(1)(B), except that such energy requirements as may be determine by the Secretary shall be included as factors in determining such amounts and paragraph (2) of section 106(f) shall not apply to grants under this paragraph.

"(4) Factors pertaining to energy requirements shall be weighted as determined by the Secretary and shall be applied uniformly in the computations provided for in this subsection.

"(i) The Secretary may set aside up to 5 per centum of the amount approved in an appropriation Act under section 103(d) for (1) the provision of technical and other assistance to eligible jurisdictions; (2) the publication of studies, technical manuals, and other materials which the Secretary deems helpful to further the purposes of this Act; (3) evaluations, research, planning, and other studies; (4) activities authorized under the Intergovernmental Personnel Act; (5) orientation and training of local and other officials and private parties under this Act; (6) assistance to neighborhood and community groups; (7) such information exchange and service activities as he deems necessary to further the purposes of this Act; and (8) other activities designed to further the purposes of this Act and to provide aid and assistance to eligible agenices.

"(j) The Secretary is authorized to utilize voluntary assistance from qualified individuals and nonprofit groups and to pay necessary travel and other expenses thereof in the attainment of the objectives of this Act, and in furtherance of activities set for in subsection (1).

"(k) In carrying out the provisions of this section, the Secretary shall consult with the Secretary of Energy and the Secretary of Transportation.

"(l) The provisions of this title shall apply to this section except to the extent that the Secretary determines the application of any provision would be inconsistent with this section or would frustrate achievement of the objectives of this section.".●

ADDITIONAL COSPONSORS

S. 208

At the request of Mr. WALLOP, the Senator from Delaware (Mr. ROTH), the

Senator from Rhode Island (Mr. CHAFEE), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) were added as cosponsors of S. 208, a bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States.

S. 523

At the request of Mr. HART, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 523, the Uniformed Services Health Professionals Special Act of 1979.

S. 1203

At the request of Mr. BAYH, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1203, a bill to amend the Social Security Act regarding disability benefits for the terminally ill.

S. 1610

At the request of Mr. SCHWEIKER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1610, the Blood Assurance Act of 1979.

AMENDMENT NO. 692

At the request of Mr. BELLMON, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of amendment No. 692 intended to be proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 724

At the request of Mr. NELSON, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of amendment No. 724 intended to be proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 735

At the request of Mr. BENTSEN, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of amendment No. 735 intended to be proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

SENATE RESOLUTION 303—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 303

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2094. Such waiver is necessary because S. 2094 authorizes the enactment of new budget authority which would first become available in fiscal year 1980, and such bill was not reported on or before May 15, 1979, as required by Section 402(a) of the Congressional Budget Act of 1974 for such authorizations. Compliance with Section 402(a) of the Congressional Budget Act of 1974 was not possible in this instance because the Committee could not anticipate that the Chrysler Corp. would request Federal financial assistance this year, since such request was made after May 15, 1979. Failure to consider this legislation in the Senate this year would preclude the timely commitment and issuance of guaranteed loans to the Chrysler Corp. as part of the financing plan provided pursuant to this legislation. Such financial assistance is needed to enable the corporation to continue to furnish goods or services, and failure to meet such need could adversely and seriously affect the economy of, or employment in, the United States or a region thereof.

AMENDMENTS SUBMITTED FOR PRINTING

SOCIAL SECURITY DISABILITY AMENDMENTS OF 1979—H.R. 3236

AMENDMENT NO. 749

(Ordered to be printed and to lie on the table.)

Mr. BAYH submitted an amendment intended to be proposed by him to H.R. 3236, an act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENT NO. 750

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

TRADE EMBARGO AGAINST IRAN

● Mr. DOLE. Mr. President, the Senator from Kansas has been heavily involved in the windfall profit tax bill for a long time, since it first came before the Senate Finance Committee. It seems to me, as we work on this problem in order to resolve our energy crisis, that it would not hurt to remind ourselves that we are debating this tax largely because of the unconscionable actions of OPEC in increasing their oil prices. Yet while we have been here on the Senate floor attacking our own companies it is quite possible we have let the real culprit escape condemnation—the OPEC states.

Mr. President, it has been almost 33 days since our embassy in Iran was overthrown by revolutionaries and the prospects of a satisfactory solution seem as elusive as ever. The Senator from Kansas wonders how the United States allowed itself to get into this mess to begin with? I also must ask whether there is any inherent connection between the Iranian hostage situation and the oil weapon they control, because if there is we ought to address it here and now at the same time the Senate takes final "punitive" action against our own domestic companies. In order to insure that other irresponsible nations will not use these terrorist tactics, the U.S. Government must show that we are not going to be shoved around simply because someone, somewhere threatens to shut off our crude oil faucet.

If we do not address this issue now, it is not going to matter what we do on the windfall profit tax, because even greater oil crises will loom in our future, making much more radical action necessary. President Carter realized the necessity to exhibit such strength when he ordered that no Iranian oil be imported into this country. I support that action 100 percent. However, I must add that it is the opinion of this Senator that we as a nation, the strongest nation in the world, have not brought as much pressure to bear on them as we are capable of to secure the release of the American hostages.

Mr. President, we can look directly at our seeming unwillingness to take such action as the catalyst that has perhaps contributed to the decision and encouraged other terrorists to attempt Embassy takeovers in Libya and Pakistan. We now witness the spectacle of our State Department being forced to direct all nonessential Embassy personnel to leave other Islamic OPEC states because we can no longer guarantee their safety. The United States is faced with a trying time ahead in world affairs. Once again I want to state my full support for the President in this evacuation, but I feel he has been shouldering the burden alone for too long, reacting to the actions of the Khomeini regime. I believe the Senate should take a firm and implacable stand. In view of this I am offering an amendment which would ban any and all trade with Iran: Or any other country that in the future seizes U.S. diplomatic personnel or their families as hostages.

The Dole amendment would prohibit any trade in commerce, any agricultural imports or exports including Public Law 480 commodities, machinery, services, military parts, or technology. If they do not understand reason or justice at least these fanatics in Tehran may understand a deprivation that will immediately begin to hit them where it hurts. Mr. President, the American people are desperately beginning to think of solutions to this crisis which involve the massive use of military force while they wait for decisive action to resolve this issue once and for all. I am proud to be able to announce that the farmers in my own State of Kansas as well as the National Farm Bureau support an all-out agricultural boycott of Iran. This very day longshoremen remain adamant in their refusal to load goods on ships bound for Iran, yet there has been no boycott directive issued by the U.S. Government. Individual citizens are leading the way and we must do all we can to support, shape, and lead constructive approaches to force the release of the hostages.

Mr. President, there is sufficient precedent for taking the action proposed by the Senator from Kansas. Under the irrational regime of Idi Amin, the U.S. Congress banned trade with Uganda. Previously, the Congress banned trade with Castro's Cuba and with Rhodesia, as well as other nations in violation of established principles of international law and basic human rights. How can we in good conscience and in all fairness continue to ban trade with these countries while allowing Khomeini and his followers the privilege of U.S. trade while they continue to hold our citizens hostage?

The amendment I submit today would

only confirm the reality of the voluntary boycott which our longshoremen had the courage to impose. I think it is no secret that Iran is already beginning to feel the pinch from this informal boycott. They produce very little wheat and need U.S. exports badly. The point is that unless we make the boycott official and all-inclusive the Iranian Government, such as it is, will continue to believe that in the United States, an anti-shah majority will form and agree to their demands.

We can by adoption of this amendment exhibit the resolve of the American people to support the President and negate those feelings in Iran that we are a Nation divided over the crisis. Separate voices recently raised in opposition to each other will not contribute to the solution but only add to the problem. It is the responsibility of the U.S. Senate to show our solidarity behind the President. This amendment will show just that.

The boycott of agricultural commodities in particular can and will hurt the Khomeini regime. This regime is already weakened by its incompetence and inability to create jobs for its hordes of unemployed "students," and I believe that Khomeini cynically and hypocritically seized our Embassy in order to give his unemployed masses a foreign scapegoat to blame for the ills which the mad cult leader has created himself.

Given this internal instability, by boycotting Iran on wheat sales, and other sales, we will soon see how long the students continue to shout anti-American slogans and hold our hostages. They will learn the lesson of "biting the hand that feeds them," and will think twice about taking a mad journey back to the dark ages with Khomeini and his barbarians.

The Senator from Kansas understands that 70 percent of Iran's wheat, vegetable oil, and rice and 100 percent of their soybean meal requirement is exported from the United States. It is also estimated that approximately 25 percent of their feed grain is supplied by the United States.

Mr. President, it is safe to assume that if the United States were to withhold rice and feed grains, the most vital U.S. agricultural exports to Iran, the net effect on Iran would cause severe shortrun economic dislocations in large cities, and cripple the Iranian poultry industry which has suffered substantial losses already this year. Moreover, these commodities are especially vital to Iran at this time because there are no other apparent alternative suppliers of soybean meal, and there is presently a shortage of supply on the world rice market.

Finally, it is interesting to note that while U.S. nonagricultural exports to Iran since Khomeini's rise to power have dropped off by about two-thirds in this fiscal year, U.S. food exports have stayed the same or risen slightly (8–10 percent) over the same period.

We are in a position to seriously hurt Iran on the economic battleground. To those who say that such a boycott "won't work" because other nations will sell their wheat and commodities to Iran, I would respond by saying that our resolve to boycott Iran may very well influence these nations to join with us in this endeavor. Certainly we should urge them to. In addition to the fact that other nations such as Canada and Australia do not possess a grain reserve sufficient to meet the added demands by a U.S. boycott it is inconceivable they would so openly undercut our attempts to secure the safe release of our citizens, since world public opinion and even the United Nations are calling for the release of the hostages daily.

FUTURE IMPLICATIONS

My amendment is designed to affect not only Iran but all countries which might think of taking our diplomatic personnel hostages in the future, because it would put them on notice that we will boycott them if they do so. Unstable regimes who fear the wrath of their own starving masses will not dare to take hostages, if they know that we will boycott them. No regime can survive if its own masses are starving.

To those who would say that this amendment is not "humanitarian," I would only say that it is designed to prevent one of the most unhumanitarian acts of all by criminal governments, namely, the taking of innocent people as hostages.

The Khomeini regime has returned to the Dark Ages where there was no international law, nor domestic law, but only the mad and arbitrary rule of the despot who poses as a religious leader while in fact violating every tenent of his own Koran. The Khomeini regime's so-called constitution which gives the ayatollah dictatorial power only shows the cynical extent to which he has subverted and deceived his own people.

The fact is that Khomeini is by far the most dangerous leader in the world today. His flagrant violation of international law, his open call for "holy war" and for OPEC states to jack up the price of oil and curtail production, and not accept the dollar in payment for oil, reveals the extent of his danger. His open willingness to be "martyred" by imaginary enemies reminds us all too clearly of another religious leader, who slaughtered his own people in Jonestown a year ago.

Resolve is the key to unified action when there is a threat to our Nation or our citizens. Temporizing lays the groundwork for defeat. When any nation takes our citizens unjustly it volunters to become our enemy, and we must respond as forcefully as the threat to the lives of our citizens is forceful. I urge my colleagues to join in speaking to the rogue nations of the world with the clear voice of American resolve.●

AMENDMENT NO. 751

(Ordered to be printed and to lie on the table.)

Mr. DURENBERGER submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. CULVER. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure will hold a business meeting on Thursday, December 13, 1979, to mark up proposed regulatory reform legislation. The meeting will begin at 9:30 a.m. in room 4200, Dirksen Senate Office Building.●

SUBCOMMITTEE ON NUTRITION

● Mr. McGOVERN. Mr. President, I wish to announce that the Agriculture Subcommittee on Nutrition has scheduled a hearing on S. 605, the Food and Nutrition Program Optional Consolidation and Reorganization Act of 1979 introduced by Senator BELLMON. The bill would permit the States to consolidate and reorganize food and nutrition programs administered by USDA.

The hearing will be held on Tuesday, December 11, beginning at 10 a.m. in room 324 Russell. The subcommittee will hear from invited witnesses only, but written statements submitted for the record are welcome.

Anyone wishing further information should contact the Agriculture Committee staff at 224–2035.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, a hearing by the Select Committee on Small Business, jointly with the Senate Agriculture Committee, and scheduled for tomorrow in Little Rock, Ark, has been cancelled. It will be rescheduled, but no date has been established.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today for a discussion of the staff working draft amendments to title II of the Communications Act of 1934, to consider S. 1798, the Household Goods Act, and S. 1930, the Commercial Motor Vehicle Safety Act.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a mark-up session on the Nuclear Waste Policy Act and other pending calendar business.

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

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Agricultural Research and General Legislation Subcommittee of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Monday, December 10, 1979, to hold a hearing on S. 2043, legislation on research for the prevention of cancer in animals.

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

SUBCOMMITTEE ON NUTRITION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Nutrition Subcommittee of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Tuesday, December 11, 1979, to hold a hearing on S. 605, legislation to allow States to consolidate and reorganize feeding programs administered by USDA.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the sessions of the Senate today and Friday, December 7, 1979, to hold hearings on the Nicaraguan aid package.

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

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Near Eastern and South Asian Affairs Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2 p.m. to hear administration officials on the situation in Yemen.

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

ADDITIONAL STATEMENTS

GOLDWATER AND JAVITS, THE SOUGHT-AFTER POLITICAL TEAM

● Mr. HEINZ. Mr. President, BARRY GOLDWATER and JACK JAVITS command enormous respect and affection in this Chamber, their home States, and the Nation and world. My Republican colleagues recently urged BARRY and JACK to seek reelection in 1980 and this call prompted one of our Nation's most distinguished journalists, Nick Thimmesch, to write a column on the remarkable careers of these two great men. I ask that this column be printed in the RECORD.

The article follows:

GOLDWATER AND JAVITS, THE SOUGHT-AFTER POLITICAL TEAM

(By Nick Thimmesch)

WASHINGTON.—It was rather nice that, with one exception, all Republican colleagues of Senators Barry Goldwater and Jacob Javits recently urged them to seek reelection next year. Both of these senior, but ideologically dissimilar, gentlemen haven't made up their minds yet about trying for a fifth term.

North Dakota's senior legislator, Milton Young, 81, in the Senate 34 years, says he can't recall his fellow Republicans ever writing a letter of this sort before.

Initiated by Republican Senatorial Committee Chairman John Heinz, the letter said: "For more than a quarter of a century you have been two of America's most respected and most influential leaders . . . you have helped shape many of the most crucial decisions of our time. . . . You certainly have earned the right to step down from the Senate's demanding pace. But we need you. . . . A Senate without Barry Goldwater or Jack Javits is almost impossible to imagine."

Now Goldwater, 70, and Javits, 75, have always seemed to be opposites. Javits was born poor on New York's lower East Side in what he once called "an urban counterpart to a log cabin." His immigrant father didn't earn enough as a pants presser, so he moonlighted as a janitor. Father and son resented the heavy-handed corruption of Tammany Democrats. From boyhood on, Javits was a Republican, an interesting sort of dissident in Manhattan.

Javits worked his way through school, excelled in the law and made himself a nest egg before running for office for the first time at the relatively late age of 42. He became a record vote-getter and for years was kept at an arm's length by many Senate Republicans because of his consistent liberalism.

In 1964, Javits refused to support the GOP nominee, Barry Goldwater, a defiant act that hardly won him plaudits West of the Hudson River. His older brother, Benjamin, an ardent Goldwater fan, irked Jacob Javits by having Goldwater picked up in his limousine whenever he arrived in New York.

Goldwater was born in the Territory of Arizona. His uncle helped found the Jeffersonian-flavored Democratic Party in those parts. It wasn't until after World War II that Barry turned Republican. Moreover, Goldwater, was born into a wealthy family, attended private schools, married an industrialist's daughter and, while always a hearty outdoorsman, knew nothing of the rough and tumble of growing up in an ethnic (Jewish) neighborhood.

Since Goldwater was reared in his mother's Episcopalian faith, he was sheltered from anti-Semitism. There is a story that he was once turned away from a country club because of his name and that he asked the manager if he could play nine holes, "because I'm only half-Jewish."

Later in life, after he learned that his Jewish relatives in Poznan, Poland, had been exterminated by the Nazis, he became more sensitive to his background. Goldwater became very angry in 1964 when Daniel Schorr, then a CBS correspondent, did a report suggesting that Goldwater was linking himself with neo-Fascist elements in West Germany, a falsehood which Schorr came to regret.

Javits, living in the ethnic turmoil of New York City, was always keenly aware of who he was. In one of his books, Javits wrote that had his father come to the United States earlier, he might have gone West as a Jewish "Yankee peddlar" on the frontier and, "with his wagonful of pots and pans," come to rest in a small Western town. Thus Javits' father might have eventually opened a dry-goods store which would become a department store."

"It amuses me to think that he might have come to rest in Phoenix, where he could have met a man like himself named Goldwater," Javits wrote. "Perhaps the pair might have even become fang-and-claw competitors." Javits then mused that they might have even become partners, and then "the great department store of Goldwater and Javits."

That entrepreneurial partnership was never formed, and even today there is only a limited political partnership of Goldwater & Javits. The two men are friends and speak very well of each other.

Javits remains the hard-headed liberal, respected by his Republican colleagues. No one is more impressive in Senate floor debate for skill or command of facts than Javits. He is also the ranking Republican on the Senate Foreign Relations Committee and an expert on SALT II. Republicans gave him the chief role in forming their alternative economic package, and he is saluted for his longtime campaign for pushing for greater productivity in our economy through capital formation.

Goldwater is more low-key but is an important and respected figure in deliberations on the armed services, SALT II, intelligence and the pending communications act. No Republican gets more affection from his colleagues than Goldwater, and he is holding up well in polls in Arizona. His wife's health and his own are major considerations as he makes his decision whether to run again.

North Carolina's Sen. Jesse Helms is the only Senate Republican who didn't sign the letter. His spokesman explained that Helms: Wasn't consulted; feels that he should't tell Republicans in Arizona and New York whom to nominate; is a friend of New York's Rep. Jack Kemp whom he might favor in a primary over "Jake" Javits.●

ORSON HYDE MEMORIAL GARDEN ON THE MOUNT OF OLIVES

● Mr. CHURCH. Mr. President, the Orson Hyde Memorial Gardens on the slopes of the Mount of Olives in Jerusalem was dedicated on October 24 by Spencer W. Kimball, president of the Church of Jesus Christ of Latter-day Saints.

Orson Hyde was a 19th century apostle of the LDS Church. He visited Jerusalem in 1841, and on October 24 of that year he offered a dedicatory prayer on the Mount of Olives in which he called for the rebuilding of Jerusalem.

The Orson Hyde Memorial Gardens, which commemorate that event, are located on several acres east of the old city of Jerusalem on the Mount of Olives and form part of the Jerusalem Gardens National Park.

The Jerusalem Gardens National Park is an outgrowth of efforts to preserve the beauty and heritage of the old city of Jerusalem and prevent its being despoiled. The Orson Hyde Memorial Gardens will be the largest single tract in the Jerusalem Gardens National Park which will be a green belt area of more than 600 acres surrounding the old walled city of Jerusalem.

Mr. President, I ask that articles from the Church News and the Jerusalem Post reporting on the dedication ceremonies be printed in the RECORD.

The articles follow:

[From Church News, Nov. 3, 1979]

ORSON HYDE GARDEN IS ON VANTAGE SEAT OF BIBLICAL HISTORY

(By Dell Van Orden)

JERUSALEM.—Located on one of the most prominent sites in Jerusalem, the Orson Hyde Memorial Garden stands as a monument to the importance of the gathering of the children of Abraham to this sacred land.

The garden, which was dedicated Oct. 24 by President Spencer W. Kimball, is on the Mount of Olives overlooking the walled city of Old Jerusalem across the Kidron Valley and just above and north of the Garden of Gethsemane.

From the slopes of the memorial garden can be seen the famed Dome of the Rock, a Moslem shrine and perhaps the most noted landmark in Jerusalem.

"My heart leaps and then is subdued as I think of some of the momentous events that have occurred on this historical mount," said President Kimball as he addressed some 2,000 persons. The audience was seated on the slopes of the newly created garden, which commemorates the 1841 visit to Jerusalem of Orson Hyde, an early apostle sent by Joseph Smith to dedicate and consecrate the land for the gathering. President Kimball was one of several speakers who addressed the huge audience, nearly all of whom were members of the Church who had come to Jerusalem for the dedication with various tour groups.

Other speakers were Teddy Kollek, Jerusalem mayor; Israel Lippel, director general of the ministry of Religious Affairs for Israel; Orson Hyde White, chairman of the Orson Hyde Foundation; President N. Eldon Tanner, first counselor in the First Presidency; and President Ezra Taft Benson and Elder LeGrand Richards of the Council of the Twelve. Elder Richards is president of the foundation.

Most of the speakers paid tribute to Orson Hyde and quoted from his prayer of dedication.

The dedication services were conducted by Elder Howard W. Hunter of the Council of the Twelve, and were also attended by Elder Marvin J. Ashton of the Council of the Twelve, and Elder Eldred G. Smith, patriarch emeritus to the Church.

"If a person could have had a vantage seat on this mount down through the ages, what scenes his eyes would have beheld," said President Kimball in his address.

"Before us, across the Kidron Valley, is the famed Mount Moriah, the traditional place where Father Abraham went to offer his son as a sacrifice, and the location of the temples of Solomon and Herod," President Kimball related.

"From this mount, with the city of Jerusalem before him, a spectator throughout the centuries could have witnessed the caravans of traders and merchants and the processions of armies and common folk from many nations and empires, including Assyria, Babylonia, Persia, Egypt, Greece, Rome, and in more recent times, Turkey and Great Britain."

President Kimball continued, "In Old Testament times, David ascended this mount, weeping as he went because of the unfaithfulness of some of his people, including his son Absalom.

"In New Testament times, Jesus Christ traversed this mount on several occasions while traveling between Jerusalem and Bethany. He wept as He looked over Jerusalem and yearned that the people might be gathered in righteousness.

"On this mount the Savior gave some of the greatest teachings ever recorded in holy writ as He privately taught Peter, James, John and Andrew concerning His future mission.

"In a garden called Gethsemane, just below us, He fulfilled that part of His atonement which enables us to return to our Heavenly Father if we but repent of our sins and keep His commandments," the president emphasized.

In his dedicatory prayer, President Kimball prayed that the Lord would accept the garden "as a special memorial to the prophetic prayer of Orson Hyde."

The Church leader said much of what the early apostle prayed for has already come to pass.

"The land has become abundantly fruitful again," he said, "with flocks and orchards and fields. The scattered children of Abraham have returned in great numbers to build up this land as a refuge and the city of Jerusalem has flourished."

Before the dedication, the Church leaders and officers of the Orson Hyde Foundation were hosted by Mayor Kollek at a reception in the Jerusalem Council Chambers.

Mayor Kollek, who appeared in open collar as is often his custom, said, "Everybody who knows the history of Jerusalem in modern times knows the prophecy of Orson Hyde.

"We're doing everything we can to bring out the beauty of Jerusalem by our own efforts and we thank you for adding olives again to the Mount of Olives," the mayor commented as he informally spoke to the some 100 guests.

At the reception, Elder Richards gave Mayor Kollek a check for $225,000, the last payment of a $1 million commitment to the memorial garden. The money has been raised through private donations to the Orson Hyde Foundation.

Before Mayor Kollek was given the check, Elder Hunter told him, "We haven't finished paying the $1 million for the garden."

The mayor drew laughter from the guests in the chamber when he replied, "We trust you."

"We don't like to dedicate anything that isn't paid for," continued Elder Hunter, "and Elder Richards has the last installment of the money."

Some 30,000 donors contributed money to the memorial garden and their names are placed in a capsule sealed behind a heroic-size plaque at the top of the garden. The plaque has written in English and Hebrew excerpts from Orson Hyde's prayer of dedication. The dedication of the garden by President Kimball marked to the date the 138th anniversary of Apostle Hyde's prayer.

The 5½-acre memorial garden is the largest single tract of Jerusalem Gardens National Park, a green belt which will eventually encompass more than 600 acres surrounding the city.

The parks are an outgrowth of the Jerusalem Foundation's efforts to preserve the beauty and heritage of the old city and prevent its being spoiled by haphazard planning and unsightly structures.

The Jerusalem Gardens National Park will preserve such sites as Mount Zion, the City of David, the valleys of Kidron and Hinnon, the Garden of Gethsemane, and the slopes of the Mount of Olives and Mount Scopus.

The city of Jerusalem will provide care for the Orson Hyde garden for 999 years.

[From the Jerusalem Post, Oct. 28/ Nov. 3, 1979]

MORMONS DEDICATE PARK ON MOUNT OF OLIVES

(By Abraham Rabinovich)

More than 2,000 Mormons from the U.S. lined the slopes of the Mount of Olives last week to dedicate a park in the memory of a church apostle who had prophesied on that site more than a century ago the revival of a Jewish state with Jerusalem as its capital.

Participating in the dedication of the Orson Hyde Memorial Garden was the church's president, Spencer Kimball, regarded as a prophet in the line of Abraham and Moses. Former American secretary of agriculture Ezra Taft Benson was among the church elders present. The visitors came by chartered planes and on an ocean liner.

The 20-dunam park overlooking the Kidron Valley and Old City was developed with a $1m. gift by the church to the Jerusalem Foundation. The land was leased to the foundation by the Luigi Gedda Foundation of Italy, which is developing a genetics institute on an adjoining plot. The Hyde garden is party of a 2,000-dunam national park being developed as a green belt around the Old City.

Orson Hyde, one of the first apostles of the Mormon Church, was dispatched to the Holy Land in 1841. In his writings, he describes leaving the Old City as soon as the gates were opened on the morning of October 24, 1841 to climb the Mount of Olives and offer a prayer, in keeping with a vision he had had, for the restoration of Israel "as a distinct nation and government" with Jerusalem as its capital. Hyde's grandson and great-grandson were among those participating in the ceremony.

Mayor Teddy Kollek told the Mormons assembled on the hillside that the return of Israel was "not only fulfilment of ancient prophecy but an indication of what a determined people can do if they don't lose their ideals through the generations." He noted that the Mormons are now in their eighth generation and expressed the wish for cooperation in future generations. "Together we will make both Jerusalems very beautiful," he said, a reference to the New Jerusalem envisioned by the Mormons in the U.S.

Former agricultural secretary Benson said he regarded as a miracle the revival of Israel and the flowering of what had been a barren land.

The Mormon Church has about 200 members in Israel, including 90 American students on a study programme. A new church branch is planned for Beersheba to serve Americans coming to work on the Negey airbase project. There are branches in Jerusalem, Herzliya and Galilee.●

AMERICAN POLITICAL FOUNDATION

● Mr. LUGAR. Mr. President, Bill Brock, chairman of the Republican National Committee, and Charles T. Manatt, finance chairman of the Democratic National Committee, have jointly announced the formation of the bipartisan American Political Foundation. Mr. Brock is chairman of the foundation; Mr. Manatt is vice chairman.

This unprecedented joint venture reflects their "serious concern about the parties' responsibilities in a time of both domestic political fragmentation and increasing salience of international issues in all democratic countries."

The American Political Foundation will work "in appropriate and feasible ways to fill the gaps in communication and information occasioned by the American parties not having their own international departments or party foundations" as is the general rule in other democracies.

In a period when all democratic countries face increasing international difficulty, with important economic and political consequences for our people, the potential benefit of such communication, and understanding may be very great.

The Liberal International, including parties such as the Liberal Parties of Canada and Great Britain, and the Free Democratic Party of Germany, invited Mr. George E. Agree, president of the APF, to address its annual Congress in Ottawa on October 5. I request that his address be printed in the RECORD.

The text of Mr. Agree's remarks follows:

SPEECH BY GEORGE E. AGREE

Mr. Chairman, I am very grateful to the Liberal International for its invitation to attend your Congress as an Observer, to all of you for your thoughtful and stimulating discussion of so many important issues, and for the honor of addressing you tonight.

The American Political Foundation, of which I am President, is a brand new institution, not yet fully organized, and not expecting to open offices for several weeks. We were created by joint action of leaders of both of our major American parties. Our Chairman is William E. Brock III, Chairman of the Republican National Committee, and our Vice Chairman is Charles T. Manatt, Finance Chairman of the Democratic National Committee. So, you see, we are quite ecumenical.

We have embarked upon this joint venture for a number of reasons. Both our parties have people you would characterize as liberals. Both contain conservations, both have members who in other countries would be Christian Democrats, and at least one of the two has active social democrats.

Most important among our motivations are

the growing appreciation among politicians in my country that we need to know much more about you and other democratic political forces in the world, and the feeling that it would be mutually advantageous for you to know more about us. Our Foundation is an educational institution which will promote the flow of such knowledge, and we hope to be observers at many meetings of this kind by all democratic internationals.

As another North American, I want to join our Canadian friends in welcoming the Liberal International to what used to be called the New World. If you have an opportunity to look around a bit on this continent, you will find that it is not so new any more. Moreover, we, with the rest of the world, are in midprocess of what Professor William McNeill has called the closing of the ecumene—the increasingly rapid linkage into a unitary world of all our respective diversities. Mankind's future frontiers will no longer be geographical on this planet, but within and among ourselves.

It is in this perspective that I would like to comment on our subject this evening.

As I am an observer here by invitation of your organization, I also am an observer by mandate of mine. Therefore, my remarks will not represent an official position of the APF or of either American party. They will be entirely personal.

Our species has come a very long way in a very short time. The fact that we, who 500 years ago did not even know the shape of our planet, can now circle it in 90 minutes and even walk on others, is but one illustration of the many revolutionary changes that have taken place in our knowledge of the physical world and how to shape it to our purposes, in our knowledge of each other, of ourselves, and of the meaning and potential of the human estate.

All of these great changes have been both the product and the cause of the emergence of modern liberal civilization. I use the adjective liberal in its broadest sense, a sense that encompasses values now shared by conservatives and social democrats as well as by delegates to this Congress—even if, as you may believe, the others do not understand these values as well as they should.

This liberal civilization is more than mere technological accomplishments, more than our arrangements for political and social decency. It is an irreversible transformation in the perception of themselves by all men and women who partake of it—wherever they may be, and whether or not they live in countries where such values are officially stultified, oppressed, or even exterminated.

Our subject, the liberal challenge, may be addressed either as the challenge liberal civilization presents to the world or the challenge to civilization by other, darker forces in the world.

Our challenge to the world is the challenge of whether to accept our possibilities of growth and progress, of whether to explore, and keep open the opportunity for posterity to explore, the full potential of our species.

Almost every recent change that is counted as an advance even in the communist and third worlds is either a product of or derivative from liberal civilization. So, I must add, are most of the newer problems such as population growth and energy shortage. It is important for all of us to understand that the health of this civilization is essential to the future not only of the peoples in whose countries it presently flourishes, but to all our brothers and sisters everywhere.

The many problems that engage this Congress, and that preoccupy so many other organizations in our respective countries, are serious and difficult. But they are no more difficult than others faced in our lifetimes, and no more hopeless of solution if we understand where we have come from and remember what we have learned.

One of the greatest threats challenging liberal civilization is that we may lose this understanding. As some of the hardest lessons of the past recede into history books, they tend to be forgotten by those young people whose passions outrun their personal experience. What disasters this kind of anemia produced in liberal and emerging liberal societies during the twenties and thirties must not be allowed to recur, however severe our near-term difficulties may become.

The other great challenge to liberal civilization is the threat of obliteration by external force. Here, too, the living memory of people in this room should be instructive. In how many of our countries did we ourselves see liberalism blotted out by unconcerned invading armies? How much risk do we dare to take, or to impose on our children and grandchildren, that it may happen again? If liberals can give a confident answer to this question, I have no doubt that liberalism will have both the time and the moral and intellectual strength to meet all its other challenges.

Thank you again for allowing me to be with you.●

THE MOBILE HOME INDUSTRY DOES NOT NEED FURTHER REGULATION

● Mr. BAYH. Mr. President, today I would like to announce my intention to offer an amendment to S. 1991, the FTC authorization bill, as soon as it is reported from the Senate Commerce Committee. My amendment will prohibit the FTC from developing any trade regulation rule concerning mobile home sales and service. I am doing this because the mobile home industry is already thoroughly and well regulated by the Department of Housing and Urban Development. For the FTC to step in now and announce its rulemaking authority over the industry represents one of the most glaring examples I know of overregulation, duplicative regulation, and harmful regulation. It would prove a great disservice to an industry composed primarily of small businesses—both manufacturers and dealers—and to the people who buy their products.

Mr. President, let me go back and give a little history on this subject. In the early seventies it became clear that there were product difficulties with mobile homes. The FTC began a proceeding to investigate the problems in 1973, but in 1974 the Congress responded to complaints from consumers by passing the National Mobile Home Construction and Safety Standards Act of 1974.

At that time the Congress decided that mobile homes were part of the housing industry, and gave authority to HUD to regulate all aspects of the manufacture and design of mobile homes in order to insure their quality and soundness. At about the same time the Congress also enacted the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (Public Law 93-637, 88 Stat. 2183) which was aimed at promoting the full and complete disclosure of the terms and conditions of warranties, and setting standards for classifications of "full" or "limited" warranties.

With these acts there were established policies that more than substantially resolved the areas of concern of the FTC, yet the inertia of Commission procedures carried it forward through some 500,000 pages of testimony—including consumer complaints which predated the Mobile Home Act—to the conclusion that it, too, was needed to regulate the industry.

Mr. President, I have always considered Congress action in regard to the mobile home business as one of the most successful resolutions of a consumer product problem. The present arrangement works. HUD has carried out its mandate vigorously and the industry has responded responsibly and cooperatively. It has proved to be a workable and beneficial program for all parties concerned. Today the buyer of a mobile home can probably be more sure of the quality and safety of his new purchase than any other homeowner in America.

Since 1976, all mobile homes built in the United States have complied with the HUD code—a volume of hundreds of pages that dictates how a mobile home will be constructed. As a result of the act, agents of the Department, professional inspectors, are stationed in every mobile home plant in the United States. If the mobile home passes muster, it receives a HUD seal of approval. If it does not pass muster, it does not leave the manufacturing plant.

The system which operates to enforce the code is extensive. First, HUD or its agents must approve the design and construction of each manufacturing plant. After that, the blueprints and specifications for every mobile home are approved by an entity known as a Design Approval Inspection Agency. Then the actual construction of every mobile home is approved by professional inspectors in every plant; these inspectors operate under an In-Plant Inspection Agency. Periodically, the performance of these inspectors is audited by yet another group. All of this is in addition to the manufacturer's own quality control and inspection system and it means that there are at least four formal opportunities to find defects before the home even leaves the factory.

Another extremely significant requirement of HUD's regulations is that each purchaser must receive a complete consumers manual telling him or her the State agencies who are responsible under HUD to receive any complaints they may have, and providing all warranties, including those of appliances or fixtures within the home, as well as that of the manufacturer of the home. The mobile home itself also contains wiring diagrams and other technical information relating to all the major components of the unit. What other homebuyer is provided such a service?

It is evident that this process produces high quality control and consumer protection. However, the system goes even further. HUD has the power to order manufacturers to recall, repair, or replace mobile homes in which there are discovered imminent safety hazards or major construction defects anytime during the lifetime of the product. This protection, of course, is in addition to the manufacturer's own warranty.

Finally, there is the National Mobile Home Advisory Council. The Council is composed of 24 members: 8 from State

and local government, 8 from the consumer sector, and 8 manufacturers. The council is established by law and provides HUD with information and input concerning possible changes to the HUD code or other mobile home-related regulations. There is no other system like HUD's operating anywhere else in the construction industry in the United States. As a result, the Veterans' Administration reports it receives almost no complaints from homeowners who purchase mobile homes with VA loans. And it is very important to point out, Mr. President, that the number of consumer complaints reaching HUD represented about 1 percent of the 280,000 mobile homes sold in 1977. Of this small number, naturally very few dealt with major construction defects, which under the Mobile Home Act, the manufacturer has guaranteed to the purchaser will be corrected within 60 days.

Given the success of the present regulatory program, what would be the effect of the proposed trade regulation rule? Industry economists estimate that the proposed rule would add $700 to $1,200 to the cost of the average mobile home. The average mobile home costs about $10,000. Thus, the FTC rule may add from 7 to 12 percent to the purchase price of a unit. It is important, Mr. President, to recognize both the nature of the buyer and the nature of the manufacturer of mobile homes in this country before completely appreciating the cost of the Commission's action.

The American family that purchases a mobile home can least afford an added burden of expense. The median income of the mobile home buyer is about $11,000. An extra $700 is not a small consideration to this family. Yet a mobile home is very likely the only option available to a young family that wants to buy a home but is faced with a median price of $72,000 for a site-constructed home. This rule, then, would have the effect of putting homeownership out of the reach of even more Americans.

Further, the Commission's proposed actions are a real threat to the survival of many of the small manufacturing firms and the dealers to whom they sell their products. The Mobile Home Act imposed strict construction and reporting requirements on these small businessmen. There is little doubt in my mind, Mr. President, that the immediate effect of the proposed trade regulation rule would be to drive the smallest companies to the wall as being economically unable to compete, and the larger companies—the 10 percent of the firms that produce 70 percent of the mobile homes—would begin to swallow them up. This is hardly the anticompetitive effect that the FTC is supposed to foster. The Senate should know that the Small Business Administration has made known its strong opposition to the proposed rulemaking in written comments filed with the Commission.

With all these considerations in mind, Mr. President, I offer this amendment to curtail the authority of the FTC in regard to the mobile home industry. I view this action as a legitimate exercise of congressional oversight. The Congress in 1974 acted to correct problems within the industry and determined that the Department of Housing and Urban Development was to have jurisdiction in the area. For the FTC to act now would be something like having a second set of referees appear on the basketball floor midway through the game. They would only frustrate and confuse players and spectators. They could also ruin the game.

I have had great respect for the FTC in many of the actions they have taken over the years. In this instance, however, they are not protecting the consumer, and they would be harming many small businesses. I call upon the Senate to draw the line for the Commission in the mobile home industry, and allow HUD to carry out its responsibilities as intended by the Congress in 1974.

I urge my colleagues to support my amendment to S. 1991, the FTC authorization bill.●

CONFUSION IN FEDERAL MARIHUANA POLICY

● Mr. HUMPHREY. Mr. President, I am very concerned that the American public, especially our children, may have a confused notion about the health effects of marihuana. In part, this confusion is a result of conflicting information coming from the Federal Government itself. This confusion is disturbing and dangerous—and unnecessary.

The National Institute on Drug Abuse (NIDA), the arm of the Government responsible for Federal efforts for prevention programs, research into the effects of various drugs, and education aimed at the general public is partly responsible for the confusion because of some of its publications. Many of these publications are circulated to guidance counselors and schools throughout the Nation. One of these publications "Let's Talk About Drug Abuse: Some questions and Answers (1979)," recently came to my attention. This document is an example of the Federal Government's responsibility for confusion on the health hazards of marihuana.

While much of the information contained in the booklet is helpful to children, teachers, and parents in learning about the health hazards of marihuana and other drugs, the "Suggested Reading" in the booklet recommends as a source of information the Do It Now Foundation, based in Phoenix, Ariz. The reading list contained in the NIDA booklet includes Do It Now's publication "Drug Abuse: A Realistic Primer for Parents" The inclusion of the Do It Now information sends a dangerous signal to America's young people about the Federal Government's attitude toward marihuana use.

How can we expect young people to be properly informed about the hazards of marihuana use, especially for young people, when the Federal Government, through NIDA, apparently endorses conflicting views on marihuana use?

Let me outline examples of this dangerous dichotomy in Federal attitudes toward marihuana Do It Now's publication, recommended by NIDA, states that "Marihuana, to date, has not been proven physically harmful, even in remote ways."

Yet, Dr. William Pollin, Director of NIDA, testified before the House Select Committee on Narcotics Abuse and Control on July 19, 1979, that:

> While much remains to be learned about the health implications of marijuana, I would like to emphasize that our present evidence clearly indicates that it is not a "safe" substance. As a psychiatrist, I would also like to stress that virtually all clinicians working with children and adolescents agree that regular use of marijuana by youngsters is highly undesirable. Although experimental evidence concerning the implications of use in this group is not easily obtained, there is little serious question that regular use of an intoxicant that blurs reality and encourages a kind of psychological escapism makes growing up more difficult. While there is controversy over the implications of present research concerning adult use, few would argue that every effort should be made to actively discourage use by children and adolescents.

Dr. Pollin clearly does not endorse the ambiguity discussed in the booklet recommended by his agency, NIDA. Such conflicting views certainly damage NIDA's education efforts.

Other misleading information conveyed by Do It Now's Primer includes advice to parents that they should "Remember that marihuana is not addicting." Yet Dr. Pollin's recent congressional testimony flatly contradicts this rosy view of marihuana's health hazards by stating that "some percentage of regular heavy users do develop a psychological dependence on marihuana to the extent that it interferes with functioning."

In light of these serious contradictions seemingly endorsed by NIDA, it is no wonder there might be confusion about marihuana among parents, educators and the children themselves.

Mr. President, I call on NIDA to review the literature endorsed by them. Dr. Pollin's view of marihuana as a dangerous drug harmful to children and adolescents must not be undermined by publications such as Do It Now's "A Realistic Primer for Parents," endorsed by NIDA. Such "Suggested Reading" is misleading and downright dangerous. Our Nations Federal drug abuse effort should not reflect such carelessness.●

EXPORTING ANTI-SEMITISM

● Mr. JACKSON. Mr. President, our distinguished colleague, Senator DANIEL PATRICK MOYNIHAN, has written a timely and thoughtful article on the Soviet-sponsored effort to export anti-Semitism. His interpretation, which appeared in the New Leader on November 5, 1979, deserves the attention of all the Members of Congress.

Speaking of the Soviet-promoted anti-Semitism campaign, Senator MOYNIHAN warns:

> It would be tempting to see in this propaganda nothing more than bigotry of a quite traditional sort that can, sooner or later, be overcome. But the anti-Israel, anti-Zionist campaign is not uninformed bigotry, it is conscious politics. We are dealing here not with the primitive but with the sophisticated, with the world's most powerful propaganda apparatus—that of the Soviet Union

and the dozens of governments which echo it. Further, this fact of world politics creates altogether new problems for those interested in the fate of democracies in the world, and of Israel in the Middle East. It is not merely that our adversaries have commenced an effort to destroy the legitimacy of a kindred democracy through the incessant repetition of the Zionist-racist lie. It is that others can come to believe it also. Americans among them.

We need to take seriously Senator MOYNIHAN's analysis and warning. I request that the full text of his article be printed in the RECORD.

The article follows:

EXPORTING ANTI-SEMITISM

(By DANIEL P. MOYNIHAN)

I would like to discuss one aspect of Israel's present role in the world. It is an important as well as difficult point that I shall attempt to make, for it must inevitably engage long-standing sensitivities and, accordingly, is more likely to be misunderstood than otherwise. I shall deal simply and plainly with ideology, in the full knowledge that this is not necessarily congenial to the American temperament. And I shall have to report on troubles of the kind that many people would understandably prefer not to consider.

Last May 30, in a lecture at the Weizman Institute in London, I offered the view that anti-Semitism has become a unifying global ideology of the totalitarian Left. An intense propaganda campaign, begun in the Soviet Union in the early 1970s and embraced and echoed by radical regimes the world around, had long been discernible. It was designed to undermine the legitimacy of the State of Israel, I contended, and the Soviets had grounded it in a perverted variant of Marxist analysis: They argued that "imperialism," the supposed enemy of the new states of the world, was a creature of an international Zionist conspiracy, so to speak, with the clear implication that Jews played a special role in perpetuating the alleged injustices of international capitalism.

The sensitivity I mentioned has to do with the fact that from the outset the campaign explicitly compared Zionism with Nazism. The first articles in Pravda launching it, for example, charged that the mass murder at Babi Yar was a collaboration of Zionists and Nazis. I think that Bernard Lewis of Princeton University has located the historic origin of this identification, and it is not perhaps as diabolically, fiendishly clever as it might seem. Nonetheless, the charge was so outrageous that many could not—would not—believe it was being made. Given the history of such propaganda, and given our own instinctive response to it as palpably absurd—"no person of education could possibly believe such a charge," that sort of thing—we were inclined to dismiss this Soviet-sponsored effort as mere boorishness, hopelessly unsophisticated.

Yet, the campaign has drawn response not merely from places one might expect—those states which, for instance, have an ongoing battle with Israel—but from cultures as diverse as the Sinitic and the African, which have no experience either of Jews or of traditional Euorpean anti-Semitism. Thus Chinese Deputy Premier Deng Xiaoping could speak to the UN General Assembly in April 1974 and include "Zionism" in his list of the world's evils. And when the notorious UN resolution equating Zionism and racism was introduced in 1975, one could find African states among its most vocal backers.

On September 7, this campaign reached a grotesque culmination when the so-called nonaligned states met in Havana. The Final Declaration of that meeting went further than any of its textual predecessors, labeling Zionism as one of several "crimes against humanity": "The Heads of State or Government reaffirmed that racism, including Zionism, racial discrimination, and especially apartheid constituted crimes against humanity and represented violations of the United Nations Charter and of the Universal Declaration of Human Rights." This phrase, drawn from the Nuremberg indictment of the Nazi war criminals, derives from the worst in the anti-Israeli international propaganda effort, for it seeks the equation of Israel with Nazi Germany. Eighty-nine governments endorsed this formulation. Not one state represented dissented from this obscenity.

On September 17, I spoke on the floor of the United States Senate and said:

"I would ask Americans to try to understand what has happened. A long propaganda campaign emanating from the Soviet Union has now culminated. Zionism has been declared a crime against humanity. This is of course precisely the charge leveled against Nazism at the Nuremberg trials. To be a Zionist is to be a criminal under international law according to the declaration of almost two-thirds of the nations of the world, a declaration wholly supported by the Soviet bloc.

"These governments have come near to declaring that it is a crime to be a Jew.

"Our Government remains silent."

Neither the meeting in Havana, nor its precursors, have drawn any special response from our political institutions or culture. There is a history to this avoidance, too, which I first stumbled upon when I assumed my duties as Permanent Representative at the United Nations in 1975. In truth, I anticipated none of this. I had been sent there to represent an American government interested in working with the new nations, advancing what we thought might be mutual interests. But, out of nowhere, or so it seemed, there appeared that resolution equating Zionism with racism. I was startled by it, by both its audacity and its untruth. And also by the great reluctance of Americans to face the fact that this was happening.

It was necessary to learn the history of something that seemed to come from nowhere, to discover the "somewhere" from whence it had come. I wrote of this history in Commentary in August 1977:

"A long-established propaganda technique of the Soviet government has been to identify those it would destroy with Nazism, especially with the racial doctrines of the Nazis. Following World War II, for example, pan-Turkish, Iranian and Islamic movements appeared in the southern regions of the Soviet Union. They were promptly accused of Nazi connections and branded as racist. Jews escaped this treatment until the Six-day War of 1967. The event, however, aroused the Soviet Union to evoke the by now almost bureaucratic response. Bernard Lewis writes: 'The results were immediately visible in a vehement campaign of abuse, particularly in the attempt to equate the Israelis with the Nazis as aggressors, invaders, occupiers, racists, oppressors, and murderers.'

"Within the short period of time, and coincidentally with the introduction of 'racist' into currency as a general term of abuse, Soviet propagandists began to equate Zionism per se with racism. In a statement released to the press on March 4, 1970, a 'group of Soviet citizens of Jewish nationality'—making use of the facilities of the Soviet Foreign Ministry—attacked 'the aggression of the Israeli ruling circles,' and said that 'Zionism has always expressed the chauvinistic views and *racist* [my emphasis] ravings of the Jewish bourgeoisie.' This may well be the first official Soviet reference to Zionism as racism in the fashionable connotation of the term.

"Steadily and predictably, these charges moved into international forums. In 1973 Israel was excluded from the regional bodies of UNESCO. In 1974 the International Labor Conference adopted a 'Resolution Concerning the Policy of Discrimination, Racism, and Violation of Trade Union Freedoms and Rights Practiced by the Israeli Authorities in Palestine and Other Occupied Arab Territories.' The charge of racism was now pressed. In June 1975 it appeared at the Mexico City Conference of the International Women's Year. . . .

"The Zionism resolution was adopted by the General Assembly in November 1975. The following February, the United Nations Commission of Human Rights found Israel guilty of 'war crimes' in the occupied Arab territories. The counts read as if they could have come from the Nurenberg verdicts:

" 'Annexation of parts of the occupied territories.'

" 'Destruction and demolition.'

" 'Confiscation and expropriation. Evacuation, deportation, expulsion, displacement and transfer of inhabitants.'

" 'Mass arrests, administrative detention, and ill-treatment.'

" 'Pillaging of archaeological and cultural property.'

" 'Interference with religious freedoms and affront to humanity.'

"In April 1976, in the Security Council, a representative of the Palestine Liberation Organization spoke of the 'Pretoria-Tel Aviv Axis,' making an explicit reference to the 'axis' between Nazi Germany and Fascist Italy in the 1930's. In May, in the same body, the Soviet Union acused Israel of 'racial genocide' in putting down unrest on the occupied West Bank of the Jordan River. The same month, in a General Assembly committee, a PLO document likened Israeli measures to Nazi atrocities during World War II."

The idea has traveled through world politics since then, arriving in Havana and reaching its culmination there. But it is necessary to repeat again that to those proceedings of September there has been neither public nor private reaction of any scale. It seems not to be an "issue," as they say.

I am pleased that on September 25, President Carter denounced the Zionism charge at a town meeting in Queens College. Yet I must note that such a denunciation was not the result, would not have been the result, of any "decisionmaking process" of our government. It was a result, rather, of the random workings of the political process and the happy coincidence that the President was our guest in New York City. It would never have been proposed by the Department of State.

Thus, I am driven to return to a theme I have stressed for some years now, and to couple it with an additional observation. It would be tempting to see in this propaganda nothing more than bigotry of a quite traditional sort that can, sooner or later, be overcome. But the anti-Israel, anti-Zionist campaign is not uninformed bigotry, it is consicous politics. We are dealing here not with the primitive but with the sophisticated, with the world's most powerful propaganda apparatus—that of the Soviet Union and the dozens of governments which echo it. Further, this fact of world politics creates altogether new problems for those interested in the fate of democracies in the world, and of Israel in the Middle East. It is not merely that our adversaries have commenced an effort to destroy the legitimacy of a kindred democracy through the incessant repetition of the Zionist-racist lie. It is that others can come to believe it also. Americans among them.

The events I have described can no longer be dismissed as other than they are. They require our attention and our energy, and above all our intelligence.

If I have described anything these past years, it is the twin phenomena of an ignor-

ance of past history and an avoidance of present reality. Our century has dealt very harshly with such lapses. Our enemies today encourage their repetition.●

THE 25TH ANNIVERSARY OF SENATE SERVICE BY SENATOR THURMOND

● Mr. LAXALT. Mr. President, it has been 25 years this month since our distinguished colleague, Senator STROM THURMOND of South Carolina, took the oath of office as a Member of this body. On such an occasion, we who have served with him during any portion of this quarter century can be grateful for his dedication to our great country and to its cherished institution of liberty, as well as his willingness to work and share with each of us his knowledge and expertise.

The people of South Carolina are truly fortunate to have the services of this man who not only has a firm grasp of history and national purpose but the vision to see America's needs for the future in the continuing framework of constitutional law and maximum freedom for the individual citizen. He is, indeed, one who has devoted his life to public service, having been sworn into his first elective office—superintendent of education for Edgefield County, S.C.—50 years ago. Since that time, his record of service is legendary. Following his first elective office, he served as a State senator from his home county in South Carolina and 5 years later was elected by the South Carolina General Assembly to be a circuit judge. When World War II came along, he could have remained at home secure in the judgeship to which he had been named. But characteristic of this courageous man, STROM THURMOND volunteered for active military service the day war was declared on Germany. Throughout the war, he remained in uniform, serving in both the European and Pacific Theaters of Operation, and landed in Normandy on D-Day with the 82d Airborne Division.

When STROM THURMOND returned home in 1946, he ran for Governor and was elected over 10 other candidates. His term which ran from January 1947 to January 1951 was marked by a long series of reforms and progressive innovations that greatly enhanced the general welfare of his State and its citizens. It was in furtherance of his constitutional view that States can engage in any activity not prohibited by the Constitution or reserved by that document to the Federal Government. Conversely, he has always felt that the Federal Government can only legitimately enter those fields which are delegated to it by the Constitution.

Indeed, his 1948 race for the Presidency on the States Right Democratic ticket was in furtherance of his constitutional philosophy that the Federal Government was entering fields of endeavor where it had no authority. Although many of the goals being sought by congressional and administrative actions of that era had noble goals, then Governor Thurmond saw them as lacking basic authority from our national charter which is the foundation of freedom for all Americans.

After leaving the Governor's office, he returned to the private practice of law while serving as a city attorney until 1954 when the death of U.S. Senator Burnet R. Maybank opened a vacancy in this Chamber. A special set of circumstances in his State prevented a primary election, so STROM THURMOND ran as a write-in candidate against the only candidate whose name appeared on the November ballot. The fact that THURMOND won is history, and, incidentally, he won by a substantial margin. In winning his seat by write-in votes, he became the first, and still only, person ever elected to this body in that way. Since then, he has been reelected to the Senate five times—twice as a Democrat and three times as a Republican—attesting to the strength of his service and the power of his representative leadership.

It was 25 years ago this month that our colleague, Senator THURMOND, started his service in this Chamber. I wish to commend him for all his good work during this eventful period in our history and extend to him all best wishes for his continuing work in the Senate.

Mr. President, several recent editorials have appeared recognizing and congratulating Senator THURMOND for his eminent public service. I ask that two such representative editorials be printed in the RECORD.

The editorials follow:

ANNIVERSARY YEAR

So far as we know, Sen. Strom Thurmond is not planning anything special for November 1979, but the month does hold a special significance for the S.C. political veteran.

It was a quarter-century ago, come Nov. 2, that he was elected to the U.S. Senate by write-in ballot, becoming the first man in history to gain that sort of entry to the U.S. Senate. His victory was at the expense of the late state Sen. Edgar A. Brown of Barnwell, who had been chosen by the State Democratic Executive Committee as "the party's nominee in lieu of Sen. Burnet R. Maybank, who had died in early September.

But 1979 has an additional significance for Senator Thurmond: It marks a half-century of his service in public office. It was in 1929 that he began his political career as county superintendent of education in his native Edgefield County. Except for a brief spell between the end of his term as governor in 1951 and his election to the Senate in 1954, he has been serving his country, state or nation—in and out of military uniform.

And at age 76, he is still going strong.

STROM'S MILESTONE

Although we haven't heard about anything official being planned, South Carolinians should pause and reflect that this month hold special significance for the Palmetto State's senior senator, Strom Thurmond.

It was in November, 1954—25 years ago—that Strom Thurmond was first elected to the U.S. Senate. And he did it on a write-in vote at the expense of the late Sen. Edgar A. Brown of Barnwell, who had been chosed by the state Democratic Party executive committee as the party's nominee in lieu of Sen. Burnet A. Maybank, who had died in early September. The Edgefield County native, incidentally, is the first and only man in U.S. history to gain that sort of entry to the U.S. Senate.

This month also marks another special anniversary for the 76-year-old Republican senator and one-time Dixiecrat candidate for president. It marks 50 years of public service to the people of South Carolina. It was in 1929 that Thurmond began his public life as Edgefield County Superintendent of Education. Except for a short interlude between the end of his term as governor in 1951 and his 1954 Senate victory, he has been serving his county, state and nation, both in and out of military uniform.

Would that we only had more dedicated, patriotic Strom Thurmonds in the halls of government.—The Augusta Chronicle.●

MRS. CATHERINE MOLLIS

● Mr. PELL. Mr. President, in terms of size, my home State of Rhode Island may be the smallest in the Nation. However, in terms of courage, determination, and will, her people are very, very strong.

Last month, there was a striking example of the unique Rhode Island strength of character. One of our citizens, Mrs. Catherine Mollis, was able to fend off a prowler who had entered her house armed with a blackjack. Mrs. Mollis had as her defense weapon a tennis racket. The amazing fact in this incident is that Mrs. Mollis is 85 years old. The prowler was a young man.

Catherine Mollis is an incredible woman. The spunk she displayed is the type of spirit that has made our country great. She is a proud woman who has every reason in the world to be proud. I know I represent the sentiments of all Rhode Islanders when I congratulate Mrs. Mollis on her courage, her determination, and her true grit. I think all of us in my home State are tremendously proud of this incredible woman.

Mr. President, I ask that the Providence Journal account of this incident be printed in the RECORD.

WOMAN, 85, PROVES TOO TOUGH FOR THIEF

(By John F. Fitzgerald)

PROVIDENCE.—Maybe nothing scares a mother of 11. Or maybe 85-year-old Catherine Mollis is just a take-charge type.

At any rate, when she discovered someone was in her house Thursday morning, she gave the prowler fair warning, then went after him with a tennis racket.

"I know there's somebody here," she called out, "and I'm going to find him."

Mrs. Mollis had just seen her son Joe off to Triggs Memorial Golf Course, where he's the pro. It was about 9:40. She went upstairs for a moment, and when she came back down, she saw that the door was open.

"I said to myself that door was closed," she recalled yesterday. Walking through the first floor, she saw that her bedroom had been ransacked, and so had Joe's. So she warned the bandit she was after him, and grabbed a tennis racket in Joe's room.

"I wasn't afraid, not at all," she remembers. "The only thing I could think of was going after him and hitting him." Now armed, she went into her room. "Everything was on the bed and on the floor." Her wallet, taken from a drawer, had been tossed on a chair. She checked the closet and leaned over to look under the bed. Nothing.

Then she tried Joe's room. First the closet, then the bed. But Joe's bed is lower than her own, and she couldn't see under it. So she went back out into the kitchen and waited.

Did she think of calling the police? No. Of leaving? No. "I know there is someone here," she yelled. "Where are you?"

He was lying between Joe's bed and the wall, a blond man about 19 years old. Now he came through the door, a blackjack in

his hand. "I said, 'You're not going to hit me with that—because you're not.'"

"I don't know where I got the courage," she remembers, "I'm 85 years old. I can't compete with a young fellow."

But compete she did. Knowing he was going to use his weapon, she used hers first. She swung and he turned, catching three sharp blows on his back. When he turned around again, she could tell by the look in his face he was afraid of her, but he had a trick of his own.

"He knew I was getting the best of him, so he pushed me down." Mrs. Mollis landed on her left leg and could not get up again. He stood over her, his arm up ready to strike.

"Where's the billfold?" he demanded.

"You took the billfold out of the drawer in my room," she told him. "Did you get anything?"

"No."

"Well, that's all I've got."

She sensed he was going to strike, so she reached up and held his hand back with her own. She also sensed the intruder was more afraid than she was, so she played on his indecision.

"You're not going to hit me with that stick," she said. "My son is coming home and he's going to let you have it." Her 16-year-old son, the only other person who lives in the house, was out for the day. But her threat gave the bandit a reason—perhaps an excuse—to retreat. He ran out the door.

Mrs. Mollis' leg still hurts, and she was shaken by the attack. She is recuperating at Rhode Island Hospital. "Kids. You know what I mean?" she says. "They're after your money. At least I tried. I'd do it again, I guess. I hope not.

"He was a bad kid. But I feel sorry for him for getting into such a predicament. I've had young sons, but they never got into that trouble." ●

WHAT CAN BE DONE ABOUT CHILD ABUSE

● Mr. WALLOP. Mr. President, the Senate has taken a positive step this month in dealing with the horrifying crime of child abuse by proclaiming December as "Child Abuse Prevention Month."

In 1977 alone, a total of 512,494 cases of child abuse and neglect were reported and recorded by the American Humane Association. If this figure startles you, the association is quick to point out that their data is derived from reported cases only, and, if inaccurate, is likely to err by underestimating.

Child abuse is a crime which has been largely overlooked and ignored partially because it is so abhorrent. Many people find the statistics and the factual reporting of child abuse cases very hard to believe. For several reasons the Federal Government and the courts have been reluctant to get involved in the problem of family relationships. Our Government's close association with English common law supports the right of the father to absolute custody and control of his children, even when this was at odds with the welfare of the child. It is significant to note that one of the earliest campaigns for child protection was launched by the American Society for the Prevention of Cruelty to Animals. In 1874 there were laws which protected animals but no local, State, or Federal laws to protect children.

Who are the "child abusers?" Studies point out that parents who abuse their children are usually ordinary people caught in life situations beyond their control. In most cases, parents who abuse their children were abused as children themselves and because this is the only kind of parenting they have known, they repeat it with their own children.

Child abusers cross all lines of economic station, race, ethnic heritage, and religious faith. Some studies tend to place the blame of child abuse on the poor, however as awareness and reporting of child abuse by private physicians increases, statistics are beginning to show a growing number of cases in the middle-class socio-economic range. Child abusers can be either men or women.

Why does child abuse occur?

There is no easy answer to the question of why child abuse occurs. Several separate factors usually are found in any list of reasons.

First. Stress, conflict, or crisis in a home situation;

Second. Abuser views the child as "special" or different;

Third. Parent was him or herself a victim of child abuse.

A combination of any of these factors plus the important fact that the child is close at hand and unable to protect himself can all result in abuse. One fact is clear: Children seldom trigger the abuse. They are victims of problems which are not necessarily related to them.

Historically Federal legislative activity in the area of child abuse has concentrated on financial assistance to the States for social services and child welfare. An increasing awareness of the growing incidence of child abuse in the past few years culminated in the passage in 1974 of the Child Abuse Prevention and Treatment Act (Public Law 93–247).

With funding now available it is our responsibility as elected representatives, and most of us as parents, to educate our constituents on the laws relating to child abuse and the resources available to deal with the problem. Child abuse is against the law. Every State has a law which requires persons who suspect a child is being, or has been neglected or abused, to report it to their local law enforcement agency or social service agency. Reporters of suspected child abuse are protected by law from civil or criminal liability.

Throughout the country, toll-free hot lines for families and children in trouble are being established. Parents Anonymous, a self-help organization for parents with problems related to all types of child abuse and neglect has established 450 chapters in 3,000 cities around the country. Resources for helping potential child abusers are now available and it is our responsibility to publicize not only the problem but the programs that exist to deal with the problem. If we can successfully eliminate just one potential child abuse case by providing information to parents that may need help, we have begun to solve this tragedy.

There are two victims of child abuse and neglect. The child, and the parent. Both need help. ●

SALT II TREATY

● Mr. BAUCUS. Mr. President, now that the Foreign Relations Committee has completed its consideration of the SALT II treaty, I expect the debate to commence in the full Senate soon.

I intend to observe and participate in the debate fully. I am concerned that close scrutiny be paid to all facets of the treaty, and that my colleagues fully appreciate the implications both of the treaty's possible passage and possible failure on the Senate floor.

I have taken this obligation seriously, keeping in mind the basic question—is SALT in the best interest of the United States or is it not? If it is, it should be ratified.

Over the past months, I have studied long and hard to determine the answer to this fundamental question. During my consideration, I have been continually impressed with Secretary Vance's succinct and thoughtful testimony in favor of SALT II. And so, Mr. President, I would like to submit for printing in the RECORD Mr. Vance's testimony before the Foreign Relations Committee this past July.

The testimony follows:

SALT II: SECRETARY VANCE'S TESTIMONY

We proceed today with the second step in a fateful joint responsibility. The President has completed a negotiation in the process launched by President Nixon with the first strategic arms limitation treaty—SALT I—and continued by President Ford at Vladivostok. The Senate is now called to perform its equally important function of advice and consent on the second strategic arms limitation treaty—SALT II.

President Carter has taken a further step along the path marked out by his predecessors. I am sure that the Senate will perform its high duties in a totally nonpartisan manner. For the course our country takes, through this ratification process, will have a profound effect on our nation's security, now and for years to come.

I know we all understand what is at stake. And thus we share a common purpose in this undertaking: to do what we believe is best for the security of our country. As it has been throughout the negotiations, this remains a cooperative undertaking of the executive branch and the Senate. In the weeks ahead, we will do all that we can to assist the Senate in addressing the treaty's relationship to the central issues of security and peace.

When the United States and the Soviet Union each have the capacity to destroy the other regardless of who strikes first, national security takes on new dimensions.

First and foremost, we must preserve a stable military balance with the Soviet Union. That is the surest guarantee of peace.

Second, we must have the best possible knowledge of the military capabilities and programs of the Soviet Union. We must know the potential threats we face so that we can deal with them effectively. And we cannot rely upon trust to verify that strategic arms control obligations are being fulfilled. We must be able to determine that for ourselves, through our own monitoring capabilities.

Third, we must sustain the process of placing increasingly more effective restraints on the growth of nuclear arsenals.

Fourth and finally, we must take actions that will strengthen our alliances and enhance our leadership in the world.

As I will describe today, the treaty that is before you serves each of these imperatives of our national security. Tomorrow, I will focus more particularly on the treaty's

bearing on our broader international interests:

Secretary [of Defense] Brown and the Joint Chiefs of Staff will discuss in greater detail the strategic balance and the treaty's relationship to it.

Secretary Brown and CIA [Central Intelligence Agency] Director Turner will focus on the relationship among SALT verification, monitoring, and our intelligence on Soviet strategic forces.

ACDA [Arms Control and Disarmament Agency] Director Seignious and Ambassador Earle [chairman of the U.S. delegation to SALT] will concentrate on the impact of the treaty in restraining the nuclear arms competition.

Let me now turn to the treaty and how it serves the four national security imperatives that must guide us in a nuclear armed world.

MAINTAINING A STABLE BALANCE

First, the SALT II treaty will greatly assist us in maintaining a stable balance of nuclear forces. It fully protects a strong American defense. Our national defense requires nuclear arms that are sufficiently numerous, powerful, and flexible to deter the full range of potential threats. As an essential part of this, our strategic forces must be—and must be seen as—equivalent to those of the Soviet Union.

The SALT II treaty helps us maintain this balance in two fundamental ways:

It will permit, and in fact aid, the necessary modernization of our strategic forces.

And it will slow the momentum of Soviet strategic programs, thus reducing the threats we would otherwise face.

As members of the committee know, our strategic nuclear forces are securely diversified among three separate delivery systems—land-based missiles, submarine-based missiles, and long-range bombers. Each of the three serves a unique and vital role in our defense. This diversity is in contrast to the Soviet's heavy reliance on increasingly vulnerable land-based missiles.

SALT II will permit the necessary modernization of each of these three forces:

This fall we will begin fitting our Poseidon submarines with the longer range Trident I missile. By the middle of 1981, the first of our new Trident submarines, the U.S.S. *Ohio*, will be deployed. Together, these new systems will assure that our submarine-based missiles will continue to be invulnerable.

We are enhancing the effectiveness of our B–52 bombers with air-launched cruise missiles. This will enable our B–52's to overcome Soviet air defenses for the foreseeable future. We expect the first squadron of B–52's equipped with air-launched cruise missiles (ALCM's) to be in operation by the end of 1982. Because of our technological lead, this is an area which only the United States will be able to exploit fully during the term of the treaty.

The President has decided to proceed with a new land-based missile, the M–X, which will deliver more warheads with greater accuracy than our existing Minutemen missiles. The M–X will be mobile, so that it can survive a surprise attack. Each of the mobile systems that the President is considering would be verifiable by the Soviet Union's own monitoring capabilities. With that standard met, the M–X is clearly permitted under SALT II as our one new land-based intercontinental missile.

Indeed, SALT II allows us to move ahead with each of these necessary modernization programs.

The treaty will also assist us in planning our future forces. The M–X missile is a case in point. It is designed to deal with the growing vulnerability to a surprise attack of land-based missiles in fixed silos. Without some limit on the number of warheads that could be sent to attack it, an effective mobile system would be far more difficult to deploy, for it would require many more launch sites—and much greater cost. SALT II makes the mobile M–X more survivable by limiting the number of warheads on Soviet land-based strategic missiles through 1985 and by providing the basis for negotiating such limits beyond that period under SALT III.

In this and other ways, the treaty contributes to more certain defense planning and thus provides a major benefit to us.

As Secretary Brown will develop in more detail, the treaty will permit the modernization of our strategic forces and aid our defense planning and will also assist in maintaining the strategic balance through the mid-1980's by restraining Soviet growth.

For more than 15 years, Soviet investments in nuclear arms have risen steadily. Today the overall strength of the two sides is roughly equal. What concerns us is not the present balance but the trend. SALT II limits the number of missile launchers and long-range bombers and therefore constrains the future threats we will face.

Since the Soviets are well above the 2,250 limit on strategic missiles and bombers permitted each side under the treaty, they will have to destroy or dismantle over 250 of these systems—about 10 percent of their total. Undoubtedly, some of their older systems will be discarded but with nuclear weapons "old" should never be mistaken for "frail." Most of the systems that would be given up have been built since 1965. Many have the same destructive power as our existing Minuteman II and Polaris missiles. Each could destroy an American city.

Beyond these reductions, the fact is that in the absence of the SALT II treaty, the Soviets would not only keep these weapons, they could add far more new and modern systems. Based on their past practices, they could be expected to acquire several entirely new types of strategic land-based missiles by 1985; the treaty holds them to one. Our best estimates are that they could have 3,000 launchers by 1985—750 more than they will be permitted with the treaty. And they could have several thousand more individual weapons than the treaty would allow.

We, of course, would do whatever is necessary to counter an increased threat. But it would be at far greater risk and far greater cost than by limiting that threat under the treaty.

The treaty limits Soviet potential in another important way—by denying them the ability to exploit fully the greater lifting power of their bigger missiles, their throw-weight advantage. The main practical value of this greater throw-weight is that it allows each missile to carry more warheads which can be independently directed at separate targets. In the absence of restraints, the Soviets could load up their bigger missiles to gain a lead in the number of nuclear warheads. However, under the provisions of the treaty which limit missile improvements, no land-based strategic missile can be fitted with more warheads than have already been tested on that type of missile.

Both the Soviet SS–17 land-based missile and the larger SS–19 are big enough to carry a considerably greater number of warheads than they now have. Under the treaty they will be limited to their present number—four for the SS–17 and six for the SS–19. The biggest Soviet missile, the SS–18, has the potential to carry at least 30 warheads. The treaty holds it to 10. Ten warheads is the same number that will be permitted on our new ICBM, the M–X.

The net effect is that SALT II goes a long way to blunt the Soviet throw-weight advantage. Both Soviet and U.S. warheads will be accurate enough and powerful enough to destroy the most hardened military targets. Beyond that, neither greater size nor greater accuracy is of much additional value. SALT II thus helps us retain a balance not only in the bombers and missiles that carry nuclear weapons but also in the weapons themselves.

This, then, is the first contribution of the SALT II treaty to the security requirements of the United States. It will serve as a brake on Soviet military expansion and on the Soviet improvements we could otherwise expect. And it will permit us to move ahead with the improvement of our own strategic forces. On this basis, it is clear that ratification of SALT II will materially enhance our ability to maintain the strategic balance through the 1980's and beyond.

ASSURING VERIFICATION

A second way that SALT II serves our national security is by improving our ability to monitor and evaluate Soviet strategic forces and programs. Verification has been a central concern in every aspect of these negotiations. At every stage we put the treaty to this test: Can we have confidence in its verification—that is, can we determine for ourselves that the Soviets are complying.

The verification terms of SALT II build upon the proven principles of earlier agreements—prohibitions on concealing strategic forces and prohibitions on interfering with the monitoring systems of the other side. And the treaty continues the Joint Commission (Standing Consultative Commission) for resolving doubts or disputes. As with SALT I, verification will be based upon our own observation and our own technical systems, not on faith.

But SALT II goes much further in facilitating our ability to watch Soviet strategic forces and our ability to determine for ourserves whether they are complying with their treaty obligations. Let me cite some of these significant new steps:

For the first time, there is explicit agreement not to encrypt telemetric information—that is, to disguise the electronic signals which are sent from missile tests—when doing so would impede verification of compliance with the provisions of the treaty. We would quickly know if the Soviets were encrypting relevant information. This would be a violation of the treaty.

We have agreed that we will regularly exchange information on the size and composition of our strategic forces. This is by no means a substitute for our ability to count for ourselves. But the exchanged data will help us confirm that both parties are interpreting their obligations in a like manner.

We have agreed to rules which simplify the job of counting weapon systems limited under the treaty. For example, every missile or missile launcher of the type that has ever been tested with more than one independently aimed warhead will automatically count against the multiple warhead ceiling—even though some may, in fact, have only a single warhead.

The Soviet SS–16 long-range mobile missile would have presented us with particular verification problems, because its first two stages cannot be distinguished from the intermediate range SS–20. To avoid that potential difficulty, the SS–16 has been banned entirely.

In the days ahead, Secretary Brown and others will provide, in closed session, the detailed classified information that is required for Senators to make an informed judgment on verification. I know this issue will be central to your consideration. It has been central to ours. Let me state very clearly that I am convinced we will be able adequately to verify this treaty—that we will be able to detect any Soviet violations before they could affect the strategic balance.

Let me emphasize that with or without SALT, we must havet the best possible information about Soviet strtaegic programs. Our security depends on it. Without SALT, there would be nothing to prevent the Soviets from concealing their strategic pro-

grams. Thus the treaty's verification provisions have an independent value for our national security, quite apart from their role in enforcement of the treaty.

Thus far I have discussed the impact of the treaty on the strategic balance and the treaty's contribution to our intelligence capabilities. Both elements illustrate a critical point. Arms control is not an alternative to defense; it is complementary to sound defense planning.

CONTINUING ARMS CONTROL NEGOTIATIONS

Let me now turn to the third reason for supporting this treaty. It not only imposes effective limits on imporant caegories of current strategic arms; it also opens the way to negotiating further limits in SALT III.

Arms control must be seen as a continuing process. Each agreement builds on the last and paves the way for the next. There have been significant achievements over the 10-year period in which we have been engaged in this evolving process:

The Anti-Ballistic Missile Treaty of 1972 closed off an entire area of potential competition—one which could have damaged the very foundations of deterrence. It increased stability, and it enabled us to proceed with limits on offensive weapons.

The first agreement on offensive arms—the SALT I Interim Agreement of 1972—froze the race to build more missile launchers on each site at a time when the Soviets were building up in this area and we were not.

The SALT II negotiations began immediately thereafter. In 1974, in Vladivostok, President Ford and President Brezhnev moved to another vital stage in the process. They agreed that restraints should cover all strategic delivery systems. They agreed to the central principle of equal limits.

SALT II now secures that Vladivostok formula. The treaty had to be carefully structured to balance the differences between our forces and theirs. But for both sides, the numerical ceilings and subceilings are the same.

Beyond this achievement, the SALT II treaty begins to tighten the limits. There will be actual reductions in nuclear forces. There will be significant limits on qualitative improvements—on the race to build new weapons and make existing weapons more deadly.

The promotion of an essential balance may prove to be this treaty's single greatest contribution to long-term arms stability and to further arms control progress. With the principle of equivalence established in SALT II, we have laid a solid foundation—and set a clear direction—for further reductions and tighter restraints in SALT III.

We would of course have preferred deeper cuts in SALT II. But it is nevertheless clear that this treaty takes us further down the road toward greater restraint. Surely the way to achieve more is to secure the gains we have made and move one. For this treaty represents a step on the road of arms control, not the end of the journey.

The issue we face is not whether this treaty does everything we would like it to do—either from an arms control or security perspective. The issue is whether we are better served with this treaty or without it. I think the answer to that is clear.

We should build on the progress we have made. The alternative is to return to an unrestrained arms competition—with the suspicions and fears of an earlier time—but with the ever more devastating arms of today and tomorrow.

STRENGTHENING U.S. ALLIANCES

The fourth broad reason for supporting the SALT II treaty is its importance to our allies and its effect on our position of leadership in the world.

I will discuss these issues in greater detail tomorrow. Let me simply stress one major point this morning. Our allies and friends have made clear to us, publicly as well as privately, that they have a vital interest in the ratification of this treaty:

Our NATO allies want to prevent the Soviet Union from achieving superiority; they would be the first to feel the pressure. They know this treaty helps preserve a stable and equal strategic balance.

Our allies want to maintain a stable strategic situation so that together we can continue our cooperative efforts to improve the conventional balance in Europe. They know this treaty makes a major contribution in this respect.

And they want to avoid the political tensions and pressures that would accompany rejection of the treaty.

We consulted with our NATO partners continuously during the negotiations of SALT II. We have made clear to them, and to the Soviets, that the treaty will not interfere with existing patterns of defense cooperation with NATO. SALT II leaves us free to take needed measures to modernize and strengthen European-based nuclear forces. At the same time, we are consulting now with our allies on the possibilities for future negotiations which could include limits on Soviet as well as U.S. intermediate range systems in Europe.

These are among the reasons why our allies have welcomed SALT II and have urged its ratification. Defeat of the treaty would be a profound blow to our closest friends. Its approval will benefit our most valued alliances. It will signal continued American leadership for peace.

In Europe and beyond, all of our friends and allies have a stake in international stability. They expect us to manage our relationship with the Soviet Union in ways that will reduce its risks while protecting our interests. They look to the United States for both decisive leadership and sound judgment. They understand that if SALT were rejected, the entire fabric of East-West relations would be strained, and that the world could easily become a more hazardous place for us all.

COOPERATION WITH THE SENATE

In the days ahead, we will work closely and cooperatively with you in your consideration of this treaty. The Senate has had, and will continue to have, a major role in shaping our policy on strategic arms. Indeed, SALT II as presented significantly reflects the influence of the Senate.

Throughout these negotiations, we have consulted closely with this committee and with individual Members of the Senate at every stage. Twenty-seven Senators traveled to Geneva to observe the negotiations firsthand. We have strongly encouraged that process. Secretary Brown, General Seignious, his predecessor Ambassador Warnke, and I have discussed SALT issues in nearly 50 separate congressional hearings since January of 1977. Most of those have been in the Senate. In the same period there have been over 140 individual SALT briefings of Senators by responsible officials of the Administration, and another 100 briefings of members of Senators' staffs. The consultation and cooperation between the executive and the Congress on this treaty have been extensive.

Those sessions have been held to receive your advice as well as to report on our progress. Time and again, issues raised by Members of the Senate have been taken up directly in the negotiations. Our negotiators were conscious of the need to meet a number of specific objectives of the Senate:

The principal of equality was initiated in the Senate and mandated by the Congress in 1972, when the SALT I agreement was approved. The basic elements of equality were agreed by President Ford and President Brezhnev at Vladivostok. Those elements are embodied in this treaty.

The Senate was clearly intent on closing loopholes and ambiguities. The definitions and understandings contained in this treaty are exhaustive and precise.

Many specific provisions on verification—including those on the data base and on telemetry encryption—were shaped by concerns and views expressed to us by Members of the Senate.

EVALUATING THE TREATY

We now seek your consent to ratification of a treaty we negotiated with these concerns in mind. We have worked together throughout the negotiations. I believe that we must continue to do so through the ratification process.

The SALT II treaty is the product of almost 7 years of hard bargaining, on both sides. As members of the committee know, these have been extraordinarily complex negotiations—discussions to limit arms not by imposition of a victor over the vanquished but by voluntary agreement between two powerful nations. To achieve such an agreement, compromises were required by both sides.

In far-reaching negotiations such as these, agreements on one provision inexitably becomes intertwined with agreement on others. Terms that seem entirely unrelated often depend on each other. Thus to be evaluated fairly, the treaty is best judged as a whole. Taken as a whole, it is a balanced agreement. Taken as a whole, it clearly serves our national interests.

That is the basis for my belief that we cannot realistically expect to shift the bargain more in our favor now through a process of amendment and reservation.

Even if it were possible to reopen the negotiations, certainly they would be reopened to both sides. This could lead to the reopening of points that are now resolved in a manner favorable to our interests.

As we move ahead, I urge you not to make premature judgments. Let us first carefully consider the treaty as it now stands. Let us see if your questions do not, in fact, have satisfactory answers. And let us all avoid emotional rhetoric—which can only obscure the real issues.

This treaty is complex. It bears on a difficult and complex relationship. Before reaching a final decision, we—the Senate and the Administration together—have an opportunity for a discussion and debate that will illuminate our common national goals as well as clarify the terms of the treaty itself.

Finally, as we proceed with a debate which will often be technical, let me express the hope that the nature of our subject will be kept clearly in sight—the terrible power of nuclear weapons. Together, the arsenals of the United States and the Soviet Union already hold more than 14,000 strategic nuclear warheads and bombs. The smallest of these are several times as powerful as the bomb that destroyed Hiroshima. If a fraction of those weapons were ever fired, tens of millions of our people and tens of millions of the Soviet people would perish. Nuclear war would be a catastrophe beyond our imagination—for the aggressor as much as the victim.

This, in the end, is what this debate is about—not pieces on a chessboard or chips on a table but instruments of mass destruction even as they are instruments of deterrence.

This will be an historic debate. It can be a healthy one for our country—a unique opportunity to focus our collective attention on the requirements for peace in today's world and to reassert a broad consensus on these obligations.

I believe that most Americans, and most

Members of the Senate, agree that the security of the United States requires us to maintain an effective deterrent and forces that are equivalent to those of the Soviet Union—to prevent them from gaining a military or political advantage.

And I believe that most Americans and most Members of the Senate also agree that the safety of our people requires that the major nuclear powers continue the process of step-by-step agreement to limit, and reduce, the size and destructiveness of each side's strategic forces.

Undoubtedly, some believe more strongly in one of these propositions than the other. It will be very difficult to forge a national consensus around either by itself. But a strong national consensus can be built for both of these propositions together.

I have spent most of the past 20 years of my professional career dealing with the requirements of our national security. I have faced these issues from a military perspective during 6 years in the Department of Defense and from the perspective of Secretary of State. I know from this experience that neither arms control nor military preparedness alone can assure our security. We must pursue both simultaneously. For that is the only rational path to secure our nation's safety in a nuclear world.

In seeking your approval of the SALT II treaty, we are recommending that we strengthen America's security—and build a broad national consensus—through a sensible combination of a strengthened defense and arms limitation.

SALT II AND OUR GLOBAL INTERESTS, JULY 10, 1979

Today I want to discuss how the decision of the Senate will affect our broader international interests.

Let me begin by repeating one thought from yesterday's testimony: first and foremost, SALT II must be judged by its impact upon our national security. That is its transcendent purpose.

We believe the treaty meets that test. It makes an important contribution to maintaining a stable strategic balance now and in the future.

SALT II is not a substitute for a strong defense. It complements and reinforces our defense efforts. Together, SALT II and our defense modernization programs will give us the security we need as we meet other critical challenges to America's future.

Beyond its direct contribution to our security, the SALT II treaty must also be seen in the context of the larger fabric of international relations. Approval of the treaty will help us meet several essential objectives of our foreign policy:

It will help us to defend our interests and promote our values in the world from a position of strength. For a strategic imbalance could lead some of our friends and allies to question our ability to protect our interests and theirs.

It will help us to fashion a balanced relationship with the Soviet Union in which we build on areas of mutual interest but do not let the benefits of cooperative measures blind us to the reality of our continuing competition.

It will reinforce the confidence of our allies and help strengthen the alliances through which our own security is enhanced.

And it will enable us to broaden the work of arms control, so we can encourage the further transfer of attention and resources to steps which will lift the human condition.

SALT will also meet the expectations of the American people. Our people look to both the Administration and the Congress to shape a sound and sensible national security policy. They know that America's leadership in the world depends upon wisdom as well as strength. They want us to search for peace and cooperation even as we maintain a strong defense. They wisely reject a euphoric view of detente, but they do not want a return to the undiluted hostility of the Cold War.

We do not suggest that SALT II will by itself carry us to a new world of prosperity and peace. Even with this treaty there will be continued tests of our political will. Substantial new investments will be required to keep our defenses strong and ready.

Nor do we suggest that if SALT is not approved, we could not survive. We could.

The issue is whether we would be in a better or worse position, whether our national security and foreign policy would be enhanced and strengthened or hurt and weakened, as some suggest, by the approval of this treaty.

U.S.-SOVIET RELATIONS

The decision on SALT II will have a direct and important impact on our relationship with the Soviet Union.

The growth of nuclear arms has altered that relationship in fundamental ways. We continue to have sharply different values and different views on many issues. Yet, in a nuclear age, each nation understands the importance of seeking agreement where our interests coincide.

For the foreseeable future, our relationship with the Soviet Union will continue to have two strands. One is the steady pursuit of measures of cooperation and restraint. There is no reason why we cannot benefit from carefully negotiated arms control, economic, or cultural agreements just because the Soviet Union also benefits.

At the same time, the process of seeking restraint and broadening areas of cooperation cannot be allowed for a moment to divert our attention and determination from the fact of continuing competition with the Soviets in many areas.

It is imperative, in an era of continuing competition, that we not allow a military imbalance which could offer the Soviets either political or military advantages. During the 1940's and 50's, and into the 60's, the United States enjoyed an extraordinary advantage in nuclear weapons. Given the Soviets' industrial power and the destructive nature of nuclear weapons, our monopoly could not last. It was inevitable that the Soviets would develop a nuclear arsenal of their own. Since then we have come to a condition of strategic parity which must be preserved. So long as it is preserved, neither side can expect to use its weapons for unilateral advantage.

We cannot hope to turn back the clock and recapture our earlier wide advantage. All we could expect from the attempt would be a spiraling arms race that would be costly, dangerous and futile. Secretary Brown summed up the situation last April in Chicago when he said ". . . equivalence and deterrence are at one and the same time our maximum feasible, and our minimum tolerable, objectives."

The challenge of the 1980's and 90's is to maintain both deterrence and equivalence, for both military and political reasons. The Soviet Union must never be able to use any edge in military weapons to shape the course of world events.

Perceptions of our strength and resolve are crucial. If there were doubts about the credibility of our deterrent, third countries could feel more vulnerable to Soviet pressure. The result could be a lessening of American influence and a more dangerous world.

We have no way to measure precisely how large a military discrepancy would have to be to cause political harm. We also have no interest in experimentation. The surest way to prevent political harm is to preserve an essential equivalence between our forces and those of the Soviet Union. As Secretary Brown and I discussed in detail yesterday, that is precisely what SALT II will help us to do. Indeed, equivalence is the premise of this treaty. With the future strategic balance more secure, we can most effectively compete wherever necessary.

What would happen to the U.S.-Soviet relationship if SALT II were rejected? We cannot know entirely. But it is clear that we would be entering a period of greater uncertainty.

I see no reasonable basis for believing that if SALT II is not ratified, the Soviet Union will be induced to moderate its defense spending or become more cooperative in the Third World. In the absence of SALT, however, we face unlimited nuclear competition and a serious increase in U.S.-Soviet tensions. In such an atmosphere, each crisis and each confrontation could become far more dangerous.

We do not negotiate arms control on the basis of friendship. We do not see it as a reward for Soviet behavior. As President Carter has stated, it is precisely because of our fundamental differences that we must bring the most dangerous dimension of our military competition under control.

We must be clear about the message we want to convey, both to current Soviet leaders and to the next generation:

That we are committed to the building of a stable and peaceful world in which fundamental human rights are universally respected;

That we will firmly oppose any effort that threatens the peace and security of this nation and its friends;

But that we are also prepared to move ahead in those areas where cooperation can bring gains for both sides, particularly in lightening the burdens and lessening the dangers of nuclear arms.

Both the competitive and the cooperative strands of our policy must be pursued. SALT II contributes to both. Its rejection, by diminishing the possibilities for future cooperation, could make the competition more dangerous and difficult.

U.S. ALLIANCES

Let me turn to the relationship of this treaty to NATO and our other alliances.

America's allies fully support the SALT II treaty. Just as our partners look to us for leadership in strengthening the military position of our alliances—which we are doing—they also expect and want us to lead in the quest for greater security and stability through arms control.

In particular, our NATO allies see their security enhanced by the agreement in three ways:

A destabilizing and unregulated competition in strategic forces between the United States and the Soviet Union could create new tensions, and thus military dangers, in Europe;

Increasing the U.S. resources devoted to such a strategic competition could divert from our efforts, together with our NATO partners, to strengthen NATO's conventional and theater nuclear forces; and

The possibility of improving western security through other arms control efforts—especially MBFR [mutual and balanced force reductions] and possible future negotiations involving theater nuclear forces—depends heavily on securing a SALT II treaty.

Our allies also see their political well-being served by the agreement. To them, improved relations with the U.S.S.R. means families re-united, contacts with their fellow Europeans in the East expanded, and hopes for a more tranquil continent advanced. They know that failure to agree on SALT II could cast a chilling shadow over the whole range of East-West relations.

Our allies had specific interests and concerns in connection with SALT II. The questions they raised were related to specific points, not to the enterprise as a whole. And in each case we have developed mutually acceptable solutions. Because we have no more important international priority than political and military solidarity with our allies, I want to describe these solutions in some detail.

In the North Atlantic Council on June 29th, we addressed two issues of central importance to our allies' concerns, on which we consulted closely.

First, to make clear that SALT II does not foreclose future options with regard to either arms control or modernization of theater nuclear weapons, we stated that any future limitations on U.S. systems principally designed for theater missions should be accompanied by appropriate limitations on Soviet theater systems.

Second, to make clear that nothing in the treaty would prevent continued cooperation in weapons technology and systems, we stated in detail our views on the effect of the treaty on alliance cooperation and modernization. We stressed that in the treaty we have undertaken no obligation on noncircumvention beyond the basic tenets of international law, and that the treaty will not affect existing patterns of collaboration and cooperation with our allies. Nor will it preclude cooperation on modernization. We also recalled that in the SALT II negotiations, we rejected a provision on nontransfer of weapons and technology. And we defined in detail our policy on such transfers. The text of our statement is a part of my prepared testimony so that it can be examined in full.

At this same meeting on June 29th, our NATO allies issued a formal joint statement which read in part:

"The Allies have concluded that the new agreement is in harmony with the determination of the Alliance to pursue meaningful arms control measures in the search for a more stable relationship between the East and West. The Allies therefore hope that the agreement will soon enter into force. This treaty responds to the hope of the Allies for a reduction in nuclear arsenals and thus offers a broader prospect for detente. The Allies note that the treaty fully maintains the U.S. strategic deterrent, an essential element for the security of Europe and of North America."

Thus, the NATO allies have endorsed the SALT II treaty on two levels:

They are convinced that it preserves all essential defense options, to sustain deterrence in Europe; and

They believe the treaty serves a necessary role in the overall East-West political and strategic relationship.

Beyond Europe, this treaty is supported by our other friends and allies around the world.

I have just returned from a 2-week trip throughout the Pacific region. In Tokyo, in Korea, at the meeting of the ASEAN [Association of South East Asian Nations] Foreign Ministers, and at the ANZUS [Australia, New Zealand, United States pact] meeting in Australia, our friends and allies emphasized to me that they view this treaty as contributing to stability and peace in the world and to the ability of the United States to continue to meet its regional commitments.

OTHER ARMS CONTROL

Beyond its effects on East-West relations and the interests of our allies, SALT II is important to all of our other efforts toward arms restraint. The accumulation and spread of modern arms—including conventional arms—is a burden on the world and a central challenge to our leadership. The global arms buildup conflicts with every one of our international aims—peace; human development; and greater attention to such issues as energy, the environment, population, and all other common needs of the human family.

This challenge calls for an unrelenting commitment to restrain the growth of arms, so that scarce resources in all nations can be used in better ways. Yet our prospects for success in other key arms control efforts could turn on the fate of SALT II.

We have other serious arms control talks underway with the Soviet Union. We are negotiating, for example, to limit antisatellite weapons, in order to protect the observation and communications vehicles which are vital in times of calm and indispensable in times of crisis. We are negotiating with the Soviet Union and Britain toward a potential ban on nuclear testing which could be a significant restraint on the arms race. Failure of the SALT treaty could jeopardize these endeavors.

The outlook for arms control elsewhere would also be dimmed. For our arguments in favor of restraint by others will be judged in large part by our commitment to SALT.

More than a dozen nations have the capacity to develop a nuclear weapon within 2 years of making such a decision. In a world of intense regional disputes, the risk this poses to peace—and to our own safety—is evident. These nations will be less likely to exercise restraint if they see the two nuclear superpowers unable to agree about nuclear restraint.

The nonproliferation treaty itself specifically provides that the nuclear-weapons states will pursue effective arms control measures. Our progress in fulfilling that obligation will undoubtedly be a major focus of next year's review conference on the nonproliferation treaty. Without the SALT II treaty, the authority of our efforts to halt the worldwide spread of nuclear weapons would be undermined.

Failure of SALT II could also damage our efforts to limit transfers of conventional weapons—both with major suppliers like the Soviet Union and with Third World arms consumers. Even under the best of circumstances this is a difficult task. Yet we must be committed to the effort, for the flow of arms depletes precious resources and heightens the potential danger and destructiveness of volatile regional tensions.

Let us therefore demonstrate that our commitment to the control of arms is genuine. By acting in our own self-interest, we can also help create a world environment which promotes the interests of people elsewhere.

Finally, beyond using SALT to advance our foreign policy goals, we should assure that our actions on this issue fairly reflect the values and the hopes of the American people. I believe the American people have a sound understanding of our security needs. They have supported the increased defense effort this Administration has proposed.

Certainly this country possesses the technology and the funds to achieve effective deterrence and essential equivalence at any level that unlimited competition brings about. But the higher the level, the greater the sacrifice from our own citizens—and with less assurance of achieving these objectives.

If we engage in a needless arms race, I believe we would part company with the American people. They support a strong defense. But they have other priorities as well, including urgent needs in the areas of energy and inflation. And they understand that such an arms race would not enhance our security.

CONCLUSION

In sum, the SALT II treaty and the commitments we have made to strengthen our strategic forces will have a profound influence on the character of American leadership in the world. Obviously, with or without this treaty, we will face an imposing array of challenges and problems. But if we are to meet them, SALT II is an important and necessary first step:

The treaty will promote our security by helping us maintain a strong position of strategic equivalence and manage our most dangerous relationship.

It will help keep our alliances secure and united.

It will serve our interests throughout the world.

In all of these ways, approval of SALT II will reflect what I believe to be the basic posture of the American people—not a pointless belligerence but a sensible determination to defend our nation and our interests, to advance our ideals, and to preserve the peace and safety of the entire human race.●

JOYCE AMENTA RECEIVES CERTIFICATE IN DATA PROCESSING (CDP)

● Mr. PELL. Mr. President, I was recently notified by Mr. Coleman Furr, chairman of the CDP certification council of the Institute for Certification of Computer Professionals that Joyce Amenta, a member of the Rules Committee staff, has distinguished herself by successful completion of the certificate in data processing examination. She joins two members of the Senate computer center staff, Richard B. Reed and Joseph R. (Dick) Langley, and John K. Swearingen of the Rules Committee staff, who also hold the certificate in data processing. This certificate is awarded to candidates who have achieved a high level of professional competence in data processing, who subscribe to a code of ethics and good practice, and who have demonstrated their willingness to work toward standards of excellence in this emerging field. The fact that four employees of the Senate have achieved this high professional recognition speaks well for the level of technical competence among our employees. I extend my congratulations to all of them, and ask that Mr. Furr's letter be printed in the RECORD at the end of my remarks.

John K. Swearingen, director of technical services for the Rules Committee, developed the certificate in data processing in 1961. He was elected the first president of the Institute for Certification of Computer Professionals in 1973, an organization established by several of the major data processing associations to administer the certification program.

Joyce Amenta serves the Rules Committee as a senior systems analyst in computer technology with primary areas of responsibility in computer-assisted text processing, electronic photocomposition, micrographic systems, automated indexing, and related systems. Prior to her employment with the Senate, she served both private industry and the executive branch. She is an active member of the Data Processing Management Association, Association for Computing Machinery, and a former member of the National Computer Conference Steering Committee.

Joyce Amenta, Dick Reed, Dick Langley, and John Swearingen deserve special recognition for their professional achievement. I ask that the Code of Ethics, and Codes of Conduct and Good Practice for Certified Computer Professionals be printed in the RECORD.

The material follows:

OCTOBER 18, 1979.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

MY DEAR SENATOR: We are pleased to announce that the Institute for Certification of Computer Professionals (ICCP) has awarded the "Certificate in Data Processing" (CDP) to Joyce Amenta.

This certificate is awarded to candidates who have successfully passed the annual CDP Examination and represents a significant achievement by a member of your staff.

Having earned the CDP designation, recipients subscribe to a Code of Ethics and Codes of Conduct and Good Practice for Certified Computer Professionals. Adherence to these Codes is considered to be an integral part of professional activities and a copy is enclosed for your perusal.

Persons sitting for the annual CDP Examination demonstrate their willingness to work toward the establishment of new standards of excellence in this emerging field.

It would be a personal privilege to respond with any further information concerning our activities that your office may deem helpful.

Sincerely,

COLEMAN FURR,
CDP, Chairman.

CODE OF ETHICS FOR CERTIFIED COMPUTER PROFESSIONALS

Certified computer professionals, consistent with their obligation to the public at large, should promote the understanding of data processing methods and procedures using every resource at their command.

Certified computer professionals have an obligation to their profession to uphold the high ideals and the level of personal knowledge certified by the Certificate held. They should also encourage the dissemination of knowledge pertaining to the development of the computer profession.

Certified computer professionals have an obligation to serve the interests of their employers and clients loyally, diligently, and honestly.

Certified computer professionals must not engage in any conduct or commit any act which is discreditable to the reputation or integrity of the computer profession.

Certified computer professionals must not imply that the Certificates which they hold are their sole claim to professional competence.

CODES OF CONDUCT AND GOOD PRACTICE FOR CERTIFIED COMPUTER PROFESSIONALS

The essential elements relating to conduct that identify a professional activity are:

A high standard of skill and knowledge.

A confidential relationship with people served.

Public reliance upon the standards of conduct and established practice.

The observance of an ethical code.

Therefore, these Codes have been formulated to strengthen the professional status of certified computer professionals.

1. Preamble:

1.1: The basic issue, which may arise in connection with any ethical proceedings before a Certification Council, is whether a holder of a Certificate administered by that Council has acted in a manner which violates the Code of Ethics for certified computer professionals.

1.2: Therefore, the ICCP has elaborated the existing Code of Ethics by means of a Code of Conduct, which defines more specifically an individuals' professional responsibility. This step was taken in recognition of questions and concerns as to what constitutes professional and ethical conduct in the computer profession.

1.3: The ICCP has reserved for and delegated to each Certification Council the right to revoke any Certificate which has been issued under its administration in the event that the recipient violates the Code of Ethics, as amplified by the Code of Conduct. The revocation proceedings are specified by rules governing the business of the Certification Council and provide for protection of the rights of any individual who may be subject to revocation of a Certificate held.

1.4: Insofar as violation of the Code of Conduct may be difficult to adjudicate, the ICCP has also promulgated a Code of Good Practice, the violation of which does not in itself constitute a reason to revoke a Certificate. However, any evidence concerning a serious and consistent breach of the Code of Good Practice may be considered as additional circumstantial evidence in any ethical proceedings before a Certification Council.

1.5: Whereas the Code of Conduct is of a fundamental nature, the Code of Good Practice is expected to be amended from time to time to accommodate changes in the social environment and to keep up with the development of the computer profession.

1.6: A Certification Council will not consider a complaint where the holder's conduct is already subject to legal proceedings. Any complaint will only be considered when the legal action is completed, or it is established that no legal proceedings will take place.

1.7: Recognizing that the language contained in all sections of either the Code of Conduct or the Code of Good Practice is subject to interpretations beyond those intended, the ICCP intends to confine all Codes to matters pertaining to personal actions of individual certified computer professionals in situations for which they can be held directly accountable without reasonable doubt.

2. Code of Conduct:

2.1: Disclosure: Subject to the confidential relationships between oneself and one's employer or client, one is expected not to transmit information which one acquires during the practice of one's profession in any situation which may harm or seriously affect a third party.

2.2: Social Responsibility: One is expected to combat ignorance about information processing technology in those public areas where one's application can be expected to have an adverse social impact.

2.3: Conclusions and Opinions: One is expected to state a conclusion on a subject in one's field only when it can be demonstrated that it has been founded on adequate knowledge. One will state a qualified opinion when expressing a view in an area within one's professional competence but not supported by relevant facts.

2.4: Identification: One shall properly qualify oneself when expressing an opinion outside of one's professional competence in the event that such an opinion could be identified by a third party as expert testimony, or if by inference the opinion can be expected to be used improperly.

2.5: Integrity: One will not knowingly lay claims to competence one does not demonstrably possess.

2.6: Conflict of Interest: One shall act with strict impartiality when purporting to give independent advice. In the event that the advice given is currently or potentially influential to one's personal benefit, full and detailed disclosure of all relevant interests will be made at the time the advice is provided. One will not denigrate the honesty or competence of a fellow professional or a competitor, with intent to gain an unfair advantage.

2.7: Accountability: The degree of professional accountability for results will be dependent on the position held and the type of work performed. For instance:

A senior executive is accountable for the quality of work performed by all individuals the person supervises and for ensuring that recipients of information are fully aware of known limitations in the results provided.

The personal accountability of consultants and technical experts is especially important because of the positions of unique trust inherent in their advisory roles. Consequently, they are accountable for seeing to it that known limitations of their work are fully disclosed, documented, and explained.

2.8: Protection of Privacy: One shall have special regard for the potential effects of computer-based systems on the right of privacy of individuals whether this is within one's own organization, among customers or suppliers, or in relation to the general public.

Because of the privileged capability of computer professionals to gain access to computerized files, especially strong strictures will be applied to those who have used their positions of trust to obtain information from computerized files for their personal gain.

Where it is possible that decisions can be made within a computer-based system which could adversely affect the personal security, work, or career of an individual, the system design shall specifically provide for decision review by a responsible executive who will thus remain accountable and identifiable for that decision.

3. Code of Good Practice:

3.1: Education: One has a special responsibility to keep oneself fully aware of developments in information processing technology relevant to one's current professional occupation. One will contribute to the interchange of technical and professional information by encouraging and participating in education activities directed both to fellow professionals and to the public at large. One will do all in one's power to further public understanding of computer systems. One will contribute to the growth of knowledge in the field to the extent that one's expertise, time, and position allow.

3.2: Personal Conduct: Insofar as one's personal and professional activities interact visibly to the same public, one is expected to apply the same high standards of behavior in one's personel life as are demanded in one's professional activities.

3.3: Competence: One shall at all times exercise technical and professional competence at least to the level one claims. One shall not deliberately withhold information in one's possession unless disclosure of that information could harm or seriously affect another party, or unless one is bound by a proper, clearly defined confidential relationship. One shall not deliberately destroy or diminish the value or effectiveness of a computer-based system through acts of commission or omission.

3.4: Statements: One shall not make false or exaggerated statements as to the state of affairs existing or expected regarding any aspect of information technology or the use of computers.

In communicating with lay persons, one shall use general language whenever possible and shall not use technical terms or expressions unless there exist no adequate equivalents in the general language.

3.5: Discretion: One shall exercise maximum discretion in disclosing, or permitting to be disclosed, or using to one's own advantage, any information relating to the affairs of one's present or previous employers or clients.

3.6: Conflict of Interest: One shall not hold, assume, or consciously accept a position in which one's interests conflict or are likely to conflict with one's current duties unless that interest has been disclosed in advance to all parties involved.

3.7: Violations: One is expected to report violations of the Code, testify in ethical proceedings where one has expert or first-hand knowledge, and serve on panels to judge complaints of violations of ethical conduct.●

SOVIET FORGERIES AND ANTI-AMERICAN SENTIMENT IN THE MIDDLE EAST

● Mr. HUMPHREY. Mr. President, yesterday, I brought yet another example of Soviet forgeries of official U.S. documents to the attention of my distinguished colleagues: A 1976 dispatch, purportedly from our Embassy in Iran, which expressed U.S. complacency about alleged Saudi and Iranian plans to overthrow Egypt's Anwar Sadat. The discovery of this forgery heightens speculation that the Soviets may be using forgeries once more to fire anti-American sentiment in the Middle East, and in particular to intensify the on-going crisis in Iran. In this respect, I would like to share two more examples of Soviet attempts to raise havoc in the Middle East through the distribution of forged U.S. documents.

An unclassified DIA study on the Soviet Union's forgery offensive states the following:

In mid-March 1977, prints from a film negative of a forged letter to the Saudi Arabian Ambassador in Cairo turned up in an envelope found stuck in the door at the Sudanese Embassy in Beirut. The letter was purportedly signed by U.S. Ambassador to Egypt, Hermann F. Eilts, and "revealed" plotting by both Sadat and the U.S. to gain influence in Sudan. There was no covering note attached.

Three months later, the signature of Ambassador Eilts was again forged, this time to a bogus "TOP SECRET" U.S. State Department "operations memorandum" attacking President Sadat for his lack of leadership, foresight and political acuity. The final paragraph of the forgery included a statement that the CIA Station Chief in Cairo shared the Ambassador's assessment of Sadat. Ten Egyptian newspapers and magazines received photocopies of the forgery by mail. There was no covering letter but the language and style of the document suggested that its writer was not a native American. The thrust and political impact of both this and the preceding Eilts forgery certainly suggested Soviet implication.

It is generally believed by our intelligence community that Soviet forgeries of U.S. documents are initiated by the Soviet Politburo, the same body which President Carter contends we can depend upon to abide by the provisions of the SALT II treaty. Mr. President, again, I ask that the Carter administration give the Congress and the American people a full report on the Soviet Union's forgery activities.●

THE CHRYSLER CORPORATION LOAN GUARANTEE ACT OF 1979

● Mr. RIEGLE. Mr. President, the Banking Committee is today reporting the "Chrysler Corporation Loan Guarantee Act of 1979." I believe the Senate should promptly enact a sound and workable response to the important national problem created by Chrysler's financial crisis.

However, the bill reported by the committee would impose a rigid 3-year freeze on Chrysler workers before Federal guarantees could be issued.

Today, the Washington Post published an editorial that strongly opposes the wage freeze as a provision that would damage the competitive efficiency of the company.

Although I disagree with the Washington Post's opposition to financial aid and employee stock ownership, the editorial makes some excellent points relating to the wage freeze, and I want to share it with my colleagues.

I ask that a copy of the article be printed in the RECORD.

The article follows:

[From the Washington Post, Dec. 6, 1979]

CHRYSLER AND THE WAGE FREEZE

The United Auto Workers declares that it will not accept a three-year wage freeze at Chrysler, even as a condition of the federal rescue of the company. It is right. A wage freeze would have a crippling effect on the company. It would mean that, toward the end of the period, Chrysler's employees would be making perhaps one-fourth less than people doing the same work, with a much better prospect of future security, at the other automobile companies. Many employees—among the most skilled, productive and mobile—would depart. That could only diminish further the company's chance of survival.

Bailing out Chrysler sets a bad precedent, and Congress shouldn't do it. But if Congress goes ahead with the rescue, it has an obligation to both the company and the taxpayers to drop the kind of hampering political conditions that the House and Senate committees have been enthusiastically stitching into it. One good reason for opposing the bail-out (there are more than one) is the fear of creating an industrial invalid that would require continual transfusions of public aid. A wage freeze would make that prospect self-fulfilling.

Chrysler argues that if it can stay in business until next fall, its position will improve suddenly and sharply. The new models going into production then, the company says, will be attractive, lighter than most of their competitors, and very high in fuel mileage. As for labor costs, the company's new contract with the UAW defers wage increases for two years and returns to parity with the other manufacturers in the third year, when, Chrysler calculates, it should be earning a profit again. A two-year deferral is enough to expect from the work force in a time of high inflation.

If Congress decides to enact this bill—and the decision will have to be made within the next several weeks—it should at least impose two rules on itself. It should cross out any amendments that would damage the comparative efficiency of the company. Along with the requirement of substandard wages, that means dropping the attempt to use Chrysler as a guinea pig for Sen. Russell Long's theories about employee stock options. It also means dropping the misguided language in the House bill that would try to keep Chrysler's oldest and most obsolete plants in operation.

Beyond that, if Congress proceeds with this dubious experiment, it should make it explicit that federal aid would be extended only once. Chrysler says that the present crisis is unique, will last only a few months and will not recur. Congress would do well to take the company at its word. To forbid any renewals or extensions would at least acknowledge the concern that Congress might be establishing a permanent welfare case of a very expensive kind.●

A CURE FOR THE ILLS OF MILITARY MEDICINE

● Mr. WARNER. Mr. President, yesterday the Armed Services Committee began its deliberations on several bills concerned with military medicine. I wish to call this matter to the attention of my colleagues as I believe it deserves our close and careful consideration.

As a former enlisted man in the Navy and a former Marine Corps officer, and a former Secretary of the Navy, I am most keenly aware of the importance of maintaining the finest possible medical corps in our armed services. I am increasingly concerned, however, that the capabilities of our military medical corps have been compromised. The peacetime medical needs of active duty personnel are not now adequately being met. A recent survey revealed that 21 percent of active duty people seeking medical care at a random sampling of several Army, Navy, and Air Force facilities were unable to receive treatment and had to be referred to other facilities. In addition, serious questions have been raised about the adequacy of military medicine to meet our needs should our Nation become involved in hostilities.

I am equally concerned that the dependents of our military personnel, along with retirees and their eligible dependents, are not receiving adequate care. Although DOD is not required, by law, to provide direct medical care to these individuals or to dependents of deceased members of our armed services, I feel that our Nation has made a promise—a commitment to provide such medical care. Access to quality medical care has been available in the past and has become, in fact, one of the most prized benefits of a military career. Yet, the same survey which I previously cited found that 35 percent of active duty dependents were unable to obtain medical care at the facility closest to their home. There is also widespread dissatisfaction with the CHAMPUS program, which was initially designed as a civilian backup to the overburdened military medical system.

I am very concerned about these matters.

The basic problem appears to be an overall doctor shortage in the Armed Forces and specific shortages in certain crucial medical specialties such a radiology. Since the physician draft ended in 1973, the gap has widened in spite of scholarship programs, variable incentive pay (VIP) for physicians, and other efforts at recruitment and retention.

The Army, Navy, and Air Force medical departments project that the supply of physicians will not reach the fiscal year 1979 authorized level until 1984. Even this estimate is suspect. For example, 47 percent of a group of military physicians recently interviewed as part of a GAO survey reported that they were planning on leaving the service when their present tours are completed. They can cite as the reasons: Low pay, broken promises, poor administrative support, frequent moves, emergency room duty for specialists, and a host of other complaints.

The morale of military medics is at a low ebb. A young Navy medical officer in the news lately is a sign of the times: He has risked a court martial rather

than accept sea duty, an assignment for which he contends he has not been properly trained by the Navy. Because of the manpower shortage he had to be called from a civilian training program in surgery before completing the entire residency program.

My preliminary study of these matters also points to uneven administrative support and possible shortages among nurses and trained technicians. Military medicine uses a team approach. We must see to it that the entire team is healthy.

I pledge my continued attention to these matters and I urge my colleagues to do the same. For some time now we have been applying bandaids to the body of military medicine. While I am not yet suggesting that major surgery is in order, I believe the Congress has an obligation to review the problem and then take action to provide the cure.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD the following notification I have just received:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-20, concerning the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $22.3 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director,
Defense Security Assistance Agency.

[Transmittal No. 80-20]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Switzerland.

(ii) Total Estimated Value: Major Defense Equipment,[1] $21.6 million; other, .7 million; Total, $22.3 million.

(iii) Description of Articles or Services Offered: Six thousand two hundred (6200) M223 DRAGON Practice Missiles.

(iv) Military Department: Army (VAJ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology: This sale does not include any classified item and is not considered sensitive.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Data Report Delivered to Congress: 29 November 1979.

[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I am hoping that we might be able to get an amendment laid down tonight, so that we will have something to go on in the morning.

I yield the floor if any Senator wishes to talk about further morning business.

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

VETERANS HEALTH PROGRAMS EXTENSION AND IMPROVEMENT ACT OF 1979

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3892.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 3892) entitled "An Act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes", with the following amendments.

In lieu of the matter inserted by the amendment of the Senate to the text of the bill, insert:

That (a) this Act may be cited as the "Veterans Health Programs Extension and Improvement Act of 1979".

(b) Whenever in this Act (except in section 306) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN EXPIRING VETERANS' ADMINISTRATION HEALTH PROGRAMS

GRANTS TO STATE HOME FACILITIES

SEC. 101. (a) Section 5033(a) is amended by striking out "and a like sum for the succeeding fiscal year" and inserting in lieu thereof "a like sum for each of the two succeeding fiscal years, and such sums as may be necessary for the fiscal years ending September 30, 1981, and September 30, 1982".

(b)(1) Section 641(a) is amended by striking out "$5.50", "$10.50", and "$11.50" and inserting in lieu thereof "$6.35", "$12.10", and "$13.25", respectively.

(2) The amendments made by paragraph (1) shall take effect on January 1, 1980, but, with respect to fiscal year 1980, shall take effect only to such extent and in such amounts as may be specifically provided for such purpose in appropriation Acts.

EXCHANGE OF MEDICAL INFORMATION

SEC. 102. (a) Section 5054 is amended by adding at the end the following new subsection:

"(c) The Administrator is authorized to enter into agreements with public and nonprofit private institutions, organizations, corporations, and other entities in order to participate in cooperative health-care personnel education programs within the geographical area of any Veterans' Administration health-care facility located in an area remote from major academic health centers.".

(b) Section 5055(c)(1) is amended by inserting "and for each of the three succeeding fiscal years" after "fiscal year 1979".

ASSISTANCE TO HEALTH MANPOWER TRAINING INSTITUTIONS

SEC. 103. (a) Subsection (b) of section 5070 is amended to read as follows:

"(b) The Administrator may not enter into any agreement under subchapter I of this chapter after September 30, 1979.".

(b)(1) Subsection (a) of section 5082 is amended to read as follows:

"(a) There is authorized to be appropriated for carrying out programs authorized under this chapter $50,000,000 for the fiscal year ending June 30, 1973; a like sum for each of the six succeeding fiscal years; $15 million for the fiscal year ending September 30, 1980; $25 million for the fiscal year ending September 30, 1981; and $30 million for the fiscal year ending September 30, 1932.".

(2) Clause (1) of section 5083(b) is amended by striking out "and will result" and all that follows in such clause through "at such school".

TITLE II—MODIFICATION OF VETERANS HEALTH CARE AND RELATED BENEFITS

BENEFICIARY TRAVEL REIMBURSEMENT

SEC. 201. (a) Section 111(e)(2)(A) is amended by—

(1) striking out "based on an annual declaration and certification by such person" and inserting in lieu thereof "pursuant to regulations which the Administrator shall prescribe"; and

(2) striking out "a veteran" and all that follows through "title" and inserting in lieu thereof "a person receiving benefits for or in connection with a service-connected disability under this title, a veteran receiving or eligible to receive pension under section 521 of this title, or a person whose annual income, determined in accordance with section 503 of this title, does not exceed the maximum annual rate of pension which would be payable to such person if such person were eligible for pension under section 521 of this title".

(b) Section 601 is amended by—

(1) striking out "transportation" in paragraph (5)(A) and inserting in lieu thereof "travel";

(2) striking out subclause (ii) of paragraph (5)(C) and inserting in lieu thereof "(ii) travel and incidental expenses for such dependent or survivor under the terms and conditions set forth in section 111 of this title"; and

(3) striking out "necessary expenses of travel and subsistence" in paragraph (6)(B) and inserting in lieu thereof "travel and incidental expenses".

(c) Section 614 is amended by—

(1) striking out "necessary travel expenses" in subsection (a) and inserting in lieu thereof "travel and incidental expenses (under the terms and conditions set forth in section 111 of this title)"; and

(2) striking out "all necessary travel expenses" in subsection (b) and inserting in lieu thereof "travel and incidental expenses (under the terms and conditions set forth in section 111 of this title)".

(d) Section 628(a) is amended by striking out "the necessary travel" and inserting in lieu thereof "travel and incidental expenses under the terms and conditions set forth in section 111 of this title".

CONTRACT HOSPITAL CARE

SEC. 202. Section 601(4)(C)(iii) is amended by—

(1) striking out "hospital care" the second place it appears and inserting in lieu thereof "medical services"; and

(2) inserting "until such time as the veteran can be safely transferred to any such facility" after "of the paragraph".

LIMITATION ON FURNISHING CONTRACT CARE DENTAL TREATMENT

SEC. 203. Section 612(b) is amended by adding at the end below the last clause the following new sentence: "The total amount which the Administrator may expend for furnishing, during any twelve-month period, outpatient dental services, treatment, or related dental appliances to a veteran under this section through private facilities for which the Administrator has contracted under clause (i), (ii), or (v) of section 601(4)(C) of this title may not exceed $500 unless the Administrator determines, prior to the furnishing of such services, treatment, or appliances and based on an examination of the veteran by a dentist employed by the Veterans' Administration (or, in an area where no such dentist is available, by a dentist conducting such examination under a contract or fee arrangement), that the furnishing of such services, treatment, or appliances at such cost is reasonably necessary.".

HEALTH BENEFITS FOR VETERANS OF MEXICAN BORDER PERIOD AND WORLD WAR I AND FOR CERTAIN SEVERELY DISABLED VETERANS

SEC. 204. Section 612(g) is amended by—

(1) striking out "Where any veteran" and inserting in lieu thereof "In the case of any veteran who is a veteran of the Mexican border period or of World War I or who"; and

(2) adding at the end thereof the following new sentence: "The Administrator may also furnish to any such veteran home health services under the terms and conditions set forth in subsection (f) of this section.".

AMENDMENTS TO CHAMPVA PROGRAM

SEC. 205. (a)(1) Section 613(a) is amended by—

(A) striking out "wife" in clause (1) and inserting in lieu thereof "spouse";

(B) striking out "and" at the end of clause (1);

(C) striking out "widow" in clause (2) and inserting in lieu thereof "surviving spouse";

(D) inserting "and" at the end of clause (2); and

(E) inserting after clause (2) the following new clause:

"(3) the surviving spouse or child of a person who died in the active military, naval, or air service in the line of duty and not due to such person's own misconduct,".

(2) Section 613 is further amended by adding at the end the following new subsection:

"(c) For the purposes of this section, a child between the ages of eighteen and twenty-three (1) who is eligible for benefits under subsection (a) of this section, (2) who is pursuing a full-time course of instruction at an educational institution approved under chapter 36 of this title, and (3) who, while pursuing such course of instruction, incurs a disabling illness or injury (including a disabling illness or injury incurred between terms, semesters, or quarters or during a vacation or holiday period) which is not the result of such child's own willful misconduct and which results in such child's inability to continue or resume such child's chosen program of education at an approved educational institution shall remain eligible for benefits under this section until the end of the six-month period beginning on the date the disability is removed, the end of the two-year period beginning on the date of the onset of the disability, or the twenty-third birthday of the child, whichever occurs first.".

(b) The amendments made by subsection (a) shall take effect with respect to fiscal year 1980 only to such extent and for such amounts as may be specifically provided for such purpose in appropriation Acts.

EFFECTIVE DATE

SEC. 206. Except as otherwise provided in section 205(b), the amendments made by this title shall take effect on January 1, 1980.

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AMENDMENTS AND MISCELLANEOUS PROVISIONS

MEDICAL PERSONNEL STAFFING LEVELS

SEC. 301. (a) Section 5010(a) is amended by adding at the end the following new paragraph:

"(4)(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor.

"(B) In order to carry out the provisions of subparagraph (A) of this paragraph, the Director of the Office of Management and Budget shall, with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling, and (ii) submit to the appropriate committees of the Congress and to the Comptroller General of the United States certification that the Director has so provided such ceiling. Not later than the thirtieth day after the enactment of such a law or, in the event of the enactment of such a law more than thirty days prior to the fiscal year for which such law makes such appropriations, not later than the tenth day of such fiscal year, the certification required in the first sentence of this subparagraph shall be submitted, together with a report containing complete information on the personnel ceiling that the Director has provided to the Veterans' Administration for the employees described in subparagraph (D) of this paragraph.

"(C) Not later than the forty-fifth day after the enactment of each such law, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in providing to the Veterans' Administration such funded personnel ceiling.

"(D) For the purposes of this paragraph, the term 'funded personnel ceiling' means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year.".

(b) The amendment made by subsection (a) shall take effect with respect to Public Law 96-103, but, with respect to such Public Law, the certification and report required by subparagraph (B) of paragraph (4) of section 5010 of title 38, United States Code (as added by such amendment), and the report required by subparagraph (C) of such paragraph (as added by such amendment) shall be submitted to the appropriate committees of the Congress not later than January 15, 1980, and February 1, 1980, respectively.

QUALIFICATIONS OF CERTAIN HEALTH PROFESSIONALS EMPLOYED IN THE DEPARTMENT OF MEDICINE AND SURGERY

SEC. 302. (a) Section 4104(2) is amended by inserting "psychologists," after "Pharmacists,".

(b)(1) Subsection (a) of section 4105 is amended by—

(A) striking out the period at the end of clause (9) and inserting in lieu thereof a semicolon; and

(B) adding at the end the following new clause:

"(10) Psychologist—

"hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed study for such degree in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in a State, except that the Administrator may waive the requirement of licensure or certification for an individual psychologist for a period not to exceed two years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is so licensed or certified.".

(2) Subsection (b) of such section is amended by inserting "podiatrist, optometrist," after "dentist,".

(c) The amendment made by subsection (b)(1) to require that a psychologist appointed to a position in the Department of Medicine and Surgery of the Veterans' Administration be licensed or certified as a psychologist in a State shall not apply to any person employed as a psychologist by the Veterans' Administration on or before December 31, 1979.

REDUCTION OF PROBATIONARY PERIOD FOR CERTAIN HEALTH PROFESSIONALS EMPLOYED IN THE DEPARTMENT OF MEDICINE AND SURGERY

SEC. 303. Section 4106(b) is amended by striking out "three years" and inserting in lieu thereof "two years".

COOPERATIVE USE AGREEMENTS FOR SPECIALIZED MEDICAL RESOURCES

SEC. 304. Section 5053(a) is amended by inserting "or organ banks, blood banks, or similar institutions" after "facilities".

SPECIAL MEDICAL ADVISORY GROUP AMENDMENTS

SEC. 305. Section 4112(a) is amended by—

(1) inserting in the first sentence "and a disabled veteran" after "professions"; and

(2) inserting in the second sentence "and, not later than February 1 of each year, shall submit to the Administrator and the Congress a report on its activities during the preceding fiscal year" after "Administrator".

TECHNICAL AMENDMENT

SEC. 306. (a) Section 601(a)(2) of the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979 (Public Law 96-128) is amended by striking out "clause (1)" and inserting in lieu thereof "clause (11)".

(b) The amendment made by subsection (a) shall take effect as of November 28, 1979.

AGENT ORANGE STUDY

SEC. 307. (a)(1) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of persons who, while serving in the Armed Forces of the United States during the period of the Vietnam conflict, were exposed to any of the class of chemicals known as "the dioxins" produced during the manufacture of the various phenoxy herbicides (including the herbicide known as "Agent Orange") to determine if there may be long-term adverse health effects in such persons from such exposure. The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to such dioxins or other dioxins.

(2)(A)(i) The study conducted pursuant to paragraph (1) shall be conducted in accordance with a protocol approved by the Director of the Office of Technology Assessment.

(ii) The Director shall monitor the conduct of such study in order to assure compliance with such protocol.

(B)(i) Concurrent with the approval or disapproval of any protocol under subparagraph (A)(i), the Director of the Office of Technology Assessment shall submit to the appropriate committees of the Congress a report explaining the basis for the Director's action in approving or disapproving such protocol and providing the Director's conclusions regarding the scientific validity and objectivity of such protocol.

(ii) In the event that the Director has not approved such protocol during the 180 days following the date of the enactment of this Act, the Director shall (I) submit to the appropriate committees of the Congress a report describing the reasons why the Director has not given such approval, and (II) submit an update report on such initial report each 60 days thereafter until such protocol is approved.

(C) The Director shall submit to the appropriate committees of the Congress, at each of the times specified in the second sentence of this subparagraph, a report on the Director's monitoring of the conduct of such study pursuant to subparagraph (A)(ii). A report under the preceding sentence shall be submitted before the end of the six-month period beginning on the date of the approval of such protocol by the Director, before the end of the twelve-month period beginning on such date, and annually thereafter until such study is completed or terminated.

(3) The study conducted pursuant to paragraph (1) shall be continued for as long after the submission of the report under subsection (b)(2) as the Administrator may determine reasonable in light of the possibility of developing through such study significant new information on the long-term adverse health effects of exposure to dioxins.

(b)(1) Not later than 12 months after the date of the enactment of this Act, the Administrator shall submit to the appropriate committees of the Congress a report on the literature review and analysis conducted under subsection (a)(1).

(2) Not later than 24 months after the date of the approval of the protocol pursuant to subsection (a)(2)(A)(i) and annually thereafter, the Administrator shall submit to the appropriate committees of the Congress a report containing (A) a description of the results thus far obtained under the study conducted pursuant to such subsection, and (B) such comments and recommendations as the Administrator considers appropriate in light of such results.

(c) For the purpose of assuring that any study carried out by the Federal Government with respect to the adverse health effects in humans of exposure to dioxins is scientifically valid and is conducted with efficiency and objectivity, the President shall assure that—

(1) the study conducted pursuant to subsection (a) is fully coordinated with studies which are planned, are being conducted, or have been completed by other departments, agencies, and instrumentalities of the Federal Government and which pertain to the adverse health effects in humans of exposure to dioxins; and

(2) all appropriate coordination and consultation is accomplished between and among the Administrator and the heads of such departments, agencies, and instrumentalities that may be engaged, during the conduct of the study carried out pursuant to subsection (a), in the design, conduct, monitoring, or evaluation of such dioxin-exposure studies.

(d) There are authorized to be appropriated such sums as may be necessary for the conduct of the study required by subsection (a).

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert: "An Act to amend title 38, United States Code, to extend the authorizations of appropriations for certain grant programs and to revise certain provisions regarding such programs, to revise and clarify eligibility for certain health-care benefits, to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery, and to assure that personnel ceilings are allocated to the Veterans' Administration to employ the health-care staff for which funds are appropriated; to require the Veterans' Administration to conduct an epidemiological study regarding veterans exposed to Agent Orange; and for other purposes."

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee I will urge the concurrence in the House amendments to the Senate amendments to the bill, the House amendments being a compromise agreed to between the two Veterans' Affairs Committees after extensive discussion. The matter has been cleared on all sides. I see the ranking minority member of the Veterans' Affairs Committee, Senator SIMPSON, on the floor.

Mr. SIMPSON. Mr. President, I do concur in the remarks of the Senator from California on H.R. 3892 and the accompanying report. It is acceptable to those on this side of the aisle.

Mr. CRANSTON. I thank my friend and colleague.

Mr. President, in order that all Senators and the public may fully understand the provisions of the compromise agreement, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks a document, entitled "Explanatory Statement on H.R. 3892, the Veterans Program Extension and Improvement Act of 1979," also inserted during consideration earlier today in the other body—accompanied by a Cordon print showing the changes that would be made in existing law by the compromise agreement—which will serve in lieu of a joint explanatory statement accompanying a conference report.

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

Mr. CRANSTON. Mr. President, I urge the Senate to support the pending amendment to H.R. 3892, the Veterans Health Programs Extension and Improvement Act of 1979.

The bill was originally passed by the House of Representatives on May 21, 1979. On June 18, the Senate considered S. 1039 as it had been reported favorably by the Committee on Veterans' Affairs on May 15. Following Senate debate on and amendments to S. 1039 as reported, the provisions of that measure were substituted in lieu of the provisions of H.R. 3892 as originally passed by the House, and as so amended H.R. 3892 was passed by the Senate.

The bill as it comes before the Senate today is a compromise agreed to by the two Veterans' Affairs Committees and passed by the House of Representatives earlier today.

Mr. President, this compromise represents an equitable resolution of the differences between the two Houses and, I believe, fairly vindicates the position of the Senate.

BASIC PURPOSE

The basic purpose of H.R. 3892, as it is before the Senate today, which I will refer to as "the compromise agreement," is to maintain and improve the quality, scope, and efficiency of health-care services provided the Nation's veterans by making a number of improvements to various health-care provisions in title 38 and by authorizing extensions of expiring VA health-care authorities. The measure consists of three titles: Extension and improvement of certain expiring Veterans' Administration health programs; Modifications of veterans health care and related benefits; and Veterans' Administration medical personnel amendments and miscellaneous provisions.

Mr. President, I want to explain, in summary fashion, the provisions of the compromise agreement which are described in detail in an explanatory statement that I will insert in the RECORD at the conclusion of my remarks.

TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN EXPIRING VETERANS' ADMINISTRATION HEALTH PROGRAMS

The provisions of title I would revise and extend the authorizations of appropriations in title 38, United States Code, for the program of matching-fund construction grants to State veterans' home facilities, for the exchange of medical information—EMI—program, and for the assistance to health manpower training institutions program, and would increase by 15 percent the rates of per diem paid to State veterans' homes for the provision of care to eligible veterans. Included in title I are provisions that would:

First, extend the authorizations of annual appropriations—at the present $15 million level for fiscal year 1980 and for "such sums as may be necessary" for fiscal years 1981 and 1982—for the program of matching grants to the States for the construction, remodeling, and renovation of State veterans' home hospital, nursing, and domiciliary facilities.

Second, increase the rate of per diem payments to State veterans' homes by 15 percent—to $6.35 for domiciliary care, $12.10 for nursing home care, and $13.25 for hospital care.

Third, extend through fiscal year 1982 the authorizations of annual appropriations for the EMI program at the present $4 million level.

Fourth, authorize the Administrator of Veterans' Affairs to enter into agreements under the EMI program with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education within the geographical area of any VA health-care facility located in an area remote from major academic health centers.

Fifth, provide a September 30, 1979, termination date for the VA's authority to enter into new agreements under subchapter I of chapter 82 of title 38 to assist in the establishment of new State medical schools.

Sixth, extend through fiscal year 1982 the authorizations of appropriations for the Administrator to provide grants to physician and other health personnel training institutions under chapter 82 at the level of $15 million for fiscal year 1980, $25 million for fiscal year 1981, and $30 million for fiscal year 1982.

Seventh, delete the requirement that, for grants to affiliated medical schools and grants for the training of nonphysician health-care personnel to be approved, such grants must result in the expansion of the number of physicians or other health-care personnel, respectively, being trained by the grant recipient.

TITLE II—MODIFICATIONS OF VETERANS HEALTH CARE AND RELATED BENEFITS

Title II of the compromise agreement would amend title 38, United States Code, to revise, clarify, limit, and expand various health-care benefits for veterans.

First, repeal a provision in existing law that requires the inability to defray travel expenses of a person claiming beneficiary travel reimbursement—except for travel with respect to a veteran receiving VA benefits for or in connection with a service-connected disability—to be determined on the basis of an annual declaration and certification, and require, instead, that the Administrator prescribe regulations to govern the determination of certain individuals' abilities to defray such travel costs; and would exempt from the necessity for such a determination, in addition to the existing exemption for service-connected veterans, other persons receiving VA benefits in connection with a service-connected disability and persons who meet the applicable income standards for VA pension eligibility.

Second, expand the current law provision for contract hospital care or medical services for a non-service-connected disability of a veteran receiving VA hospital care when the VA facility is unable to provide the care required, by authorizing contract care or services for a non-service-connected disability whenever, in the opinion of a VA-employed physician, such an emergency exists in the case of a veteran receiving VA treatment on either an inpatient or outpatient basis and by requiring that the furnishing of such care is to continue only until the veteran can be safely transferred to a VA facility.

Third, require, prior to furnishing fee-basis dental care within any 12-month period to a veteran at a cost of more than $500, that the Administrator make a determination, based on the results of an examination by a VA-employed dentist, that the furnishing of such treatment at such cost is reasonably necessary.

Fourth, authorize direct and contract outpatient care for veterans of the Mexican border period and World War I on the same basis as such care is available under present section 612(g) of title 38 for veterans who, as a result of non-service-connected disabilities, are housebound or in need of aid and attendance.

Fifth, clarify that a veteran who, as a result of a non-service-connected disability, is in need of regular aid and attendance or is housebound is eligible for home health services at a cost of no more than $600.

Sixth, provide that the surviving spouse of a person whose death during active duty service was the result of a service-connected cause would be eligible for benefits under the civilian health and medical program of the Veterans' Administration—CHAMPVA—if such surviving spouse remarried and the subsequent marriage is terminated by death, divorce, or annulment.

Seventh, provide that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers a mental or physical disability that prevents the child from continuing his or her study at an approved educational institution and who suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until 6 months after the mental or physical condition is no longer so disabling, until 2 years after the date of the onset of the disability, or until the student's 23d birthday, whichever comes first.

Eighth, provide that, except for the amendments relating to CHAMPVA—which take effect in fiscal year 1980 only to the extent and for such amount as is specifically provided for in an appropriations act for that fiscal year—the effective date of the amendments made by title II of the compromise agreement is January 1, 1980.

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AMENDMENTS AND MISCELLANEOUS PROVISIONS

Title III would amend title 38 to assure appropriate staffing in the VA's Department of Medicine and Surgery, revise certain requirements pertaining to DM&S personnel, mandate a VA study of long-term adverse health effects of exposure during service in the Armed Forces to dioxins as contained in Agent Orange, and make other miscellaneous changes. Included in title III are provisions that would:

First, require the Director of the Office of Management and Budget to provide to the VA the personnel ceiling for VA health-care staffing for which appropriations are made and require the Director of OMB and the Comptroller General to report periodically to the Congress on compliance with this requirement.

Second, specify that psychologists are among those health professionals who may be appointed to positions in the VA's Department of Medicine and Surgery—DM&S—personnel system under title 38 and establish qualification standards, including a general requirement for licensure or certification by a State, for psychologists in DM&S who are hired after December 31, 1979.

Third, add a United States citizenship requirement for appointment of podiatrists and optometrists in DM&S.

Fourth, shorten from 3 to 2 years the probationary period for DM&S title 38 employees.

Fifth, expand the Administrator's authority to enter into sharing agreements to include agreements between VA facilities and blood banks, organ banks, and similar institutions.

Sixth, require that the membership of the Special Medical Advisory Group (SMAG) include a disabled veteran and mandate as part of the continuing duties of SMAG the submission to the Administrator and the Congress of an annual report on its activities.

Seventh, make a technical amendment to the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979 (Public Law 96-128) to correct a clerical error.

Eighth, direct the Administrator of Veterans' Affairs to conduct, pursuant to a protocol approved by the Director of the Office of Technology Assessment (OTA) and ongoing monitoring by the OTA Director, an epidemiological study of persons who served in the United States Armed Forces during the Vietnam conflict to determine if they have suffered long-term adverse health effects, resulting from exposure to the dioxin found in Agent Orange, a herbicide used as a defoliant in Vietnam.

Mr. President, the Congressional Budget Office is in the process of preparing a cost estimate on the com-

promise agreement, but has not yet completed it. I will insert that estimate into the RECORD, for the information of my colleagues and the public, as soon as it is available, but I assure my colleagues that this a fiscally prudent and sound measure.

COST SAVINGS PROVISIONS

Mr. President, I want particularly to highlight the provisions of the compromise agreement designed to produce cost savings for the VA.

Mr. President, when this legislation was before the Senate on June 18, there was extensive debate about certain provisions—described collectively as cost-savings provisions—in S. 1039 as reported by the committee. Those provisions dealt with three matters relating to VA health care services: Furnishing as part of outpatient care nonprescription drugs, medicines, and supplies to veterans who have no service-connected disabilities, beneficiary travel reimbursement for such veterans, and outpatient dental care for certain noncompensable service-connected conditions.

Mr. President, these provisions, which as passed were significantly modified by the committee from the form in which the administration proposed them as part of S. 741 so as to target them on ancillary services provided to non-service-connected veterans and also so as to eliminate the harshness of their impact on any truly needy individual, were tied to specific provisions relating to the maintenance of appropriate staffing levels in the VA's Department of Medicine and Surgery—DM&S. It was the committee's view that—as a result of VA health care staffing reductions imposed by the administration, contrary to the clear congressional intent behind the appropriation act providing funds for adequate staffing in fiscal year 1979, Public Law 95–392—the staffing situation in DM&S had reached such a critical stage that it was necessary to take dramatic action to demonstrate the Congress commitment to reversing the situation. The formula proposed by the committee and passed by the Senate was to refocus VA resources away from relatively less important areas into the high priority area of health-care personnel.

Mr. President, the Senate action adopting those cost-savings provisions created a great storm of opposition from veterans' organizations, which saw the Senate's action as a step toward dismantling the VA health-care system and eroding the entire range of VA benefits and services. Many of those who commented on the Senate action strongly urged that the final form of the legislation not contain these provisions, and modifications have been made in the compromise agreement as it is before the Senate today. However, as I will discuss shortly, the spirit of those provisions—a willingness to recognize that we are in a time of diminishing resources and that all Federal programs must undergo great scrutiny so as to reduce unnecessary, low-priority spending and to assure that our tax dollars are well used, and the Senate's action has been vindicated by this compromise agreement.

More importantly, Mr. President, I believe that events since the Senate first considered and passed the cost-savings provisions more clearly demonstrate the merit of that action. As I mentioned earlier, the cost-savings provisions as passed by the Senate in June were tied directly to a provision mandating the Director of OMB to provide an adequate personnel ceiling—as defined in the legislation—to DM&S. If OMB failed to provide or maintain the requisite personnel ceiling, then, under the Senate-passed bill, the cost-savings provisions would not have become effective or would have lost effect as though repealed by an act of Congress. This action by the Senate demonstrated a strong commitment to take appropriate action to restore, in part, administration-imposed staffing reductions in the VA health-care system and, I believe, had a direct influence on the action of the Congress in consideration and passage of the HUD-Independent Agencies Appropriation Act for fiscal year 1980, which was signed into law as Public Law 96–103 on November 5, 1979.

That measure included funds specifically to restore 3,800 full-time equivalent employees to the VA health-care system. Following passage of the appropriation act, I worked very hard to assure that OMB actually provided the necessary ceiling for these personnel to the VA and did not force the agency, as it had in fiscal year 1979, to use the funds for purposes other than hiring additional personnel. I am confident that the Senate's action in June in passing the cost-savings provisions with a tie-in to specific staffing levels was a major factor in leading the Congress to vote the funds for the additional personnel and OMB to release the ceiling and release it immediately upon the enactment of the appropriation act so that the VA could begin to hire the needed personnel as quickly as possible.

In that regard, I ask unanimous consent that there be printed in the RECORD at this point the exchange of correspondence I had with OMB Director Jim McIntyre on this staffing question.

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

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., August 23, 1979.

Hon. JAMES T. MCINTYRE, Jr.,
Director, Office of Management and Budget, Washington, D.C.

DEAR JIM: I am writing to add my full support to the views expressed by Representative Ray Roberts, Chairman of the House Committee on Veterans' Affairs, in his August 3, 1979, letter to you concerning Administration plans to provide additional staff to the Veterans' Administration's Department of Medicine and Surgery (DM&S), especially as Chairman Roberts addressed the need for additional personnel to implement the Veterans' Health Care Amendments of 1979, Public Law 96–22. I am vitally concerned that the Administration provide full support to the VA, including authorizing an additional 450 full time equivalent employees (FTEEs), to carry out the full intent of Congress when P.L. 96–22 becomes effective on October 1, 1979.

As you know, the Senate, during consideration of H.R. 4394, the HUD-Independent Agencies Appropriations Act for fiscal year 1980, accepted my amendment to add $25.1 million to the VA medical care appropriation to assure the funding necessary to implement P.L. 96–22, including funds sufficient to hire 450 additional FTEEs (346 to staff the readjustment counseling program for Vietnam-era veterans and 104 to support the pilot preventive health program). However, the conferees on H.R. 4394, in the Conference Report now pending, reduced the $25.1 million add-on to $12.5 million while continuing to include $76.4 million over the President's budget specifically to fund an additional 3,800 FTEEs "only for existing programs."

It is clear that the Congress intends these 3,800 additional personnel, ceilings for which I trust will be released as soon as the Act is enacted, to offset losses previously experienced throughout the VA health care system, especially those losses resulting from the Administration's refusal to release funds appropriated last year for additional DM&S staffing, and does not intend any part of the 3,800 FTEEs to be used to implement P.L. 96–22. To provide personnel support for the new programs authorized by that law by withdrawing it from other VA functions would also be totally inconsistent with Congressional intent.

I was pleased, therefore, to note Chairman Robert's statement that Mrs. Woolsey of your staff reaffirmed to House Veterans' Affairs Committee staff members the Administration's commitment to allocate to the VA the necessary funding to support "increased medical care and medical research personnel" as required by new Congressional enactments. Clearly, the Veterans' Health Care Amendments of 1979 establishes new programs and entitlements that require such increased support. The President's strong commitment to the readjustment counseling program has been most reassuring to me, and it would be inexplicable if the additional staffing and funds were not forthcoming to implement this mandatory program fully and effectively. Similarly, I believe that the pilot preventive health care program established by the legislation may lead to important improvements in the provision of VA health care services and should be given all support necessary to assure a prompt start and meaningful evaluation.

I urge you to allocate 450 additional FTEEs to the VA and to take all other steps necessary (such as approving submission of a reprogramming notice to provide the remaining $12.6 million) to assure full and expeditious implementation of P.L. 96–22.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 10, 1979.

Hon. JAMES T. MCINTYRE, Jr.,
Director, Office of Management and Budget, Washington, D.C.

DEAR JIM: As you will recall, I wrote to you on August 23 regarding the Administration's plans to provide support to the Veterans' Administration, including allocating 450 additional FTEEs to the VA, for the full and expeditious implementation of the Veterans' Health Care Amendments of 1979, Public Law 96–22. In that letter, I expressed my concern that it was vital that the VA receive, as soon as possible, the necessary staffing and funds to implement fully and effectively the various programs provided for by that public law, most especially the long-overdue readjustment counseling program for veterans of the Vietnam era, so as to carry out the clear intent of Congress as reflected by the enactment of that legislation.

To date, I have not received a reply to my letter, and I would like to take this opportunity to note the colloquy (copy enclosed) that took place during Senate debate on the conference report on the HUD-Independent

Agencies Appropriations Act for Fiscal Year 1980, H.R. 4394, between Senator Proxmire, the floor manager of the bill, and me regarding the intent of the conferees on the issue of providing funds and staff to implement Public Law 96-22 (Cong. Rec., September 28, 1979, S13653-54 (daily ed.)). Specifically, I want to stress Senator Proxmire's statement that "[t]he conferees intended for Public Law 96-22 to be implemented fully" and his clear agreement that this implementation includes hiring "the needed staff" for the various programs "as intended by the Senate action in agreeing [initially] to my amendment." As I stated on July 27, 1979, when my amendment was adopted (Cong. Rec., July 27, 1979, S10745 (daily ed.)), and in the colloquy on September 28 (id. at S13654), the needed staff is 450 full-time equivalent employees (FTEEs) (346 FTEEs for the readjustment counseling program and 104 FTEEs for the pilot preventive health-care program).

Moreover, with reference to the 3,800 additional health-care personnel for the VA for which funds were specifically earmarked by the conferees, I would also stress Senator Proxmire's statement that the conferees intended that these positions "are only to support existing programs so as to remedy staffing shortfalls throughout the VA health care system and clearly are not intended for new statutory programs such as those authorized by Public Law 96-22." (Ibid.)

I believe that the foregoing debate, which was in no way contradicted in the House debate on the conference report, makes clear that the VA must have the support of OMB, including your allocation of a sufficient staff ceiling and approval of a reprogramming notice, to implement fully the public law, and I hope such support will be forthcoming immediately after enactment of H.R. 4394, the HUD-Independent Agencies Appropriations Act for FY 1980, which is expected to clear Congress the week of October 8.

I would appreciate a response to my letter of August 23 and this letter as soon as possible, and certainly prior to October 25, 1979, when the Senate and House Committees on Veterans' Affairs will undertake a joint oversight inquiry into various VA health care policies and practices.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

Enclosure.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 16, 1979.

Hon. JAMES T. MCINTYRE, Jr.,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. DIRECTOR: We are writing in follow-up to our letters of August 3, 1979, and August 23, 1979, which requested you to describe the Administration's plans to provide additional staff, as provided for in the pending appropriations legislation, H.R. 4394, to the Veterans' Administration's Department of Medicine and Surgery (DM&S) and Senator Cranston's recent letter of October 10, 1979, on the same subject. Specifically, we are writing, in light of the concerns we have expressed to you in those earlier letters, to invite you to testify before a very important joint oversight Senate and House Veterans' Affairs Committee hearing on October 25, 1979.

This joint hearing will focus on current VA policies for providing health care to our Nation's veterans, and specifically, current VA health-care facility admissions policies, especially with regard to veterans with non-service-connected disabilities, in light of budget and personnel restrictions applied to the VA by your office during the past year.

Although we have not received a response to our prior letters addressing our concerns about Administration plans to provide staffing ceiling to the VA, we have received information that OMB may be planning to direct the VA to absorb, out of regularly appropriated funds, 40 percent of the cost of the October 1979 federal pay raise and to submit a supplemental appropriations request for the remaining 60 percent of that pay raise. (Forty percent of the cost of the pay raise cost for employees being paid from the medical care account would amount to approximately $82.3 million). This information causes us the greatest concern since we believe that any such action would seriously impair the VA's ability to provide medical care at the level contemplated by the Congress, in direct contravention of the clear intention of both Houses of Congress. We believe that it is important that this issue be fully and authoritatively aired at the joint hearing and very much hope that you will be able to appear at that time.

Please let us have your reply at your earliest convenience.

Sincerely,

ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate.

RAY ROBERTS,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C. October 24, 1979.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to the October 16 letter from you and Chairman Ray Roberts of the House Committee on Veterans' Affairs. In that letter you ask that I testify at a joint hearing of the Senate and House Veterans' Affairs Committees to address several issues relating to the fiscal year 1980 budget of the Veterans Administration.

The first of those issues concerns inclusion in the 1980 HUD-Independent Agencies Appropriation Act of funds to staff the Veterans Administration's medical care programs at a level 3,800 FTE above the President's original request. Earlier this year the President proposed funding for 2,000 of that 3,800 FTE and the personnel ceiling of the Veterans Administration was increased by 2,000 FTE at that time. This week I have advised Max Cleland, the Administrator of Veterans Affairs that upon enactment of the 1980 Appropriation Act I intend to increase his agency's ceiling by the remaining 1,800 FTE.

The second issue you have raised concerns the Administration's plans for financing the recently implemented pay raise for Federal employees. The Administration has not yet completed a full analysis of the cost of the pay raise and I am not in a position to tell you now how it will be financed in the Veterans' Administration or elsewhere. I can however assure you that I will not reduce the personnel ceiling of the Veterans' Administration in order to pay for the raise.

The third issue concerns the provision of 346 FTE to staff the recently enacted readjustment counseling program. As you know, the Administration urged enactment of this program and upon its enactment requested funds to staff it at the 346 FTE level. The Veterans' Administration's ceiling includes this 346 FTE above the level in the President's budget, and in addition to the 3,800 FTE discussed above.

Finally, you have expressed concern about our intentions regarding the 104 FTE included in the 1980 Appropriations Act for the recently enacted preventive health care program. As you know, the Administration did not support the creation of this new program. I am awaiting development of a plan for implementing the program before making any decision regarding staffing for that activity.

I hope that this response satisfactorily addresses all of your concerns. Max Cleland will be a witness at the joint hearing on October 25. As the President's principal officer responsible for veterans programs he, of course, has authority to speak for the Administration on these issues. I hope that you will understand and accede to my request that I not appear as a witness on a matter of this kind in accordance with long standing policy of the Office of Management and Budget.

Sincerely,

JAMES T. MCINTYRE, Jr.,
Director.

Mr. CRANSTON. Mr. President, this result alone, I believe, vindicates the Senate's original action on this legislation. Moreover, as I mentioned earlier, the Senate's action is further vindicated by provisions that are included in the compromise agreement and by statements in the Explanatory Statement, agreed to by the two committees, that accompanies the compromise agreement today. Two specific cost-savings provisions remain, with modifications, in the compromise agreement—an amendment to the beneficiary travel reimbursement provision in title 38 and an amendment to the provision authorizing the VA to provide outpatient dental care by contract.

BENEFICIARY TRAVEL REIMBURSEMENT

Mr. President, under the first such provision—that affecting beneficiary travel reimbursement—the compromise agreement would repeal the requirement that the VA determine certain beneficiaries' inability to defray the cost of travel to a VA facility on the basis of an "annual declaration and certification" and instead require the Administrator to prescribe regulations pursuant to which an individual's inability to defray the travel cost may be determined. This change, together with an amendment excluding individuals who meet the applicable income standard for VA pension eligibility—which effectively makes truly needy individuals eligible for appropriate reimbursement for their travel to VA facilities—should enable the Administrator to tighten controls over the administration of the non-service-connected beneficiary travel reimbursement along the lines envisioned in the administration-proposed S. 741. In this way, the administration should be able to recover many of the savings—estimated at between $21.3 million, by the VA, and $28 million, by the Congressional Budget Office, under the provision passed by the Senate in June—without the need for more rigid statutory restrictions that could, as some suggested following the earlier Senate action, result in some unintended hardships.

CONTRACT DENTAL CARE

The second cost-savings provision—that related to VA contracting for outpatient dental care—Mr. President, is one part of the cost-savings proposals related to VA dental care passed by the Senate when this measure was before this body earlier this year. This amendment, which is intended to help guard against abuses of the VA's contract authority pursuant to which an individual

receives dental care from a private provider at VA expense, would require the VA, before paying for such contract care furnished to an individual in any 12-month period and costing over $500, to conduct an examination to determine if the furnishing and the cost of such services is reasonably necessary. This requirement of a VA dentist conducting an exam should lead VA dentists to provide directly some, if not all, of the indicated, care that otherwise would be furnished on a fee basis, thereby leading to significant cost savings.

In addition to this dental cost-savings provision that is included in the compromise agreement, the two other dental cost-savings provisions are both discussed in the explanatory statement accompanying the compromise agreement. Although the House committee did not agree that the two other legislative changes passed by the Senate—one requiring future service persons to serve a minimum of 180 days on active duty before gaining eligibility for VA outpatient dental care for noncompensable, service-connected conditions, and the other reducing the time period following discharge within which an individual may apply for such care—are necessary at this time. The House committee did agree that the issues related to such care deserve further attention with a view toward reducing VA expenditures in this area.

One particular area discussed in the explanatory statement that the committees believe may prove meritorious in this regard concerns the responsibility of the Department of Defense to conduct comprehensive end-of-service dental exams and to correct any dental problems identified through such exams. If DOD were to accept and become capable of fully discharging this responsibility, the explanatory statement indicates the committees' belief that it might then be appropriate to remove the obligation for the VA to provide postservice dental care for noncompensable conditions. With reference to the 180-day minimum service requirement, the House committee indicated its desire to consider this requirement in a broader context of eligibility for veterans' benefits generally for former members of the All-Volunteer Armed Forces.

NONPRESCRIPTION DRUGS AND SUPPLIES

Mr. President, the explanatory statement also includes a detailed discussion on the subject matter of the third cost-savings provision passed by the Senate—which would limit the VA's furnishing of nonprescription drugs, medicines, and supplies in connection with the outpatient care of a veteran with no service-connected disability. Although the House committee opposed any statutory prohibition, such as was passed by the Senate, on the furnishing of a medicine, drug, or supply, the committees recognized that there were nonprescription items that could be subject to greater administrative limitations in the interest of achieving more economical operation of VA health-care programs and, further, that the Administrator has existing authority under present section 601(6)(A)(i) of title 38 to determine whether it is "reasonable or necessary" to provide any such item in connection with non-service-connected outpatient care. I believe that this statement by the two committees will serve as a message to the administration that the Congress expects action from within the agency to limit, by effective management, unnecessary spending and that the thrust of the administration's justification for its rather ill-defined statutory proposal in S. 741 could be effectuated administratively.

In summary, Mr. President, I believe that the Senate's action in adopting the various cost-savings proposals earlier this year is well vindicated by the compromise agreement. Not only are there specific statutory provisions that are designed to yield savings, but there is now a clear statement by the two legislative committees that there is an expectation of appropriate, cost-effective, administrative action.

AGENT ORANGE STUDY

Mr. President, the matter of the possible adverse health effects of exposure to the herbicide Agent Orange is of great concern to Vietnam veterans, their families, and the public. Veterans who served in Vietnam have voiced complaints of many very serious problems—including cancer, birth defects, miscarriages, and nervousness—that they believe are caused by exposure to Agent Orange, the herbicide that was used for defoliation in Vietnam.

As chairman of the Committee on Veterans' Affairs, I am intensely interested in the adverse health effects of exposure to Agent Orange, more specifically to dioxin—the toxic element in that herbicide, because of the widespread use of Agent Orange by U.S. military forces in Vietnam between 1965 and 1970. I have strongly urged the Federal Government to act quickly in response to the concerns of these veterans. I spoke at length about this subject on November 15 when the Senate acted on H.R. 2282, the veterans' compensation measure.

Mr. President, nearly 5,000 Vietnam veterans have presented themselves at VA health-care facilities and some 750 have filed claims for disability compensation for what they believe are Agent Orange-related health problems. So far, the VA has approved only 2 of the 750 disability compensation claims it has received over the period from late fall 1977, to September 30, 1979, and both have involved a skin condition, chloracne, about which the VA believes there is credible evidence to relate it to dioxin exposure. Resolution of the rest of these disability claims has been hampered because of the lack of validated scientific evidence connecting exposure to Agent Orange with other specific symptoms.

Mr. President, some Vietnam veterans maintain that the Federal Government is deliberately hiding the truth about Agent Orange by refusing to address responsibly the possibility that exposure to it may cause various disabilities. I regret this situation, Mr. President, and I know our Government can do better by these veterans. I strongly believe that the possibility of existing harm from the exposure of our troops in Vietnam to Agent Orange and the magnitude of public concern about this matter require the Federal Government to do all it can, without delay, to reassure these veterans and their families that their concerns are being addressed.

Mr. President, on two occasions this summer—during consideration, on June 18, of the bill before us today and, on August 3, during consideration of H.R. 2282, the Veterans' Disability Compensation and Survivor Benefits Amendments of 1979—the Senate passed a dioxin study provision, which I offered with Senators JAVITS, SIMPSON, PERCY, and MOYNIHAN, to mandate HEW to carry out a comprehensive epidemiological study of all individuals—including Vietnam veterans—exposed to dioxin in order to determine the adverse long-term health effects in humans of such exposure. That provision was deleted from the final compromise on the Veterans' Disability Compensation and Survivor Benefits Amendments of 1979, now Public Law 96-128, because the House Committee on Veterans' Affairs preferred to deal with the study provision in the context of the pending bill, H.R. 3892.

My colleagues will note, however, that the compromise agreement on the bill does not contain the Senate-passed provision. Instead, the compromise agreement contains a provision—section 307—requiring the Administrator of Veterans' Affairs to design and conduct—with ongoing monitoring by the congressional scientific agency—an epidemiological study of veterans who were exposed to Agent Orange in Vietnam. Mr. President, this is not the provision that I wanted or that I believe would be the best way to proceed. However, I believe the compromise on this provision represents the very best one possible under the circumstances, given the very strong objection of the other body to an HEW study of the veterans part of this problem.

Mr. President, the House Committee on Veterans' Affairs did not want to mandate HEW to develop and carry out a study including veterans. The very able chairman of the House Veterans' Affairs Committee's Subcommittee on Medical Facilities and Benefits (Mr. SATTERFIELD) stressed that jurisdiction over the Department of HEW resides not with the Committee on Veterans' Affairs but the Committee on Interstate and Foreign Commerce and that he thus felt constrained—and I can understand his concerns in this regard—not to invade the jurisdiction of that other committee. Moreover, he insisted that the VA, by virtue of its mandate to provide benefits and services for veterans and their survivors, its system of records pertaining to veterans, and its extensive system of medical facilities was the most appropriate entity to conduct a study on the long-term adverse health effects on Vietnam veterans of exposure to Agent Orange.

Mr. President, on November 16, the General Accounting Office (GAO) issued a report, in response to a request made by the Senator from Illinois (Mr. PERCY) that, contrary to Defense Department statements that U.S. ground forces gen-

erally did not enter areas sprayed with Agent Orange until 4 to 6 weeks after the spraying missions occurred, those ground troops were often in the immediate vicinity of areas sprayed with the herbicide on the same day the missions occurred. This GAO report raises two major concerns. First, that U.S. ground troops actually may have been exposed to Agent Orange and its high toxic contaminant—dioxin, second, that for over 1½ years DOD apparently may not have leveled with Vietnam veterans, their families, and the public about the conduct of the herbicide spraying missions in Vietnam, the so-called ranch hand project.

Regrettably, the implication at this time is that DOD has not been forthcoming about the facts of this matter, and I have expressed these concerns to Defense Secretary Brown and urged him to make his response to the GAO report as quickly as possible. Clouding this issue further is the fact that DOD's own ranch hand study into the long-term adverse health effects on Vietnam veterans of exposure to Agent Orange has been challenged in terms of its scientific validity and objectivity. Regarding the Veterans' Administration, some also assert that because it has approved just 2 of the nearly 750 disability compensation claims based on exposure to Agent Orange, it is not concerned about the problem of exposure of Vietnam veterans of this highly toxic contaminant. I have communicated these contentions to Secretary Brown, VA Administrator Cleland, and HEW Secretary Harris and requested their responses.

I would like to note, Mr. President, that HEW, in particular the Center for Disease Control—CDC—in Atlanta, is presently doing some very fine work on a study with respect to the long-term adverse health effects on veterans who were exposed to low-level radiation during the atmospheric nuclear weapons test called Smoky.

CDC has already made substantial progress on the Smoky study, and I very much hope that, when complete, the CDC study will be a great value to the VA in adjudicating veterans' disability claims based on radiation exposure at nuclear tests. Thus, I am convinced—and so have pursued the provision for the Agent Orange study as passed by the Senate this summer—that, in terms of scientific validity, objectivity, and, most important, responsiveness to the concerns of Vietnam veterans, their families, and the public, HEW is the best equipped agency to conduct the necessary epidemiological study or studies on the long-term adverse health effects on various populations, including veterans, that were exposed to various dioxins.

Mr. President, the situation I have outlined above bears heavily on the credibility of the Federal Government in its dealings with individual citizens. I strongly believe that it is incumbent upon the Federal Government to move, without further delay, on a study of the long-term adverse health effects on veterans of exposure to Agency Orange in a manner that will be scientifically valid, objective, and credible.

Although the compromise agreement does not include the provision I had wanted and thought best, it is my view that the provision now before us will adequately meet these criteria when coupled with the general dioxin-exposure study to be carried out by HEW pursuant to the original bill—which will fall within the jurisdiction of the Committee on Interstate and Foreign Commerce in the other body—I will be submitting immediately after the Senate disposes of the pending measure. I consider prompt congressional action to enact this companion measure part and parcel of the compromise now before us and call upon the other body to act with dispatch in considering it.

Here is what the compromise agreement in H.R. 3892 would do:

First, require the Administrator of Veterans' Affairs to design a protocol for and conduct an epidemiological study to determine the long-term adverse health effects of Agent Orange in Vietnam veterans who were exposed to it.

Second, require that the Director of the Congressional Office of Technology Assessment—OTA—must approve the protocol for the study before the study can be initiated and must monitor the VA's conduct of the study and report to the appropriate committees of the Congress at various specified times regarding the design of the protocol and the VA's conduct of the study to assure that the VA study is moving expeditiously, validly, and objectively according to the OTA-approved protocol.

Third, require the President to assure—which will be able to be accomplished through the Federal interagency task force which, as I indicated in my November 15 floor statement, the President will shortly establish—that the design and conduct of the VA study is fully coordinated with other Federal studies—past, ongoing, or planned—through active consultation by the Administrator with the other Federal agencies concerned and, further, assure that all Federal efforts in the area of dioxin-exposure research are fully coordinated and that there is wide and ongoing consultation among all the agencies involved.

Mr. President, under the conditions in the compromise agreement, I expect—and fully intend to do my utmost to assure—that the VA will conduct a study that is scientifically valid and objective. The explanatory statement that accompanies the compromise agreement makes special note of the VA's authority to enter contracts for any necessary services for or in connection with any portion of this study. I urge the VA to make full use of this authority, if necessary. I believe that, utilizing the contract authority and the vast resources available in the Department of Medicine and Surgery, the VA can do a creditable and credible job to make meaningful contributions to current scientific knowledge about the long-term effects of exposure to dioxin.

Mr. President, I call upon all of those concerned about this very serious problem to give the VA a chance to do the job. I am confident that Max Cleland will do his very best to see that it is done.

I therefore urge my colleagues to give their support to this very significant and long-awaited step toward finding answers to this very serious problem.

Mr. President, I would also note that section 502 of Public Law 96–128, the Compensation Act signed into law on November 28, requires the Director of the National Institute of Occupational Safety and Health—NIOSH—upon the request of another Federal agency and under section 6103(m)(3) of the Internal Revenue Code, to request from the Internal Revenue Service—IRS—current mailing-address information on persons certified as possibly having been exposed to occupational health hazards during military service and to supply that information to the requesting agency for medical followup and benefits notification purposes. This new authority should greatly facilitate the identification and location of the individuals who may have been exposed to Agent Orange. I urge the VA, HEW, and the IRS to use it fully and promptly in carrying out this study and the HEW study I am about to discuss.

Mr. President, as I indicated earlier, a crucial part of the compromise agreement with respect to the Agent Orange study provision is a commitment I received from the chairman of the House Veterans' Affairs Committee's Subcommittee on Medical Facilities and Benefits who also serves as the ranking majority member of the Subcommittee on Health and the Environment of the House Committee on Interstate and Foreign Commerce (Mr. SATTERFIELD) to move ahead with separate legislation to mandate the Secretary of HEW to design and conduct an epidemiological study on populations—including chemical workers, agricultural workers, Forest Service workers, and others—who were exposed to dioxins. These populations need to be studied in order to assure that all possible steps are taken to find the answers to the many questions that have been raised about dioxin exposure—both in terms of Vietnam veterans and the general citizenry. He agreed to do everything he could to move such separate legislation expeditiously through the House—although not necessarily in the exact form of the bill that I plan to call up immediately following consideration of H.R. 3892.

Mr. President, I greatly appreciate this cooperation from the distinguished gentleman from Virginia and look forward to working very closely with him and the Commerce Subcommittee chairman, my very close friend and colleague (Mr. WAXMAN) and my close associate of so many years, the subcommittee ranking minority member (Mr. CARTER).

Finally, Mr. President, regarding Agent Orange, I want to note that a compendium of documents relating to Federal activities on the Agent Orange

issue will be printed in an appendix to the printed hearing record for the pending legislation—H.R. 3892 and S. 1039—which will be available from the committee early next year.

CONCLUSION

Mr. President, as I noted earlier, I believe that this compromise represents a fair resolution of the differences between the bills as passed by the two Houses and vindicates the Senate's position on many significant points. Thus, I recommend this compromise to the Senate today.

In closing, I want to thank again the chairman of the Subcommittee on Medical Facilities and Benefits on the House Committee on Veterans' Affairs (Mr. SATTERFIELD) as well as the chairman of the full committee (Mr. ROBERTS) and the ranking minority member on the full committee and the subcommittee (Mr. HAMMERSCHMIDT) for their cooperation in fashioning this compromise agreement. I am also very grateful to my distinguished colleague, the ranking minority member of our committee, the Senator from Wyoming (Mr. SIMPSON) as well as the other members of the committee for their fine work on this measure.

In addition, I would like to recognize certain of the members of the House committee staff whose expertise and hard work helped make the development of this measure possible—Mack Fleming, Jack McDonell, Ralph Casteel, and Paul Mills—as well as the members of our committee staff who participated in this effort—Bill Brew, Ed Scott, Molly Milligan, Jon Steinberg, Cheryl Beversdorf, and Harold Carter. They were extremely ably assisted by Janice Orr, Terri Morgan, Becky Walker, Karen Anne Smith, Ann Garman, Jim MacRae, and Walter Klingner. I am also very grateful for the fine work of our legislative counsels—Hugh Evans in the Senate and Bob Cover in the House, and to the VA for its technical assistance.

Mr. President, I urge my colleagues to support the pending amendment.

EXPLANATORY STATEMENT OF H.R. 3892, THE VETERANS PROGRAMS EXTENSION AND IMPROVEMENT ACT OF 1979

TITLE I. EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

State veterans' home construction grant assistance program and increase in per diem payments to State homes

Both the Senate amendment (in section 101) and the House bill (in section 3(a)) would extend the authorizations of appropriations for the VA's program of Federal-State matching fund grants to States for the construction, expansion, remodeling or alteration of State veterans homes and both would authorize the appropriation of $15 million annually. Under the Senate amendment, this grant program would be extended through fiscal year 1982; the House bill would extend the program through fiscal year 1984. The Senate amendment, but not the House bill, also would amend the present limit on the amount any one State may receive in any one fiscal year—one-third of the total amount appropriated for the grant program for that fiscal year—so as to allow a State to receive not more than $3 million or one-third of the amount appropriated, whichever is greater.

On the length of the extension, the House recedes with an amendment authorizing the appropriation of such sums as may be necessary for fiscal years 1981 and 1982. The Senate recedes on the amendment to the limitation on the amount any one State may receive.

In adopting "such sums" authorizations for fiscal years 1981 and 1982, the Committees stress their view that they are not suggesting that an appropriation of less than $15 million is required for this very cost-effective program; indeed, in view of the backlog of $33.3 million in approvable projects, it is the Committees' view that at least $15 million is required, and the "such sums" provision is included to allow the Administrator to seek appropriation levels in excess of $15 million.

The Senate amendment (in section 103), but not the House bill, would provide for a 15-percent increase in per diem payments to State veterans' homes.

The House recedes with an amendment providing that the increase in per diem rates shall take effect on January 1, 1980, but for fiscal year 1980 only to the extent and for such amount as is specifically provided for in an appropriation Act.

With respect to the State homes programs under subchapter V of chapter 17 and subchapter III of chapter 81 of title 38, the Committees are not in agreement with the September 20, 1977, opinion of the General Counsel of the Veterans' Administration regarding the eligibility for such programs of the Commonwealth of Puerto Rico, which in the Committee's view, is presently so eligible. It is the Committees' understanding that, in light of this expression of congressional intent, the General Counsel will issue an opinion confirming the eligibility of Puerto Rico.

Exchange of medical information program

Section 102: Both the Senate amendment (in section 102) and the House bill (in section 3(b)) would extend the authorizations of appropriations for the VA's Exchange of Medical Information (EMI) program—the Senate amendment through fiscal year 1982 and the House bill through fiscal year 1984—and both would authorize the appropriation of $4 million annually. The Senate amendment, but not the House bill, would provide clear authority for the Administrator to enter into agreements with public and non-profit private organizations for cooperative health-care personnel education programs within the geographic areas served by VA health-care personnel facilities located in areas remote from major academic medical centers.

The House recedes.

Assistance to health manpower training institutions

Section 103: The House bill (in section 3(d)), but not the Senate amendment, would make permanent the annual $50 million appropriation authorization for the VA program of grants for physician and other health-personnel training institutions under chapter 82, (the authorizations of appropriations for which expired at the end of fiscal year 1979), would specify a termination date of December 31, 1979, for the Administrator's authority to enter into agreements under subchapter I to assist in the establishment of new State medical schools, and would delete the requirement that, for grants to affiliated medical schools and grants for the training of non-physician health-care personnel to be approved, such grants must result in the expansion of the number of physicians or other health-care personnel, respectively, being trained by the grant recipient.

The Senate recedes with amendments limiting the extension to three years with annual authorizations of appropriations of $15 million, $25 million, and $30 million for fiscal years 1980, 1981, and 1982, respectively, and terminating the authority for new subchapter I grants on September 30, 1979, rather than December 31, 1979.

The House bill's provision for a termination date of December 31, 1979, for the Administrator's authority to enter into agreements under subchapter I corresponded with the existing calendar-year basis of the authorities to enter into agreements under the chapter. Since the proposed extensions of authorizations of appropriations are on a fiscal-year basis and the VA has indicated that it has no plans to enter into any new agreements under subchapter I to assist in the establishment of additional State medical schools, the compromise agreement provides a September 30, 1979, termination date for this subchapter I authority.

In this connection, the Committees note that it is their intention that this expiration of the authority to enter into new agreements not be considered to preclude the Administrator and a State medical school developed with subchapter I assistance from subsequently entering into one or more supplemental agreements amending the existing agreement and that existing agreements may be amended after September 30, 1979, for any of the same kinds of purposes that are currently permissible, for example, for the purpose of increasing VA support for construction—to offset the effects of inflation on construction costs or for other appropriate reasons—in order to make it possible for the originally intended purpose of the agreement to be fulfilled.

TITLE II. MODIFICATIONS OF VETERANS HEALTH CARE AND RELATED BENEFITS

Beneficiary travel reimbursement

Section 201: The Senate amendment (in section 201), but not the House bill, would limit beneficiary travel reimbursement (except for travel by special vehicles such as ambulance or air ambulance) for persons other than veterans or persons receiving title 38 benefits in connection with a service-connected disability to those who are receiving or are eligible to receive pension (or who meet the income standard for the receipt of pension) under section 521 of title 38 and, in such cases, would limit reimbursement for any one trip to or from a VA facility to the excess over $4 until the veteran had absorbed $100 of unreimbursed travel expense during the year.

The compromise agreement repeals a provision in existing law that requires a person claiming travel reimbursement—except for travel with respect to a veteran receiving VA benefits for or in connection with a service-connected disability—to be determined, on the basis of an annual declaration and certification, to be unable to defray the cost of such travel and requires, instead, that the Administrator prescribe regulations pursuant to which certain individuals' abilities to defray the cost of travel may be determined and also exempts persons who meet the applicable income standards for pension eligibility under section 521 from any such determination requirement. The compromise agreement also incorporates the Administration's proposal from the Senate amendment to expand—from "veterans" to "persons"—the category of beneficiaries eligible for travel reimbursement without demonstrating inability to defray the costs of travel.

By eliminating the requirement of determinations of inability to defray such costs on the basis of "annual" declarations and requiring the Administrator to develop a regulatory scheme for evaluating the ability of needy, non-service-connected veterans to defray the cost of travel to VA facilities,

the Committees intend that the VA tighten controls over the administration of such non-service-connected beneficiary travel reimbursement. The effect of the change from "veterans" to "persons" would be to include beneficiaries—certain dependents and survivors of certain service-connected disabled veterans—eligible for education and training benefits under chapter 35, as well as certain household members of certain veterans receiving chapter 17 health care.

The Senate bill (in section 201(b)), but not the House amendment, would make technical amendments to various subsections of chapter 17 to substitute a standard phrase, "travel and incidental expenses", for various forms of references to beneficiary travel benefits.

The House recedes with technical amendments.

Emergency contract hospital care

Section 202: The House bill (in section 1), but not the Senate amendment, would expand the current law provision for hospital care or medical services for a non-service-connected disability of a veteran receiving VA hospital care (or hospital care at a non-VA Federal government facility with which the VA has contracted) when the VA (or such other Federal government) facility is unable to provide the care required, by authorizing contract care or services for a non-service-connected disability whenever in the opinion of a VA-employed physician such emergency exists—regardless of whether the veteran is receiving VA hospital care.

The Senate recedes with amendments making technical changes and specifying that the furnishing of contract care and treatment is to continue only until the emergency no longer exists and the veteran can be safely transferred to a VA (or other Federal) facility.

The Committees intend that this provision be strictly construed so as to avoid any possibility of its misuse to pay for contract care in community facilities in situations that are not truly of an emergency nature or for such care for a period of time longer than necessary to stabilize the emergency condition sufficiently to allow the veteran to be transferred in safety to a VA (or other Federal) facility.

Chiropractic services

The Senate amendment (in section 202), but not the House bill, would provide for the reimbursement (or direct payment) of reasonable charges for chiropractic services, not otherwise covered by available health insurance or other reimbursement, furnished (prior to September 30, 1983) to certain veterans with neuromusculoskeletal conditions of the spine; and would limit the amount payable for such services furnished an individual veteran to $200 per year and total VA expenditures for chiropractic services to $4 million in any fiscal year.

The Senate recedes.

It is the understanding of both Committees that the VA generally has authority, which it has to date chosen not to use, to provide chiropractic services directly, through chiropractors whom it may employ, as part of hospital care as defined in section 601(5)(A)(i) of title 38 and medical services as defined in section 601(6), to any veteran eligible to receive such care or services who is in need of chiropractic services, and to provide such chiropractic services on a contract basis under the general criteria prescribed in section 601(4)(C) for the provision of care and treatment on a contract basis. Although the House Committee is opposed to the provision in the Senate amendment allowing the veteran to obtain chiropractic services at VA expense without any advance VA approval or authorization of the services, both Committees disagree with the VA's position that it should refuse to provide chiropractic services to veterans in every case and believe that chiropractic services for the treatment of musculoskeletal conditions of the spine may be beneficial and necessary in some cases. Therefore, the Committees urge the VA's Department of Medicine and Surgery to reevaluate its position and to use its existing authorities to provide, at least on a pilot basis, chiropractic services in appropriate cases as part of the hospital care or medical services furnished to veterans.

Outpatient eligibility for dental benefits for certain service-connected noncompensable conditions

The Senate amendment (in section 203), but not the House bill, would limit the furnishing of outpatient dental services, dental treatment, and related dental appliances to a veteran with a service-connected, noncompensable (zero-rated) dental condition or disability to only those veterans who have served on active duty for a period of at least 180 days and made application for such treatment within 6 months after discharge and as to whom the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination (including x-rays) and all appropriate dental services and treatment indicated by such examination.

The Senate recedes.

The House Committee was not convinced that there was sufficient evidence to indicate that the one-year period following discharge or release for making application for care for a service-connected, noncompensable dental condition or disability is excessive. Thus, the provision proposed in the Senate amendment to reduce that period to six months was deleted from the compromise agreement.

With respect to the proposed 180-day minimum-service requirement, the House Committee recognized that the proposal may have some merit as a reasonable precondition to eligibility for the dental-care benefit concerned, but took the position that, rather than impose such a minimum service requirement on a piecemeal basis with respect to one particular benefit, it would be preferable to consider such a requirement on a broader scale after a comprehensive review is made of the minimum service requirements for veterans' benefits generally for former members of the all-volunteer Armed Forces. In this connection, the Committees note that neither has yet had the opportunity to evaluate fully the implications of various bills generally dealing with these issues.

The Committees are in agreement that the dental services concerned should more properly be the primary responsibility of the Department of Defense to be furnished during the individual's period of active-duty service. However, the House Committee believes that, in light of the Department's current inability to furnish such services to the majority of service personnel and its apparent lack of intention to do so in the foreseeable future, it would be premature to enact the provision that would make ineligible for the VA services concerned an individual to whom the Department had certified that it had provided a complete dental examination and all indicated treatment within the last 90 days prior to the individual's discharge or release.

The Committees strongly urge the Administration to include in the Defense Department's budget for fiscal year 1981 and subsequent years provision for sufficient staff and funds to meet the dental care needs of active-duty personnel—at least to the extent of providing, as part of end-of-tour or separation physical examinations, adequate examinations (with x-rays) and treatment for conditions detected as a result thereof. If this were accomplished in a way deemed adequate by the Committees, they would reconsider—as the VA has urged—the need for continuing this post-service VA dental care benefit.

Section 203: The Senate amendment (in section 203), but not the House bill, would require the VA, before an individual veteran could receive dental care on a contract basis costing over $500 in any twelve-month period, to conduct an examination to determine if the furnishing of such services is reasonably necessary.

The House recedes with an amendment permitting the examination to be made by a dentist under contract to the VA where no VA dentist is available to do so (such as is the case with respect to contracting for a physician examination under present sections 601(4)(C)(ii) and 620(d) of title 38 and physician and psychological examinations in present section 612A(b)(1)), and clarifying that the $500-limitation applies to the cost of the care provided in any twelve-month period—not to expenditures within such period.

Nonprescription drugs, medicines, and supplies

The Senate amendment (in section 204), but not the House bill, would limit the furnishing of nonprescription drugs, medicines, and medical supplies in connection with non-service-connected outpatient care generally to those veterans with a service-connected disability, regardless of whether or not the condition for which the veteran is receiving care is service-connected, and to those veterans who are receiving or are eligible to receive pension (or who meet the income standard for receipt of pension) under section 521 of title 38; and would require the Administrator to promulgate regulations authorizing the furnishing of nonprescription drugs, medicines, and supplies as part of non-service-connected outpatient care in order to avoid substantial hardship that would result from the extraordinary cost to the veteran of obtaining such products commercially.

The Senate recedes.

Although the House Committee is opposed to any statutory prohibition on the furnishing of a medicine, drug, or supply that a VA physician orders, both Committees note that the Administrator has considerable discretion under present section 601(6)(A)(i) of title 38 to determine whether it is "reasonable or necessary" to provide any such item and to assure that such items are provided in reasonable, minimum quantities.

In this connection, however, the Committees do not believe that any medicine, drug, or supply that a physician or dentist appropriately orders for use in connection with the treatment of a service-connected condition or disability or any disability of a veteran with a 50-percent or more service-connected rating may reasonably be determined not to be either reasonable or necessary to be provided. With this caveat, the Committees believe that the VA presently has ample statutory authority to place administrative limitations on the provision of non-prescription items (such as aspirins, liniments, dressings, and cough syrups) and that, in the interest of more economical operation of VA health-care programs, the Department of Medicine and Surgery should establish system-wide guidelines aimed at providing reasonable limitations on the extent of the provision of such items.

Health benefits for veterans of Mexican border period and World War I

Section 204(a)(1): Both the Senate amendment (in section 208) and the House bill (in section 2) include provisions to address the non-service-connected, outpatient medical needs of veterans of World War I. Under the House bill, such veterans would have been made eligible to receive outpatient and contract care for non-service-connected

disabilities on the same basis as such care is authorized for service-connected disabilities, but with an annual statutory limit of $26 million on expenditures for the care provided on the basis of the new eligibility. The Senate amendment would have established the category of non-service-connected World War I veterans as a new, fifth priority for VA outpatient care.

The compromise agreement authorizes VA outpatient care for veterans of World War I, as well as for veterans of the Mexican border period, on the same basis as is available under present section 612(g) of title 38 for housebound veterans or veterans in need of aid and attendance.

Under this provision, which will become effective on January 1, 1980, a veteran of either of these two periods of war would have full eligibility for outpatient care for a non-service-connected disability in VA facilities and would be eligible for contract out-patient care when the general conditions for the provision of contract care under section 601 are satisfied—that VA facilities (or other Federal facilities with which the Administrator contracts) are in capable of providing care economically because of geographical inaccessibility or are unable to provide the required care—and it is determined, on the basis of a physical examination, that the medical condition of the veteran precludes appropriate treatment in a VA (or other Federal) facility.

Home health services for veterans who are housebound or in need of regular aid and attendance

Section 204(a)(2): The Senate amendment (in section 205), but not the House bill, would authorize the VA to furnish home health service (with a $600 limit) to housebound veterans or veterans in need of aid and attendance.

The House recedes.

Amendments to CHAMPVA program

Section 205: The Senate amendment (in section 206), but not the House bill, would make consistent the medical care benefits for surviving spouses and children provided under the VA's CHAMPVA program and the Department of Defense's CHAMPUS program. Under present law, an eligible surviving spouse of a deceased veteran who remarries and whose subsequent marriage is terminated regains general title 38 benefit eligibility including CHAMPVA eligibility. However, an eligible surviving spouse of a person who dies on active duty does not regain CHAMPUS eligibility even though he or she remarries and the remarrige is terminated. The Senate amendment would remove this anomoly by making the surviving spouse in the latter case eligible for CHAMPVA benefits.

A similar anomoly exists in the case of eligibility for an eligible child pursuing full-time studies. A CHAMPUS-eligible child retains eligibility for such benefits if he or she incurs a physical or mental breakdown that causes a break in the studies, whereas a CHAMPVA-eligible child loses eligibility if there is a break in the course of studies. The Senate amendment would remove this disparity by providing that a CHAMPVA-eligible child would retain his or her eligibility on the same terms as a CHAMPUS-eligible child.

The House recedes with amendments making technical changes and providing that these new eligibilities for medical care benefits shall take effect on January 1, 1980, but, for fiscal year 1980, only to the extent and for such amount as is specifically provided for in an appropriations act.

TITLE III. VETERANS' ADMINISTRATION MEDICAL PERSONNEL AMENDMENTS AND MISCELLANEOUS PROVISIONS

Medical personnel staffing levels

Section 301: Both the Senate amendment (in section 207) and the House bill (in section 4) contain provisions related to staffing levels for the VA health-care system. Under the Senate amendment, before the cost-saving provisions included in the Senate amendment, could take and remain in effect, the Director of the Office of Management and Budget (OMB) would be required to have provided the VA with the health-care staffing levels for which Congressional appropriations were made. Provisions were also included for the Comptroller General to evaluate OMB's action in allocating the ceiling and to advise the Congress whether the appropriate personnel ceilings were provided. The House bill would have mandated not less than 191,513 FTE medical care and research personnel for fiscal year 1980, subject to the availability of appropriations, and would have mandated that personnel for any new VA health-care facility or program would be in addition to this level.

The compromise agreement requires the Director of OMB to provide to the VA the personnel ceiling for VA health-care staffing for which appropriations are made, but does not tie this requirement to any other VA program or authority or fixed ceiling. The compromise agreement also sets forth specific time frames, including specific deadlines with respect to appropriations action for fiscal year 1980, within which OMB must certify to the Congress that the funded personnel ceilings have been provided to the VA and the Comptroller General must advise the Congress on OMB's compliance with the law.

The Committees believe that it is essential that, when the Congress appropriates funds specifically designed for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for additional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal government pay raise).

The term "for which appropriations have been made for . . . [a particular] fiscal year" in subparagraph (D) of new paragraph (4) of section 5010(a), as used with respect to an appropriation Act, means the appropriations amount that is identified unequivocally in the legislative history of such Act (including the President's budget submissions for the appropriations account involved) as intended to support a specified employment level.

Qualifications of certain health professionals employed in Department of Medicine and Surgery

Section 302: The Senate amendment (in section 301), but not the House bill, would require that VA psychologists be licensed or certified by a State but would allow the VA a waiver authority not to exceed two years for any psychologist and would exempt psychologists employed by the VA as of May 1, 1979; and would require VA podiatrists and optometrists to be U.S. citizens.

The House recedes with an amendment to change the exemption date to December 31, 1979.

Reduction of probationary period for certain health professionals employed in Department of Medicine and Surgery

Section 303: The Senate amendment (in section 302), but not the House bill, would reduce the probationary period of VA title 38 medical employees from 3 years to 2 years.

The House recedes.

Sharing agreements for specialized medical resources

Section 304: The Senate amendment (in section 303), but not the House bill, would expand the authority of the VA to enter into sharing agreements to include sharing between VA hospitals and blood banks, organ banks, and similar institutions.

The House recedes but, in so doing, notes the concern that the VA must be judicious in entering into sharing agreements with institutions such as blood banks and organ banks to assure that the Federal government receives appropriate benefit from such arrangements and to avoid situations similar to that experienced in 1978 by the Kansas City VA Medical Center where the VA was put to great expense to support establishment of a private organ bank with no apparent benefit to the Federal government and appropriated funds were thus misused to support a private enterprise.

Special medical advisory group

Section 305: The compromise agreement includes a provision which amends the statutory authority of the Special Medical Advisory Group (SMAG—established pursuant to section 4112 of title 38) to require the inclusion on such group of a disabled veteran (intended to be a service-connected veteran) and to mandate as part of the continuing duties of SMAG the submission to the Administrator and the Congress of an annual report on its activities.

Technical amendment

Section 306: The compromise agreement includes a technical amendment to the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979 (Public Law 96-128) to correct a clerical error in an effective date provision.

Agent Orange study

Section 307: The Senate amendment (in section 304), but not the House bill, would mandate the Secretary of Health, Education, and Welfare, in consultation with other Federal departments and agencies, to conduct a scientific, epidemiological study of various populations, including individuals who served in the Armed Forces in Vietnam, to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins" including exposure to the herbicide known as "Agent Orange."

The House recedes with an amendment directing that the study be restricted to individuals who served in the Armed Forces of the United States during the Vietnam conflict and that the study be designed and conducted by the Administrator of Veterans' Affairs pursuant to a protocol approved by the Director of the Office of Technology Assessment, who is also assigned responsibility for monitoring the VA's compliance with the protocol and reporting to the Congress at specified intervals on the execution of his responsibilities. The study provision also directs the President to assure that the VA study is fully coordinated with other Federal studies (past, on-going, or planned) and that all Federal efforts in the area of dioxin research be fully coordinated; and authorizes the appropriation of such sums as may be necessary for the conduct of the mandated study.

The Committees made these changes in the study provision because of the VA's responsibility for veterans' programs, access to the records of the veteran population, and extensive system of medical facilities. In addition, the Committees note their view that the VA, by virtue of its traditional mandate to provide services and benefits for veterans and their survivors is the Federal agency most likely to carry out the needed study with the requisite sympathy and understanding for the individuals concerned. The Committees also note that the VA has authority, pursuant to section 213 of title 38, to enter into contracts with private or public agencies or persons for any necessary services for or in connection with any portion of the mandated study. With reference to the subsection providing an authorization of appropriations "for the conduct of the study", the Committees note that it is their intention that this provision relate specifically to the actual conduct of the study, not to the design of the

protocol. It is the opinion of the Committees that the VA has the existing resources within the funds previously appropriated by Congress for VA health-care research activities for the current fiscal year to fund the design of the protocol and that, therefore, activities to prepare the protocol should begin immediately following enactment of the Act with no delay to seek an appropriation for such purpose.

The Committees also stress the importance of the provision directing the President to assure (preferably through an interagency task force) that the mandated study be fully coordinated with other on-going or future governmental studies on possible adverse health effects related to exposure to dioxin so that all such studies will be scientifically valid and accomplished with maximum objectivity and efficiency.

Changes made in existing law

The following materials show the changes made in existing law by the compromise agreement.

Changes in existing law made by the compromise agreement are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

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PART I—GENERAL PROVISIONS

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CHAPTER 1—GENERAL

* * * * *

§ 111. Travel expenses

(a) Under regulations prescribed by the President pursuant to the provisions of this section, the Administrator may pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, of any person to or from a Veterans' Administration facility or other place in connection with vocational rehabilitation, counseling required by the Administrator pursuant to chapter 34 or 35 of this title, or for the purpose of examination, treatment, or care. In addition to the mileage allowance authorized by this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

(b) Payment of the following expenses or allowances in connection with vocational rehabilitation, counseling, or upon termination of examination, treatment, or care, may be made before the completion of travel:

(1) the mileage allowance authorized by subsection (a) hereof;

(2) actual travel expenses;

(3) the expense of hiring an automobile or ambulance, or the fee authorized for the services of a nonemployee attendant.

(c) When any person entitled to mileage under this section requires an attendant (other than an employee of the Veterans' Administration) in order to perform such travel, the attendant may be allowed expenses of travel upon the same basis as such person.

(d) The Administrator may provide for the purchase of printed reduced-fare requests for use by veterans and their authorized attendants when traveling at their own expense to or from any Veterans' Administration facility.

(e)(1) In carrying out the purposes of this section, the Administrator, in consultation with the Administrator of General Services, the Secretary of Transportation, the Comptroller General of the United States, and representatives of organizations of veterans, shall conduct periodic investigations of the actual cost of travel (including lodging and subsistence) to beneficiaries while traveling to or from a Veterans' Administration facility or other place pursuant to the provisions of this section, and the estimated cost of alternative modes of travel, including public transportation and the operation of privately owned vehicles. The Administrator shall conduct such investigations immediately following any alteration in the rates described in paragraph (3)(C) of this subsection, and, in any event, immediately following the enactment of this subsection and not less often than annually thereafter, and based thereon, shall determine rates of allowances or reimbursement to be paid under this section.

(2) In no event shall payment be provided under this section—

(A) unless the person claiming reimbursement has been determined, [based on an annual declaration and certification by such person] *pursuant to regulations which the Administrator shall prescribe,* to be unable to defray the expenses of such travel (except with respect to a [veteran] *person* receiving benefits for or in connection with a service-connected disability under *this title, a veteran receiving or eligible to receive pension under section 521 of this title, or a person whose annual income, determined in accordance with section 503 of this title, does not exceed the maximum annual rate of pension which would be payable to such person if such person were eligible for pension under section 521 of* this title);

(B) to reimburse for the cost of travel by privately owned vehicle in any amount in excess of the cost of such travel by public transportation unless (i) public transportation is not reasonably accessible or would be medically inadvisable, or (ii) the cost of such travel is not greater than the cost of public transportation and;

(C) in excess of the actual expense incurred by such person as certified in writing by such person.

(3) In conducting investigations and determining rates under this section, the Administrator shall review and analyze, among other factors, the following factors:

(A)(i) Depreciation of original vehicle costs;

(ii) gasoline and oil costs;

(iii) maintenance, accessories, parts, and tire costs;

(iv) insurance costs; and

(v) State and Federal taxes.

(B) The availability of and time required for public transportation.

(C) The per diem rates, mileage allowances, and expenses of travel authorized under sections 5702 and 5704 of title 5 for employees of the United States.

(4) Before determining rates under this section, and not later than sixty days after the effective date of this subsection, and thereafter not later than sixty days after any alteration in the rates described in paragraph (3)(C) of this subsection, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report containing the rates the Administrator proposed to establish or continue with a full justification therefor in terms of each of the limitations and factors set forth in this section.

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PART II—GENERAL BENEFITS

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CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

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SUBCHAPTER III—MISCELLANEOUS PROVISIONS RELATING TO HOSPITAL AND NURSING HOME CARE AND MEDICAL TREATMENT OF VETERANS

621. Power to make rules and regulations.
622. Statement under oath.
623. Furnishing of clothing.
624. Hospital care, medical services and nursing home care abroad.
626. Reimbursement for loss of personal effects by natural disaster.
627. Persons eligible under prior law.
628. Reimbursement of certain medical expenses.

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Subchapter I—General

§ 601. Definitions.

For the purposes of this chapter—

(1) The term "disability" means a disease, injury, or other physical or mental defect.

(2) The term "veteran of any war" includes any veteran of the Indian Wars, or any veteran awarded the Medal of Honor.

(3) The term "period of war" includes each of the Indian Wars.

(4) The term "Veterans' Administration facilities" means—

(A) facilities over which the Administrator has direct jurisdiction;

(B) Government facilities for which the Administrator contracts; and

(C) private facilities for which the Administrator contracts when facilities described in clause (A) or (B) of this paragraph are not capable of furnishing economical care because of geographical inaccessibility or of furnishing the care or services required in order to provide (i) hospital care or medical services to a veteran for the treatment of a service-connected disability or a disability for which a veteran was discharged or released from the active military, naval, or air service; (ii) medical services for the treatment of any disability of a veteran described in clause (1)(B) or (2) of section 612(f) of this title; (iii) hospital care or medical services for the treatment of medical emergencies which pose a serious threat to the life or health of a veteran receiving [hospital care] *medical services* in a facility described in clause (A) or (B) of this paragraph *until such time as the veteran can be safely transferred to any such facility;* (iv) hospital care for women veterans; or (v) hospital care, or medical services that will oviate the need for hospital admission, for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at the expense of the Veterans' Administration in Government and private facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the forty-eight contiguous States, but the authority of the Administrator under this subclause (except with respect to Alaska and Hawaii) shall expire on December 31, 1981, and until such date the Administrator may, if necessary to prevent hardship, waive the applicability to the Commonwealth of Puerto Rico and to the Virgin Islands of the restrictions in this subclause with respect to hospital patient loads and incidence of provision of medical services.

(5) The term "hospital care" includes—

(A)(i) medical services rendered in the course of the hospitalization of any veteran, and (ii) [transportation] *travel* and incidental expenses pursuant to the provisions of section 111 of this title;

(B) such mental health services, consultation, professional counseling, and training for the members of the immediate family or legal guardian of a veteran, or the individual in whose household such veteran certifies an intention to live, as may be essential to the effective treatment and rehabilitation of a veteran or dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title; and

(C)(i) medical services rendered in the course of the hospitalization of a dependent or survivor of a veteran receiving care under

the last sentence of section 613(b) of this title, and (ii) [transportation] *travel* and incidental expenses for such dependent or survivor [of a veteran who is in need of treatment for any injury, disease, or disability and is unable to defray the expense of transportation.] *under the terms and conditions set forth in section 111 of this title.*

(6) The term "medical services" includes, in addition to medical examination, treatment, and rehabilitative services—

(A) (i) surgical services, dental services and appliances as authorized in section 612 (b), (c), (d), and (e) of this title, optometric and podiatric services, and (except under the conditions described in section 612(f)(1)(A) of this title), wheelchairs, artificial limbs, trusses, and similar appliances, special clothing made necessary by the wearing of prosthetic appliances, and such other supplies or services as the Administrator determines to be reasonable and necessary, and (ii) travel and incidental expenses pursuant to the provisions of section 111 of this title; and

(B) such consultation, professional counseling, training, and mental health services as are necessary in connection with the treatment—

(i) of the service-connected disability of a veteran pursuant to section 612(a) of this title, and

(ii) in the discretion of the Administrator, of the non-service-connected disability of a veteran eligible for treatment under section 612(f)(1)(B) of this title where such services were initiated during the veteran's hospitalization and the provision of such services on an outpatient basis is essential to permit the discharge of the veteran from the hospital.

for the members of the immediate family or legal guardian of a veteran, or the individual in whose household such veteran certifies an intention to live, as may be essential to the effective treatment and rehabilitation of the veteran (including, under the terms and conditions set forth in section 111 of this title, [necessary expenses of travel and subsistence] *travel and incidental expenses* of such family member or individual in the case of a veteran who is receiving care for a service-connected disability, or in the case of dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title). For the purposes of this paragraph, a dependent or survivor of a veteran receiving care under the last sentence of section 613(b) of this title shall be eligible for the same medical services as a veteran.

(7) The term "domiciliary care" includes necessary medical services and travel and incidental expenses pursuant to the provisions of section 111 of this title.

(8) The term "rehabilitative services" means such professional counseling, and guidance services and treatment programs (other than those types of vocational rehabilitation services provided under chapter 31 of this title) as are necessary to restore, to the maximum extent possible, the physical, mental, and psychological functioning of an ill or disabled person.

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Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

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§ 612. Eligibility for medical treatment

(a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services as the Administrator finds to be reasonably necessary to any veteran for a service-connected disability. The Administrator may also furnish to any such veteran such home health services as the Administrator finds to be necessary or appropriate for the effective and economical treatment of such disability (including only such improvements and structural alterations the cost of which does not exceed $2,500 (or reimbursement up to such amount) as are necessary to assure the continuation of treatment for such disability or to provide access to the home or to essential lavatory and sanitary facilities. In the case of any veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, such services may be so furnished for that disability, whether or not service-connected for the purposes of this chapter.

(b) Outpatient dental services and treatment, and related dental appliances, shall be furnished under this section only for a dental condition or disability—

(1) which is service-connected and compensable in degree;

(2) which is service-connected, but not compensable in degree, but only (A) if it is shown to have been in existence at time of discharge or release from active military, naval, or air service and (B) if application for treatment is made within one year after such discharge or release, except that if a disqualifying discharge or release has been corrected by competent authority, application may be made within one year after the date of correction or the date of enactment of this exception, whichever is later;

(3) which is a service-connected dental condition or disability due to combat wounds or other service trauma, or of a former prisoner of war;

(4) which is associated with and is aggravating a disability resulting from some other disease or injury which was incurred in or aggravated by active military, naval, or air service;

(5) which is a non-service-connected condition or disability of a veteran for which treatment was begun while such veteran was receiving hospital care under this chapter and such services and treatment are reasonably necessary to complete such treatment;

(6) from which a veteran of the Spanish-American War or Indian Wars is suffering;

(7) from which any veteran of World War I, World War II, the Korean conflict, or the Vietnam era who was held as a prisoner of war for a period of not less than six months is suffering; or

(8) from which a veteran who has a service-connected disability rated as total is suffering.

In any year in which the President's Budget for the fiscal year beginning October 1 of such year includes an amount for expenditures for contract dental care under the provisions of subsections (a) and (f) of this section and section 601(4)(C) of this title during such fiscal year in excess of the level of expenditures made for such purpose during fiscal year 1978, the Administrator shall, not later than February 15 of such year, submit a report to the appropriate committees of the Congress justifying the requested level of expenditures for contract dental care and explaining why the application of the criteria prescribed in section 601(4)(C) of this title for contracting with private facilities and in the second sentence of section 610(c) of this title for furnishing incidental dental care to hospitalized veterans will not preclude the need for expenditures for contract dental care in excess of the fiscal year 1978 level of expenditures for such purpose. In any case in which the amount included in the President's Budget for any fiscal year for expenditures for contract dental care under such provisions is not in excess of the level of expenditures made for such purpose during fiscal year 1978 and the Administrator determines after the date of submission of such budget and before the end of such fiscal year that the level of expenditures for such contract dental care during such fiscal year will exceed the fiscal year 1978 level of expenditures, the Administrator shall submit a report to the appropriate committees of the Congress containing both a justification (with respect to the projected level of expenditures for such fiscal year) and an explanation as required in the preceding sentence in the case of a report submitted pursuant to such sentence. Any report submitted pursuant to this subsection shall include a comment by the Administrator on the effect of the application of the criteria prescribed in the second sentence of section 610(c) of this title for furnishing incidental dental care to hospitalized veterans.

(c) Dental services and related appliances for a dental condition of disability described in clause (2) of subsection (b) of this section shall be furnished on a one-time completion basis, unless the services rendered on a one-time completion basis are found unacceptable within the limitations of good professional standards, in which event such additional services may be afforded as are required to complete professionally acceptable treatment.

(d) Dental appliances, wheelchairs, artificial limbs, trusses, special clothing, and similar appliances to be furnished by the Administrator under this section may be procured by the Administrator either by purchase or by manufacture, whichever the Administrator determines may be advantageous and reasonably necessary.

(e) Any disability of a veteran of the Spanish-American War or Indian Wars, upon application for the benefits of this section or outpatient medical services under section 624 of this title, shall be considered for the purposes thereof to be a service-connected disability incurred or aggravated in a period of war.

(f) The Administrator, within the limits of Veterans' Administration facilities, may furnish medical services for any disability on an outpatient or ambulatory basis—

(1) to any veteran eligible for hospital care under section 610 of this title (A) where such services are reasonably necessary in preparation for, or (to the extent that facilities are available) to obviate the need of, hospital admission, or (B) where such a veteran has been furnished hospital care and such medical services are reasonably necessary to complete treatment incident to such hospital care (for a period not in excess of twelve months after discharge from inhospital treatment, except where the Administrator finds that a longer period is required by virtue of the disability being treated); and

(2) to any veteran who has a service-connected disability rated at 50 per centum or more.

The Administrator may also furnish to any such veteran such home health services as the Administrator determines to be necessary or appropriate for the effective and economical treatment of a disability of a veteran (including only such improvements and structural alterations the cost of which does not exceed $600 (or reimbursement up to such amount) as are necessary to assure the continuation of treatment or provide access to the home or to essential lavatory and sanitary facilities).

(g) [Where any veteran] *In the case of any veteran who is a veteran of the Mexican border period or of World War I or who* is in receipt of increased pension or additional compensation or allowance based on the need of regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance, the Administrator, within the limits of Veterans' Administration facilities, may furnish the veteran such medical services as the Administrator finds to be reasonably necessary. *The Administrator may also furnish to any such veteran home health services under the terms and conditions set forth in subsection (f) of this section.*

(h) The Administrator shall furnish to each veteran who is receiving additional

compensation or allowance under chapter 11, or increased pension as a veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, by reason of being permanently housebound or in need of regular aid and attendance, such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of any illness or injury suffered by such veteran. The Administrator shall continue to furnish such drugs and medicines so ordered to any such veteran in need of regular aid and attendance whose pension payments have been discontinued solely because such veteran's annual income is greater than the applicable maximum annual income limitation, but only so long as such veteran's annual income does not exceed such maximum annual income limitation by more than $1,000.

(i) Not later than ninety days after the effective date of this subsection, the Administrator shall prescribe regulations to ensure that special priority in furnishing medical services under this section and any other outpatient care with funds appropriated for the medical care of veterans shall be accorded in the following order, unless compelling medical reasons require that such care be provided more expeditiously:

(1) To any veteran for a service-connected disability.

(2) To any veteran described in subsection (f)(2) of this section.

(3) To any veteran with a disability rated as service-connected.

(4) To any veteran being furnished medical services under subsection (g) of this section.

(j) In order to assist the Secretary of Health, Education, and Welfare in carrying out national immunization programs pursuant to other provisions of law, the Administrator may authorize the administration of immunizations to eligible veterans (voluntarily requesting such immunizations) in connection with the provision of care for a disability under this chapter in any Veterans' Administration health care facility, utilizing vaccine furnished by the Secretary at no cost to the Veterans' Administration, and for such purpose, notwithstanding any other provision of law, the Secretary is authorized to provide such vaccine to the Veterans' Administration at no cost and the provisions of section 4116 of this title shall apply to claims alleging negligence or malpractice on the part of Veterans' Administration personnel granted immunity under such section.

§ 613. Medical care for survivors and dependents of certain veterans

(a) The Administrator is authorized to provide medical care, in accordance with the provisions of subsection (b) of this section, for—

(1) the [wife] *spouse* or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability, [and]

(2) the [widow] *surviving spouse* or child of a veteran who (A) died as a result of a service-connected disability, or (B) at the time of death had a total disability permanent in nature, resulting from a service-connected disability, *and*

(3) the surviving spouse or child of a person who died in the active military, naval, or air service in the line of duty and not due to such person's own misconduct,

who are not otherwise eligible for medical care under chapter 55 of title 10 (CHAMPUS).

(b) In order to accomplish the purposes of subsection (a) of this section, the Administrator shall provide for medical care in the same or similar manner and subject to the same or similar limitations as medical care is furnished to certain dependents and survivors of active duty and retired members of the Armed Forces under chapter 55 of title 10 (CHAMPUS), by—

(1) entering into an agreement with the Secretary of Defense under which the Secretary shall include coverage for such medical care under the contract, or contracts, the Secretary enters into to carry out such chapter 55, and under which the Administrator shall fully reimburse the Secretary for all costs and expenditures made for the purposes of affording the medical care authorized pursuant to this section; or

(2) contracting in accordance with such regulations as the Administrator shall prescribe for such insurance, medical service, or health plan as the Administrator deems appropriate.

In cases in which Veterans' Administration medical facilities are particularly equipped to provide the most effective care and treatment, the Administrator is also authorized to carry out such purposes through the use of such facilities not being utilized for the care of eligible veterans.

(c) For the purposes of this section, a child between the ages of eighteen and twenty-three (1) who is eligible for benefits under subsection (a) of this section, (2) who is pursuing a full-time course of instruction at an educational institution approved under chapter 36 of this title, and (3) who, while pursuing such course of instruction, incurs a disabling illness or injury (including a disabling illness or injury incurred between terms, semesters, or quarters or during a vacation or holiday period) which is not the result of such child's own willful misconduct and which results in such child's inability to continue or resume such child's chosen program of education at an approved educational institution shall remain eligible for benefits under this section until the end of the six-month period beginning on the date the disability is removed, the end of the two-year period beginning on the date of the onset of the disability, or the twenty-third birthday of the child, whichever occurs first.

§ 614. Fitting and training in use of prosthetic appliances; seeing-eye dogs

(a) Any veteran who is entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, on the use of such appliance as may be necessary, whether in a Veterans' Administration facility or other training institution, or by outpatient treatment, including such service under contract, and including [necessary travel expenses] *travel and incidental expenses (under the terms and conditions set forth in section 111 of this title)* to and from such veteran's home to such hospital or training institution.

(b) The Administrator may provide seeing-eye or guide dogs trained for the aid of the blind to veterans who are entitled to disability compensation, and may pay [all necessary] travel *and incidental* expenses *(under the terms and conditions set forth in section 111 of this title)* to and from their homes and incurred in becoming adjusted to such seeing-eye or guide dogs. The Administrator may also provide such veterans with mechanical or electronic equipment for aiding them in overcoming the handicap of blindness.

* * * * *

Subchapter III—Miscellaneous Provisions Relating to Hospital and Nursing Home Care and Medical Treatment of Veterans

* * * * *

§ 628. Reimbursement of certain medical expenses

(a) The Administrator may, under such regulations as the Administrator shall prescribe, reimburse veterans entitled to hospital care or medical services under this chapter for the reasonable value of such care or services (including [the necessary] travel *and incidental expenses under the terms and conditions set forth in section 111 of this title*), for which such veterans have made payment, from sources other than the Veterans' Administration, where—

(1) such care or services were rendered in a medical emergency of such nature that delay would have been hazardous to life or health;

(2) such care or services were rendered to a veteran in need thereof (A) for an adjudicated service-connected disability, (B) for a non-service-connected disability associated with and held to be aggravating a service-connected disability, (C) for any disability of a veteran who has a total disability permanent in nature from a service-connected disability, or (D) for any illness, injury, or dental condition in the case of a veteran who is found to be (i) in need of vocational rehabilitation under chapter 31 of this title and for whom an objective had been selected or (ii) pursuing a course of vocational rehabilitation training and is medically determined to have been in need of care or treatment to make possible such veteran's entrance into a course of training, or prevent interruption of a course of training, or hasten the return to a course of training which was interrupted because of such illness, injury, or dental condition; and

(3) Veterans' Administration or other Federal facilities were not feasibly available, and an attempt to use them beforehand would not have been reasonable, sound, wise, or practical.

(b) In any case where reimbursement would be in order under subsection (a) of this section, the Administrator may, in lieu of reimbursing such veteran, make payment of the reasonable value of care or services directly—

(1) to the hospital or other health facility furnishing the care or services; or

(2) to the person or organization making such expenditure on behalf of such veteran.

* * * * *

Subchapter V—Payments to State Homes

§ 641. Criteria for payment

(a) The Administrator shall pay each State at the per diem rate of—

(1) [$5.50] *$6.35* for domiciliary care.

(2) [$10.50] *$12.10* for nursing home care, and

(3) [$11.50] *$13.25* for hospital care,

for each veteran receiving such care in a State home, if such veteran is eligible for such care in a Veterans' Administration facility.

(b) In no case shall the payments made with respect to any veteran under this section exceed one-half of the cost of the veteran's care in such State home.

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PART V—BOARDS AND DEPARTMENTS

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CHAPTER 73—DEPARTMENT OF MEDICINE AND SURGERY

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Subchapter I—Organization; General

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§ 4104. Additional appointments

There shall be appointed by the Administrator additional personnel as the Administrator may find necessary for the medical care of veterans, as follows:

(1) Physicians, dentists, podiatrists, optometrists, nurses, physician assistants, and expanded-function dental auxiliaries;

(2) Pharmacists, *psychologists,* physical therapists, occupational therapists, dietitians, and other scientific and professional personnel, such as bacteriologists, chemists, biostatisticians, and medical and dental technologists.

§ 4105. Qualifications of appointees

(a) Any person to be eligible for appointment to the following positions in the Department of Medicine and Surgery must have the applicable qualifications:

(1) Physicians—
hold the degree of doctor of medicine or of doctor of osteopathy from a college or university approved by the Administrator, have completed an internship satisfactory to the Administrator, and be licensed to practice medicine, surgery, or osteopathy in a State;
(2) Dentist—
hold the degree of doctor of dental surgery or dental medicine from a college or university approved by the Administrator, and be licensed to practice dentistry in a State;
(3) Nurse—
have successfully completed a full course of nursing in a recognized school of nursing, approved by the Administrator, and be registered as a graduate nurse in a State;
(4) Director of a hospital, domiciliary, center or outpatient clinic—
have such business and administrative experience and qualifications as the Administrator shall prescribe;
(5) Podiatrist—
hold the degree of doctor of podiatric medicine, or its equivalent, from a school of podiatric medicine approved by the Administrator, and be licensed to practice podiatry in a State;
(6) Optometrist—
hold the degree of doctor of optometry, or its equivalent, from a school of optometry approved by the Administrator and be licensed to practice optometry in a State;
(7) Pharmacist—
hold the degree of bachelor of science in pharmacy, or its equivalent, from a school of pharmacy, approved by the Administrator, and be registered as a pharmacist in a State;
(8) Physical therapist, occupational therapist, dietitians, and other personnel shall have such scientific or technical qualifications as the Administrator shall prescribe;
(9) Physician assistants and expanded-function dental auxiliaries shall have such medical or dental and technical qualifications and experience as the Administrator shall prescribe[.];
(10) Psychologist—
hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed study for such degree in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in a State, except that the Administrator may waive the requirement of licensure or certification for an individual psychologist for a period not to exceed two years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is so licensed or certified.

(b) Except as provided in section 4114 of this title, no person may be appointed in the Department of Medicine and Surgery as physician, dentist, *podiatrist, optometrist,* nurse, physician assistant, or expanded-function dental auxiliary unless such person is a citizen of the United States.

(c) Notwithstanding any other provision of law, no person may be appointed under section 4104(1) of this title after the effective date of this subsection to serve in the Department of Medicine and Surgery in any direct patient-care capacity unless the Chief Medical Director determines, in accordance with regulations which the Administrator shall prescribe, that such person possesses such basic proficiency in spoken and written English as will permit such degree of communication with patients and other health-care personnel as will enable such person to carry out such person's health-care responsibilities satisfactorily.

§ 4106. Period of appointments; promotions

(a) Appointments of physicians, dentists, podiatrists, optometrists, and nurses shall be made only after qualifications have been satisfactorily established in accordance with regulations prescribed by the Administrator, without regard to civil-service requirements.

(b) Such appointments as described in subsection (a) of this section shall be for a probationary period of [three] *two* years and the record of each person serving under such appointment in the Medical, Dental, and Nursing Services shall be reviewed from time to time by a board, appointed in accordance with regulations of the Administrator, and if said board shall find him not fully qualified and satisfactory he shall be separated from the service.

* * * * *

§ 4112. Special medical advisory group and other advisory bodies

(a) The Administrator shall establish a special medical advisory group composed of members of the medical, dental, podiatric, optometric, and allied scientific professions *and a disabled veteran,* nominated by the Chief Medical Director, whose duties shall be to advise the Administrator, through the Chief Medical Director, and the Chief Medical Director direct, relative to the care and treatment of disabled veterans, and other matters pertinent to the Department of Medicine and Surgery. The special medical advisory group shall meet on a regular basis as prescribed by the Administrator *and, not later than February 1 of each year, shall submit to the Administrator and the Congress a report on its activities during the preceding fiscal year.* The number, terms of service, pay, and allowances to members of such advisory group shall be in accord with existing law and regulations.

(b) In each case where the Administrator has a contract or agreement with any school, institution of higher learning, medical center, hospital, or other public or nonprofit agency, institution, or organization, for the training or education of health service personnel, the Administrator shall establish an advisory committee (that is, deans committee, medical advisory committee, or the like). Such advisory committee shall advise the Administrator and the Chief Medical Director with respect to policy matters arising in connection with, and the operation of, the program with respect to which it was appointed and may be established on an institutionwide, multidisciplinary basis or on a regional basis whenever such is found to be feasible. Members of each such advisory committee shall be appointed by the Administrator and shall include personnel of the Veterans' Administration and the entity with which the Administrator has entered into such contract or agreement. The number of members and terms of members of each advisory committee shall be prescribed by the Administrator.

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PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

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Subchapter I—Acquisition and Operation of Medical Facilities

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§ 5010. Operation of medical facilities

(a)(1) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than one hundred and twenty-five thousand hospital beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of eligible veterans. The Administrator shall staff and maintain, in such a manner as to ensure the immediate acceptance and timely and complete care of patients, sufficient beds and other treatment capacities to accommodate, and provide such care to, eligible veterans applying for admission and found to be in need of hospital care or medical services.

(2) The Administrator shall maintain the bed and treatment capacities of all Veterans' Administration medical facilities so as to ensure the accessibility and availability of such beds and treatment capacities to eligible veterans in all States and to minimize delays in admissions and in the provision of hospital, nursing home, and domiciliary care, and of medical services furnished pursuant to section 612 of this title.

(3) The Chief Medical Director shall periodically analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care and medical services but are rejected or not immediately admitted or provided such care or services, and the Administrator shall annually advise each committee of the results of such analysis and the number of any additional beds and treatment capacities and the appropriate staffing and funds therefor found necessary to meet the needs of such veterans for such necessary care and services.

(4)(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor.

(B) In order to carry out the provisions of subparagraph (A) of this paragraph, the Director of the Office of Management and Budget shall, with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling, and (ii) submit to the appropriate committees of the Congress and to the Comptroller General of the United States certification that the Director has so provided such ceiling. Not later than the thirtieth day after the enactment of such a law or, in the event of the enactment of such a law more than thirty days prior to the fiscal year for which such law makes such appropriations, not later than the tenth day of such fiscal year, the certification required in the first sentence of this subparagraph shall be submitted, together with a report containing complete information on the personnel ceiling that the Director has provided to the Veterans' Administration for the employees described in subparagraph (D) of this paragraph.

(C) Not later than the forty-fifth day after the enactment of each such law, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in providing to the Veterans' Administration such funded personnel ceiling.

(D) For the purposes of this paragraph, the term "funded personnel ceiling" means with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ, (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year.

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Subchapter III—State Home Facilities for Furnishing Nursing Home Care

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§ 5033. Authorization of appropriations

(a) There is hereby authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1978, [and a like sum for the succeeding fiscal year] *a like sum for*

each of the two succeeding fiscal years, and such sums as may be necessary for the fiscal years ending September 30, 1981, and September 30, 1982. Sums appropriated pursuant to this section shall be used for making grants to States which have submitted, and have had approved by the Administrator, applications for carrying out the purposes and meeting the requirements of this subchapter.

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Subchapter I—Sharing of Medical Facilities, Equipment, and Information

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§ 5053. Specialized medical resources

(a) To secure certain specialized medical resources which otherwise might not be feasibly available, or to effectively utilize certain other medical resources, the Administrator may, when the Administrator determines it to be in the best interest of the prevailing standards of the Veterans' Administration medical care program, make arrangements, by contract or other form of agreement, as set forth in clauses (1) and (2) below, between Veterans' Administration hospitals and other hospitals (or other medical installations having hospital facilities, or *organ banks, blood banks, or similar institutions*) or medical schools or clinics in the medical community:

(1) for the mutual use, or exchange of use, of specialized medical resources when such an agreement will obviate the need for a similar resource to be provided in a Veterans' Administration health care facility; or

(2) for the mutual use, or exchange of use, of specialized medical resources in a Veterans' Administration health care facility, which have been justified on the basis of veterans' care, but which are not utilized to their maximum effective capacity.

The Administrator may determine the geographical limitations of a medical community as used in this section.

* * * * *

§ 5054. Exchange of medical information

(a) The Administrator is authorized to enter into agreements with medical schools, hospitals, research centers, and individual members of the medical profession under which medical information and techniques will be freely exchanged and the medical information services of all parties to the agreement will be available for use by any party to the agreement under conditions specified in the agreement. In carrying out the purposes of this section, the Administrator shall utilize recent developments in electronic equipment to provide a close educational, scientific, and professional link between Veterans' Administration hospitals and major medical centers. Such agreements shall be utilized by the Administrator to the maximum extent practicable to create, at each Veterans' Administration hospital which is a part of any such agreement, an environment of academic medicine which will help such hospital attract and retain highly trained and qualified members of the medical profession.

(b) In order to bring about utilization of all medical information in the surrounding medical community, particularly in remote areas, and to foster and encourage the widest possible cooperation and consultation among all members of the medical profession in such community, the educational facilities and programs established at Veterans' Administration hospitals and the electronic link to medical centers shall be made available for use by the surrounding medical community. The Administrator may charge a fee for such services (on annual or like basis) at rates which the Administrator determines, after appropriate study, to be fair and equitable. The financial status of any user of such services shall be taken into consideration by the Administrator in establishing the amount of the fee to be paid. Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation.

(c) *The Administrator is authorized to enter into agreements with public and nonprofit private institutions, organizations, corporations, and other entities in order to participate in cooperative health-care personnel education programs within the geographical area of any Veterans' Administration health-care facility located in an area remote from major academic health centers.*

§ 5055. Pilot programs; grants to medical schools

(a) The Administrator may establish an Advisory Subcommittee on Programs for Excange of Medical Information, of the Special Medical Advisory Group, established under section 4112 of this title, to advise the Administrator on matters regarding the administration of this section and to coordinate these functions with other research and education programs in the Department of Medicine and Surgery. The Assistant Chief Medical Director charged with administration of the Department of Medicine and Surgery medical research program shall be an ex officio member of this Subcommittee.

(b) The Administrator, upon the recommendation of the Subcommittee, is authorized to make grants to medical schools, hospitals, and research centers to assist such medical schools, hospitals, and research centers in planning and carrying out agreements authorized by section 5054 of this title. Such grants may be used for the employment of personnel, the construction of facilities, the purchasing of equipment when necessary to implement such programs, and for such other purposes as will facilitate the administration of this section.

(c)(1) There is hereby authorized to be appropriated an amount not to exceed $3,500,000 for fiscal year 1976; $1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; $4,000,000 for fiscal year 1977; $4,000,000 for fiscal year 1978; and $4,000,000 for fiscal year 1979 *and for each of the three succeeding fiscal years,* for the purpose of developing and carrying out medical information programs under this section on a pilot program basis and for the grants authority in subsection (b) of this section. Pilot programs authorized by this subsection shall be carried out at Veterans' Administration hospitals in geographically dispersed areas of the United States.

(2) Funds authorized under this section shall not be available to pay the cost of hospital, medical, or other care of patients except to the extent that such cost is determined by the Administrator to be incident to research, training, or demonstration activities carried out under this section.

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CHAPTER 82—ASSISTANCE IN ESTABLISHING NEW STATE MEDICAL SCHOOLS; GRANTS TO AFFILIATED MEDICAL SCHOOLS; ASSISTANCE TO HEALTH MANPOWER TRAINING INSTITUTIONS

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§ 5070. Coordination with public health programs; administration

(a) The Administrator and the Secretary of Health, Education, and Welfare shall, to the maximum extent practicable, coordinate the programs carried out under this chapter and the programs carried out under section 309 and titles VII, VIII, and IX of the Public Health Service Act.

(b) The Administrator may not enter into any agreement under subchapter I of this chapter [or make any grant or provide other assistance under subchapter II or III of this chapter after the end of the seventh calendar year] after [the calendar year in which this chapter takes effect] *September 30, 1979.*

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Subchapter II—Grants to Affiliated Medical Schools

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§ 5082. Authorization of appropriations

[(a) There is further authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, and a like sum for each of the six succeeding fiscal years, for carrying out programs authorized under this chapter.]

(a) There is authorized to be appropriated for carrying out programs authorized under this chapter $50,000,000 for the fiscal year ending June 30, 1979; a like sum for each of the six succeeding fiscal years; $15 million for the fiscal year ending September 30, 1980; $25 million for the fiscal year ending September 30, 1981; and $30 million for the fiscal year ending September 30, 1982.

* * * * *

§ 5083. Grants

(a) Any medical school which is affiliated with the Veterans' Administration under an agreement entered into pursuant to this title may apply to the Administrator for a grant under this subchapter to assist such school, in part, to carry out, through the Veterans' Administration medical facility with which it is affiliated, projects and programs in furtherance of the purposes of this subchapter, except that no grant shall be made for the construction of any building which will not be located on land under the jurisdiction of the Administrator. Any such application shall contain such information in such detail as the Administrator deems necessary and appropriate.

(b) An application for a grant under this section may be approved by the Administrator only upon the Administrator's determination that—

(1) the proposed projects and programs for which the grant will be made will make a significant contribution to improving the medical education (including continuing education) program of the school [and will result in a substantial increase in the number of medical students attending such school, provided there is reasonable assurance from a recognized accredited body or bodies approved for such purposes by the Commissioner of Education of the Department of Health, Education, and Welfare that the increase in the number of students will not threaten any existing accreditation or otherwise compromise the quality of the training at such school];

(2) the application contains or is supported by adequate assurance that any Federal funds made available under this subchapter will be supplemented by funds or other resources available from other sources, whether public or private;

(3) the application sets forth such fiscal control and accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds expended under this subchapter; and

(4) the application provides for making such reports, in such form and containing such information, as the Administrator may require to carry out the Administrator's functions under this subchapter, and for keeping such records and for affording such access thereto as the Administrator may find necessary to assure the correctness and verification of such reports.

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PUBLIC LAW 96-128—NOV. 28, 1979

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TITLE VI—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 601. (a)(1) Except as provided in paragraph (2) of this subsection, the amendments made by titles I and II and the pro-

visions of section 101(b) shall take effect as of October 1, 1979.

(2) With respect to the amendment made by clause [1](*11*) of section 101(a), that portion of the amendment amending subsection (k) of section 314 to increase certain monthly rates of compensation shall take effect as of September 1, 1980, and that portion of the amendment amending such subsection to increase certain maximum monthly amounts of compensation shall take effect as of October 1, 1979.

(b) The amendments made by titles III, IV, and V shall take effect on the date of the enactment of this Act.

Mr. SIMPSON. Mr. President, on June 18, 1979, the Senate passed S. 1039, the "Veterans' Administration Health Resources and Program Extension Act of 1979," which was designed to maintain and improve the purposes and effectiveness of health-care service provided for our Nation's veterans. Earlier in the year the House of Representatives had passed H.R. 3892 containing many provisions similar to the Senate-passed measure.

Immediately after passage by the Senate of S. 1039, its provisions replaced those of H.R. 3892 and returned to the House for further action. The differences between H.R. 3892 and S. 1039 have now been compromised and agreed to by the Committees on Veterans' Affairs. The House of Representatives has now favorably acted on the compromise as contained in the amended H.R. 3892 and has returned it for our approval. I join other members of the Senate Committee on Veterans' Affairs in urging members of the Senate to vote for the compromise before us at this time.

The explanatory statement placed in the RECORD and accompanying the amended H.R. 3892 fully discusses the agreed changes in the bill as previously passed by the Senate.

S. 1039 and H.R. 3892 as passed by the Senate on June 18 contained three cost-savings provisions. One was a limitation on reimbursement for travel expenses, another relating to dental benefits, and the third concerning furnishing certain over-the-counter drugs. Senate action was based on the need in every department, agency, and phase of Government to exercise restraint in considering this year's budget.

The Veterans' Administration had stated to our Veterans' Affairs Committee that the cost savings that would result from enactment of the limitation travel reimbursement would enable "VA resources to be more effectively utilized." The VA stated that the cost savings realized by eliminating the provision of dental treatment to certain veterans would allow the VA to "refocus our resources to provide more extended and faster outpatient dental care," and the cost savings realized by "limiting the provision of nonprescription drugs, medicines, and supplies would permit the VA to reallocate scarce VA resources to areas were the need is more acute."

The position adopted by the Senate on June 18 on the three cost-savings provisions has not been fully maintained in the compromise with the other body.

As the ranking minority member of the Senate Committee on Veterans' Affairs, I should report that during the time we were considering this bill, most of those on our side of the aisle supported the administration's effort to effect economies and advocated cost-savings proposals as advanced by the VA. It is with regret that this initial action toward reasonable and responsible savings as contained in the Senate-passed bill has been severely restrained in the compromise. However, some good has resulted; some tightening of controls will result and language included in the explanatory statement should be helpful. Certainly all of us desire the best possible health care system for our Nation's veterans. We also want efficiency, fairness, and economy in every agency and department of Government.

The bill now before us does not sufficiently limit the furnishing of outpatient dental services, dental treatment, and related dental appliances for a veteran with a service-connected, noncompensable dental condition to only those veterans who have served on active duty for a period of at least 180 days and who have made application for such treatment within 6 months after discharge and as to whom the Department of Defense has not certified that the veteran was provided during the 90 days immediately prior to such veteran's discharge, a complete dental examination and all of the appropriate dental service indicated by such examination. This provision to reduce the period to 6 months has been deleted in the compromise reached with the House committee.

The House committee did recognize that the Senate proposed 180-day minimum service requirement may have merit as a reasonable precondition to eligibility for the dental-care benefit, but that there should be a comprehensive review of the minimum service requirements for veterans' benefits generally, before imposing a minimum service requirement to one particular benefit.

Language in the explanatory statement accompanying this bill strongly urges the administration to include in the Defense Department budget for fiscal year 1981 and subsequent years for sufficient staff and funds to meet the dental needs of active-duty personnel to take care of Defense Department personnel's dental needs and not leave such responsibility to the Veterans' Administration.

The amended bill now before us does accept the Senate-passed requirement that before an individual veteran could receive dental care on a contract basis costing more than $500 in any 12-month period, the VA conduct an examination to determine if the furnishing of such services is reasonably necessary. The examination is to be made by a dentist under contract to the VA where no VA dentist is available.

As to the Senate-passed provision limiting the furnishing of nonprescription drugs, medicines, and medical supplies in connection with non-service-connected disability to those veterans with a service-connected disability, the House would not agree to a statutory prohibition.

Both committees note that under section 601 of title 38 there is discretion for the VA to determine whether it is "reasonable or necessary" to provide any such items and to assure that such items are provided in reasonable, minimum quantities. In other words, our committees believe that the VA presently has sufficient statutory authority to place administrative limitations to the VA to provide nonprescription items, such as aspirins, liniments, dressings, and cough sirups.

Current law provides that a person traveling to and from a VA health-care facility in connection with a nonservice disability is entitled to reimbursement for travel expenses providing the veteran declares in writing that he cannot defray such costs. A veteran traveling to a VA facility for a service-connected condition may be reimbursed regardless of being able to defray the costs.

The Senate-passed bill would limit beneficiary travel reimbursement, except by special vehicles such as ambulance or air ambulance, for veterans having no service-connected disabilities to those who are receiving or are eligible to receive a veteran's pension or meet the income standard to receive a veteran's pension. The reimbursement would be limited for any one trip to or from a VA facility to the excess over $4 until the veteran had absorbed $100 of reimbursed travel expense during the year.

The compromise agreement does not place such a limitation into the law. The bill before us repeals a provision in existing law that requires a person claiming travel reimbursement, except for travel with respect to the receipt of VA benefits for or in connection with a service-connected disability, to be determined on the basis of an annual declaration and certification, to be able to defray the cost of such travel. This bill now requires, instead, that the Administrator prescribe regulations to tighten controls over the administration of nonservice-connected beneficiary travel reimbursement.

There has been much recent attention and concern over possible health hazards of dioxin contamination. During the period of the Vietnam conflict, until 1970, the U.S. forces in Vietnam used the herbicide known as "Agent Orange." The U.S. Government withdrew "Agent Orange" from Vietnam in 1970 restricting its use in the United States to commercial forestry and clearing for right-of-way use. Since the introduction of "Agent Orange" numerous medical complaints have been heard from individuals exposed to dioxins. In 1978 alone, approximately 1,100 persons entered VA hospitals with possible dioxin related ailments. Further study is definitely needed.

S. 1039, now H.R. 3892, the Senate-passed bill, contained provisions for the Secretary of Health, Education, and Welfare, in consultation with other Federal departments and agencies, to conduct a scientific, epidemiological study of various populations, including individuals who served in the Armed Forces in Vietnam, to determine if there may be long-term health effects in humans from exposure to chemicals known as "the dioxins" including exposure to the herbicide known as "Agent Orange."

The compromise before us today provides for the study but not by HEW. The study is to be restricted to individuals who served in the Armed Forces of the United States during the Vietnam conflict. It is to be designed and conducted by the Administrator of Veterans' Affairs pursuant to a protocol approved by the Director of the Office of Technology Assessment, who will also monitor the VA's efforts under the study and reporting to the Congress.

The study provision also directs the President to coordinate this study with other Federal studies in the area of dioxin research.

We recognize the importance of the study provided for in this compromise bill. We know of other studies and reports previously made and being made. The need for coordination is apparent. We stress the importance of this matter and especially that the study provided for be scientifically valid, objective, and efficient.

This bill will extend the authorizations and appropriations for the VA's program of Federal-State matching fund grants to States for the construction, expansion, remodeling, or alteration of State veterans' homes. The Federal Government has participated in a program of assistance to State veterans' homes since 1888 when Congress passed legislation to provide aid to State or territorial homes for the support of our Nation's soldiers and sailors. That program has been extended from time to time.

Under the bill now before us, the extension authorizes the appropriation of such sums as may be necessary for fiscal years 1981 and 1982. The committees stress that an appropriation of not less than $15 million yearly will be required. There is a current backlog of over $33 million in approvable projects. It is the view of our committees that the State home program is a proven and cost-effective means of providing care, especially nursing home and domiciliary care to our elderly veterans and family members of veterans. We need to prepare for the rapidly growing number of elderly veterans.

The bill continues to provide for the Senate-passed 15-percent increase in per diem payments to State veterans' homes. Since the last increase, the Consumer Price Index inflation figure is 23.4 percent. Certainly the 15-percent increase provided is fair and reasonable.

It is unfortunate that so much time has expired since this bill was considered on the floor of the Senate. Certainly the Senate Committee on Veterans' Affairs for several months has been ready to complete negotiations with our counterparts of the House of Representatives. It is my opinion that the compromise bill now before us is clearly inferior to the bill the Senate passed on June 18, 1979. But in all matters of compromise there must be some give and take, and changing of position, and consequently our Senate committee now brings to you for your approval H.R. 3892 as amended.

Mr. THURMOND. Mr. President, I rise in support of H.R. 3892, as amended, the "Veterans Programs Extension and Improvement Act of 1979." The basic purpose of this bill is to maintain and improve the quality of care within the health care delivery system of the Veterans' Administration.

The Senate Committee on Veterans' Affairs held hearings on April 10, 1979, and considered many of the legislative proposals that are before us today. Such proposals include the authorization of appropriations for the program of grants for the construction of State veterans' homes and for the exchange of medical information with private institutions by the VA. Also, the rates of per diem payments to State veterans' homes has been increased, plus authority has been given to the Administrator of Veterans' Affairs to propose regulations which would eliminate abuses in several health care programs. Finally, this measure includes several miscellaneous provisions concerning the qualifications for psychologists, and citizenship requirement for VA podiatrists and optometrists.

Mr. President, the proposal that is before us today originated in the Senate as S. 1039, and passed this body on June 18, 1979. The House-passed measure, H.R. 3892, and S. 1039 were considered by both the House and Senate Veterans' Affairs Committees and the pending measure is the result of our joint efforts. I, however, would like to express my concern for one provision which was not adopted by the House but was mentioned in the joint explanatory statement accompanying the House bill, H.R. 3892. This provision would have authorized chiropractic treatment to veterans on an outpatient basis. This measure was introduced as S. 196 and subsequently incorporated in S. 1039. It had 11 cosponsors—6 of whom were members of the Senate Veterans' Affairs Committee—and it would have authorized a 4-year pilot program with annual reimbursements on behalf of the veteran limited to $200. Total expenditures in any fiscal year for chiropractic services could not have exceeded $4 million.

Mr. President, it is my opinion and that of many Members of the Senate that this measure was meritorious and well founded. Chiropractic services have been recognized under a variety of State and Federal programs. In addition to the medicare program, reimbursement for chiropractic services also is currently provided for under the Federal Employees Compensation Act.

The total current chiropractic population of the United States is estimated to be 21.5 million. How many of this number are veterans is not known. However, the likelihood is overwhelming that a substantial number of veterans who receive medical care at VA facilities are either active or potential chiropractic patients.

The lack of readily available chiropractic care within the VA health-care system stands in sharp contrast to that under the medicare program, which is administered by the Department of Health, Education, and Welfare. Under the medicare program, it is typical for eligible persons in need of chiropractic care to seek and obtain the services of a doctor of chiropractic. That person is then reimbursed for the cost of such services. Clearly, veterans under the VA health-care system should not be relegated to a second class patient status.

Mr. President, the administration opposed S. 196, the original chiropractic bill which I introduced, on two grounds. First, the VA said it would be professionally unacceptable for veterans to prescribe their own type of care. Second, they said that veterans in need of manual manipulation of their spines could have such procedures performed at VA facilities by physiatrists or rehabilitation medicine specialists.

With regard to the first objection, Mr. President, the bill, as was reported by the Senate, narrowly circumscribed the circumstances under which the provision of chiropractic services would be paid by the VA. Specifically, reimbursement or direct payment for such services would be authorized only, first, if such services were for the treatment of a service-connected neuromusculoskeletal condition of the spine, or second, the veteran is one who has been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within a 12-month period prior to the provision of chiropractic services, or third, the veteran has a 50 percent or greater service-connected disability and has been furnished hospital care or medical services by the VA for a neuromusculoskeletal condition of the spine. In other words, it is clear that the VA, not the veteran, would determine that the veteran was suffering from a neuromusculoskeletal condition for which the veteran could seek chiropractic care.

With regard to the claim that the VA medical care system has the capability of providing necessary manual manipulation of the spine, Mr. President, the VA simply could not support this claim. In fact, at the committee hearing on April 10, the VA was unable to substantiate the extent to which it employed physiatrists and rehabilitation medicine specialists. It was further brought out that approximately only 1,000 physiatrists are in the United States today. Mr. President, it is clear that the VA does not have the capability to care for the chiropractic needs of veterans. Furthermore, the VA was unable to produce records that a referral of a veteran patient had ever been made to a doctor of chiropractic when confronted with testimony that veterans had made such requests and had been denied.

Finally, Mr. President, I would urge the VA to be more responsive to those veterans who request chiropractic care. Although the House did not accept the Senate's position on this measure, I am pleased that they joined with the Senate in offering this explanatory statement which expresses our mutual concerns for veterans in need of chiropractic care. Should the VA remain intransigent in this matter, I am hopeful that the House will join the Senate with the appropriate corrective legislation.●

Mr. CRANSTON. Mr. President, I am, as always, very grateful to our able ranking minority Member, Senator SIMPSON, for his cooperation and his most valuable assistance throughout the long process of consideration of this measure.

Mr. President, I now move that the Senate concur in the House amendments to the Senate amendments to H.R. 3892.

The motion was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STUDY BY SECRETARY OF HEW ON EFFECTS OF DIOXINS

Mr. CRANSTON. Mr. President, on behalf of the ranking minority member of the Veterans' Affairs Committee, Senator SIMPSON, and myself, I submit a bill and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2096) to provide for a study by the Secretary of Health, Education, and Welfare of the long-term health effects in humans of exposure of dioxane.

The PRESIDING OFFICER. The bill will be considered as having been read twice by title, and there being no objection the Senate will proceed to consider the bill.

Mr. CRANSTON. Mr. President, this matter has been cleared on all sides with the two committees involved. It entails the provisions essentially the same as those passed twice before by the Senate—first in June of this year and then in August of this year, essentially the same as those prior Senate actions—as parts of the other bills, including the bill we have just acted on and passed.

This bill would require an epidemiological study of the effects in humans of exposure to dioxins, a matter of the greatest concern to thousands of Vietnam veterans and their families.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. JAVITS. Mr. President, reserving the right to object, and I will not object, is this the bill the Senator and I talked about?

Mr. CRANSTON. Yes, it is.

Mr. JAVITS. And it is a partial compromise on that part of the bill relating to Agent Orange which deals with veterans, is that correct?

Mr. CRANSTON. The Senator is correct. As I stated earlier during consideration of H.R. 3892, this bill is the second part of that compromise.

Mr. JAVITS. As I understand it, in the interest of veterans, this is the only thing that can be sweated out with the House, this particular compromise?

Mr. CRANSTON. That appears to be correct. We worked arduously with the House over a long period of time and this and section 307 of H.R. 3892 as just agreed to and the pending measure are the products.

Mr. JAVITS. It is my understanding that this may not be satisfactory to, perhaps, others who are interested in the same thing. But I have talked with the Senator about it and I am inclined to concur that the need for doing something prevails over the frustration of doing nothing for a time. Therefore, I shall go along with the Senator's proposition.

I would like to ask the Senator, also, whether it is intended now, through our Health Subcommittee, to take some action with respect to a study of this matter relating to civilians, other than veterans?

Mr. CRANSTON. That is what the pending bill would do.

Mr. JAVITS. That is the bill the Senator has now?

Mr. CRANSTON. The Senator is correct.

Mr. JAVITS. Well, as I say, there is dissatisfaction with the adequacy of this compromise. But I believe that it is better to do something than nothing. So I will interpose no objection.

When will the Senator deal with the veterans? Has that already been dealt with?

Mr. CRANSTON. We dealt with the veterans in the bill we just passed, in accordance with our conversation.

Mr. JAVITS. Now you are saying this is with nonveterans?

Mr. CRANSTON. Yes.

Mr. JAVITS. It was my understanding that the Senator was going to leave this particular bill at the desk for a time.

Mr. CRANSTON. No. The understanding was that we would pass this, because it is a very urgent matter, to proceed with the HEW study. I think the Senator has no concerns about the formula in this bill; it was the other bill that may have raised some concerns.

It is an urgent matter and I share the reservations that the Senator from New York has had. As I explained earlier, I think we have worked out the best possible compromise.

Mr. President, I believe that I have adequately explained this bill and its genesis in the course of my prior statement on the H.R. 3892 compromise, and my detailed floor statement of November 15 on H.R. 2282, so I do not propose to speak at length here. I want now only to stress that I believe that the comprehensive HEW study here called for could produce much important data with respect to the Agent Orange issue addressed more directly in section 307 of H.R. 3892 as just agreed to, and that the complementary provisions in both measures—subsection (c)—requiring Presidential efforts to assure full coordination and consultation should result in effective consultation and cooperation in these related efforts between HEW and the VA as well as with and among other appropriate agencies involved with this question.

Finally, Mr. President, I want to express my great appreciation to my colleague from New York (Mr. JAVITS) for his great help in reaching this beneficial result today and to the chairmen of the Committee on Labor and Human Resources (Mr. WILLIAMS) and the Subcommittee on Health and Scientific Research (Mr. KENNEDY) and the ranking minority member of both the full Committee and the Subcommittee (Mr. SCHWEIKER) for their tremendous spirit of cooperation in making it possible for us to move forward immediately at this time. Again, my fine colleague and friend from Wyoming (Mr. SIMPSON) has played a crucial role as the cosponsor of the amendment, and I thank him particularly for his help.

As I indicated earlier, Mr. President, I now look forward to working very closely with my colleagues in the House of Representatives to get this legislation enacted into law in the very near future so that the HEW study may begin as soon as possible.

Mr. JAVITS. I will interpose no objections.

Mr. CRANSTON. I thank the Senator from New York.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2096

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the Secretary of Health, Education, and Welfare shall provide for the design of a protocol for and the conduct of an epidemiological study of various populations, such as chemical workers, agricultural workers, Forest Service workers, and others, who were exposed to any of the class of chemicals known as "the dioxins" produced during the manufacture of the various phenoxy herbicides to determine if there may be long-term adverse health effects in such persons from such exposure. The Secretary shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to such dioxins or other dioxins.

(2)(A)(i) The study conducted pursuant to paragraph (1) shall be conducted in accordance with a protocol approved by the Director of the Office of Technology Assessment.

(ii) The Director shall monitor the conduct of such study in order to assure compliance with such protocol.

(B)(i) Concurrent with the approval or disapproval of any protocol under subparagraph (A)(i), the Director of the Office of Technology Assessment shall submit to the appropriate committees of the Congress a report explaining the basis for the Director's action in approving or disapproving such protocol and providing the Director's conclusions regarding the scientific validity and objectivity of such protocol.

(ii) In the event that the Director has not approved such protocol during the 180 days following the date of the enactment of this Act, the Director shall (I) submit to the appropriate committees of the Congress a report describing the reasons why the Director has not given such approval, and (II) submit an update report on such initial report each sixty days thereafter until such protocol is approved.

(C) The Director shall submit to the appropriate committees of the Congress, at each of the times specified in the second sentence of this subparagraph, a report on the Director's monitoring of the conduct of such study pursuant to subparagraph (A)(ii). A report under the preceding sentence shall be submitted before the end of the six-month period beginning on the date of the approval of such protocol by the Director, before the end of the twelve-month period beginning on such date, and annually thereafter until such study is completed or terminated.

(3) The study conducted pursuant to paragraph (1) shall be continued for as long after the submission of the report un-

der subsection (b)(2) as the Secretary may determine reasonable in light of the possibility of developing through such study significant new information on the long-term adverse health effects of exposure to dioxins.

(b)(1) Not later than 12 months after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report on the literature review and analysis conducted under subsection (a)(1).

(2) Not later than 24 months after the date of the approval of the protocol pursuant to subsection (a)(2)(A)(i) and annually thereafter, the Secretary shall submit to the appropriate committees of the Congress a report containing (A) a description of the results thus far obtained under this study conducted pursuant to such subsection, and (B) such comments and recommendations as the Secretary and the heads of other departments, agencies, and instrumentalities of the Federal Government described in subsection (c) consider appropriate in light of such results.

(c) For the purpose of assuring that any study carried out by the Federal Government with respect to the adverse health effects in humans of exposure to dioxins is scientifically valid and is conducted with efficiency and objectivity, the President shall assure that—

(1) the study conducted pursuant to subsection (a) is fully coordinated with studies which are planned, are being conducted, or have been completed by other departments, agencies, and instrumentalities of the Federal Government and which pertain to the adverse health effects in humans of exposure to dioxins; and

(2) all appropriate coordination and consultation is accomplished between and among the Secretary and the heads of such departments, agencies, and instrumentalities that may be engaged, during the conduct of the study carried out pursuant to subsection (a), in the design, conduct, monitoring, or evaluation of such dioxin-exposure studies.

(d) There are authorized to be appropriated such sums as may be necessary for the conduct of the study required by subsection (a).

Mr. CRANSTON. I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. I thank all Senators for their great cooperation, particularly Senator SIMPSON, Senator JAVITS, Senator PERCY, the acting Republican leader, Senator TOWER, and others.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed with the consideration of Calendar Order Nos. 450 and 455.

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

SALE OF CERTAIN EXCESS VESSELS

The bill (H.R. 5163) to authorize the sale to certain foreign nations of certain excess naval vessels, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PORT OF NEW YORK DISTRICT COMPACT

The PRESIDING OFFICER. The next bill will be stated by title.

The assistant legislative clerk read as follows:

Calendar No. 455, a 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 its financing and effectuation of industrial development projects.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

UP AMENDMENT NO. 866

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. BAUCUS) proposes an unprinted amendment numbered 866.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Page 43, after line 18, insert the following new section:

SEC. 4. Solely for purposes of funding for the fiscal year ending September 30, 1980, the Office of Rail Public Counsel shall be considered to be an office in the Interstate Commerce Commission; provided, however, that nothing in this section shall be construed to detract from the independent responsibility of the Office, pursuant to the provisions of section 10382(a) of title 49, United States Code, to represent the public interest in safe, efficient, reliable, and economical rail transportation.

Mr. BAUCUS. Mr. President, my amendment will insure that the Office of Rail Public Counsel continues to represent the public interest in proceedings before the Interstate Commerce Commission.

Congress enacted legislation in 1976 to create an agency to serve as an advocate for communities and rail users that would otherwise be unrepresented in rail proceedings affecting them. The Office of Rail Public Counsel was formally established in 1978 when its first Director was nominated by President Carter and confirmed by the Senate. The Office's recent projects involve directed service and route abandonment and reorganization proceedings concerning the Milwaukee Railroad, the Rock Island Railroad, and Amtrak.

Congress has recently reaffirmed its support of the Office of Rail Public Counsel. Indeed, the statute creating this agency has remained virtually untouched since its enactment, and the only substantive legislative actions affecting the agency have expanded its sphere of activities.

For instance, the recent Milwaukee Railroad Restructuring Act reaffirmed the Office's authority to participate in Bankruptcy Court proceedings, as well as Interstate Commerce Commission proceedings, and urged it "to take a more active role" in such court cases. Legislation authorizing $1.2 million for the Office of Rail Public Counsel for fiscal year 1980 was passed by the House and Senate and signed by President Carter during September of this year. In the meantime, a thorough review is in progress in the Oversight and Investigation Subcommittee of the House Committee on Interstate and Foreign Commerce. The subcommittee will report its recommendations on the Office of Rail Public Counsel's future in early 1980.

The Senate Committee on Appropriations provided $1.2 million to fund the agency in fiscal year 1980. Regrettably, the House refused to agree to this funding level, and unless my amendment is approved, the Office of Rail Public Counsel will be out of business in a matter of days.

The final transportation appropriations legislation provided an additional $600,000 to the Interstate Commerce Commission to perform Office of Rail Public Counsel functions during fiscal year 1980. The Commission, however, is an inappropriate unit to perform these functions, for both legal and practical reasons.

It would be required to perform as trial counsel and judge in the same cases, and is clearly unprepared to assist communities and rail users to develop persuasive arguments and evidence.

My amendment does not involve appropriations of new moneys. Rather, the Office will be established as a constituent organization of the Interstate Commerce Commission, so that the Office may use moneys that have already been appropriated to continue its independent efforts to represent the public interest in safe, efficient, reliable, and economical rail transportation.

Mr. President, the Office of Rail Public Counsel has done a superb job helping Montanans and other affected parties develop evidence and testimony for presentation in the Milwaukee Railroad reorganization proceedings.

The Office can continue to provide these valuable services in Amtrak proceedings and in reorganizations and abandonments involving other railroads.

Grain farmers throughout the United States continue to have severe rail transportation problems including inadequate car supply, abandonment of light-density branch lines, and excessive freight rates in some areas. The Office of Rail Public Counsel can and should represent grain producers and shippers in Interstate Commerce Commission proceedings.

Mr. President, we have spent a good part of this legislative session discussing our Nation's energy problems. The Nation's rail system is important to the energy problem as it provides the means of transporting coal and is the most efficient means of transporting bulk commodities over long distances.

In view of the serious problems faced by the rail industry, and the public interest and need for rail services, I believe that we would make a serious mistake if we let the Office of Rail Public Counsel be eliminated.

I urge the support of my colleagues for this important amendment to insure that the public interest in safe, efficient, reliable, and economical rail transportation is adequately represented.

Mr. TOWER. Will the Senator yield for a question?

Mr. BAUCUS. I yield.

Mr. TOWER. Is this the amendment being proposed by the Senator from Montana that has been cleared on this side?

Mr. BAUCUS. The Senator is correct.

Mr. JAVITS. Mr. President, I do not know of any clearance I have given to this amendment. Will the Senator let me go on?

Mr. President, we have been trying to get the consent of Congress to this compact, which is very important to us in respect of the Port of New York, for a long time. We are faced with a difficult situation, at the very end of the consideration of this matter.

I might say, too, that the consent of Congress to these compacts, if they are going to strangle these compacts and protract them endlessly, is going to speedily get very used up in terms of the States.

This is a very unfortunate example. In any case, Mr. President, at long last it is here. Now we have an amendment to it. This amendment the Senator says is of no interest to the port authority of New York. I really have no way of testing that at this moment, but I will take his word for it. It is certainly not worth cancelling out this bill.

We are advised if this goes over to the House with this amendment the bill is finished, forget it, and all this work has gone in vain.

We are also informed—and that is why I want to ask the Senator openly publicly and on the record—that the Senator from Montana, who is a friend of mine and whom I respect enormously, has no desire to kill our bill in terms of a compact between these two States, but that he feels strongly about his amendment, and that he feels that he can induce the House to take it.

If he can induce them to take it within a very modest period of time, say in this session, I would have no objection. But, Mr. President, if he cannot, I would not wish the matter to be then hung up, the bill not acted upon when it may come back here—I hope it does not, for his sake—without this amendment. I would not wish this bill to be hung up because he has an amendment which I allowed to go in and which kills our bill, after waiting so long and considering its meaningfulness to this very large tax-producing port, the Port of New York.

I would like to ask the Senator that very frankly. I am perfectly willing to rely on his good faith. I have every willingness to see him try to persuade the Judiciary Committee in the other body, and the other body, to take this bill with the amendment. It does not matter to me whether it is written into it or not, so long as it does not kill our bill or, again, delay it.

I would like to ask him, very frankly, his attitude and what he is willing to tell us as to what he is willing to do.

Mr. BAUCUS. Mr. President, I think it is important to set the matter clearly on the record. It is my intention that we proceed as well as we can, that is, first of all with the underlying bill. I agree with the Senator from New York that it is extremely important to his State and his part of the country.

I have no intention whatever of impeding the quick passage by the Congress of the underlying bill, the main vehicle here in question. However, I do also feel strongly that the Congress should adopt the amendment I propose because I think it, too, represents sound public policy, certainly as it affects transportation and the availability of the people to have counsel and representation before the Interstate Commerce Commission.

It would be my intention, if the Senator from New York graciously will not oppose this amendment on the present bill, that if in this conference with the other body——

Mr. JAVITS. In this session.

Mr. BAUCUS. In this session, before we adjourn some date this month.

If the other body does not agree to this amendment, then, yes, I would be more willing to let this amendment drop out so that the bill in question would pass unimpeded and without any difficulty whatsoever.

It would be my intention, however, to try to persuade the other body to agree to this amendment to this bill. That would be the best course for the Senator from New York and for the Senator from Montana.

But in the event the other body is not persuaded in this session within a matter of approximately 1 week, then I would firmly, frankly, and forthrightly state to the Senator that I would have no difficulty in agreeing to drop the amendment. I would find some other vehicle to get this amendment accepted.

Mr. JAVITS. I thank my colleague. On that basis, Mr. President, I have no objection.

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

The amendment (UP No. 866) was agreed to.

● Mr. MOYNIHAN. Mr. President, I rise to support the passage of H.R. 4943, which would grant the consent of Congress to the compact entered into by the States of New York and New Jersey for the establishment of industrial development projects and resource recovery facilities by the Port Authority of New York and New Jersey. This compact embellishes and enlarges the compact of 1921 between the two States, which created the Port of New York District and established the Port Authority of New York and New Jersey.

The industrial development sought from this new compact will benefit both States. Studies by New York and New Jersey indicate it will help reverse a three decade trend of declining employment, will assist in reducing the rate of unemployment among inner-city residents, and will provide incentives to keep and attract industry within the bi-State Port of New York District.

Mr. President, I know of no opposition to this compact. The industrial development envisioned in the compact is similar to that undertaken by other port agencies in the Nation. The legislatures and Governors of the respective States approved this compact in 1978. The House of Representatives passed H.R. 4943 on October 23 by a vote of 412 to 0, and the Senate Judiciary Committee has also recommended that it pass. I urge my colleagues to add their support to this important agreement.●

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 4943), as amended, was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, if the distinguished acting Republican leader has no objection, I ask unanimous consent that the Senate proceed en bloc to the consideration of Calendar Orders Nos. 464 through 471.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

CHIEF OF THE CAPITOL POLICE

The bill (H.R. 5651) to establish by law the position of Chief of the Capitol Police, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–436), explaining the purposes of the measure.

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

PURPOSE

This bill would establish the Office of the Chief of Capitol Police as a congressional office and provide for a gradual phasing out of 29 police officers of the Metropolitan Police Department of the District of Columbia presently detailed to the Capitol police force. This bill provides a fair and equitable means for the phase-out of the Metropolitan Police detail. The Capitol Police Board unanimously supports H.R. 5651 and has recommended that Chief James M. Powell continue in his present capacity as Chief of the Capitol Police. Chief Powell has served the Metropolitan

Police for 39 years and has been on detail to the Capitol Police since 1958.

The committee wishes to stress the fact that this bill is to apply only to those members of the Metropolitan Police who were detailed to the Capitol Police prior to the date of the enactment of this act. The committee is aware of the fact that the authority for detailing Metropolitan Police to the Capitol Police is contained each year in the Legislative Branch Appropriation Act. While the committee understands that the members of the Metropolitan Police are technically detailed each year to the Capitol Police, it also understands that the last new member to be so detailed was pursuant to a detail on November 10, 1975. No such detail can be made under law unless specifically requested by the Capitol Police Board. The Capitol Police Board has officially taken the position that as any such member so detailed to the Capitol Police retires or otherwise leaves the Capitol Police force, no replacement shall be requested from the Metropolitan Police force. The Chief of the Capitol Police has stated in testifying before the Committee on Legislative Branch Appropriations of the House of Representatives that as the Metropolitan members detailed to the Capitol Police have retired or left the Capitol Police, they have not been replaced since 1975 and that this is a continuing policy of the Capitol Police Board.

Accordingly, it is the understanding of the Committee that the policy of the Capitol Police Board not to request replacements will be continued until no further detailed members are authorized by law.

STATUE OF MOTHER JOSEPH

The concurrent resolution (S. Con. Res. 48) providing for the acceptance of a statue of Mother Joseph of the Sisters of Providence presented by the State of Wisconsin for the National Statuary Hall collection, and for other purposes, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of Mother Joseph of the Sisters of Providence, presented by the State of Washington for the National Statuary Hall collection in accordance with the provisions of section 1814 of the Revised Statutes (40 U.S.C. 187), is accepted in the name of the United States, and the thanks of the Congress are tendered to the State of Washington for the contribution of the statue of one of its most eminent personages, illustrious for her distinguished humanitarian services.

SEC. 2. The State of Washington is authorized to place temporarily in the rotunda of the Capitol the statue of Mother Joseph of the Sisters of Providence referred to in the first section of this concurrent resolution, and to hold ceremonies on May 1, 1980, in the rotunda on that occasion. The Architect of the Capitol is authorized to make the necessary arrangements therefor.

SEC. 3. (a) The proceedings in the rotunda of the Capitol at the presentation by the State of Washington of the statute of Mother Joseph of the Sisters of Providence for the National Statuary Hall collection, together with appropriate illustrations and other pertinent matter, shall be printed as Senate document. The copy for such document shall be prepared under the direction of the Joint Committee on Printing.

(b) There shall be printed five thousand additional copies of such document which shall be bound in such style as the Joint Committee on Printing shall direct, of which one hundred and three copies shall be for the use of the Senate and eighteen hundred and ninety-seven copies shall be for the use of the Members of the Senate from the State of Washington, and four hundred and forty-three copies shall be for the use of the House of Representatives, and two thousand five hundred and fifty-seven copies shall be for the use of the Members of the House of Representatives from the State of Washington.

SEC. 4. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Governor of Washington.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–437), explaining the purposes of the measure.

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

PURPOSE

The first section of the concurrent resolution would provide that the statue of Mother Joseph of the Sisters of Providence, presented by the State of Washington for the National Statuary Hall collection, be accepted in the name of the United States, and that the appreciation of the Congress be expressed to the State for the contribution of a statue of one of its most eminent personages, illustrious for her distinguished humanitarian services.

Section 2 would authorize the State of Washington to place temporarily in the rotunda of the Capitol the statue of Mother Joseph referred to above and to hold ceremonies on May 1, 1980, in the rotunda on said occasion. The Architect of the Capitol would be authorized to make the necessary arrangements therefor.

Section 3 would provide that the proceedings held in the rotunda of the Capitol be printed, together with appropriate illustrations and other pertinent matter, as a Senate document. The copy for such document would be prepared under the direction of the Joint Committee on Printing. There would be printed 5,000 additional copies of such document, which would be bonnd in such style as the joint committee shall direct, of which 103 copies would be for the use of the Senate, 1,897 copies would be for the use of the Members of the Senate from the State of Washington, 443 copies would be for the use of the House of Representatives, and 2,557 copies would be for the use of the Members of the House of Representatives from the State of Washington.

Section 4 would provide for the Secretary of the Senate to transmit a copy of the concurrent resolution to the Governor of Washington.

PRINTING OF "7TH EDITION OF THE IMMIGRATION AND NATIONALITY ACT WITH AMENDMENTS AND NOTES ON RELATED LAWS"

The concurrent resolution (H. Con. Res. 184) providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws," was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–438), explaining the purposes of the measure.

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

PURPOSE

House Concurrent Resolution 184 would authorize the printing of 12,000 additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws," of which 9,000 copies would be for the use of the House Committee on the Judiciary and 3,000 copies would be for the use of the Senate Committee on the Judiciary.

PRINTING OF "THE COST OF CLEAN AIR AND WATER"

The resolution (S. Res. 266) authorizing the printing of the report entitled "The Cost of Clean Air and Water" as a Senate document, was considered and agreed to, as follows:

Resolved, That the annual report of the Administrator of the Environmental Protection Agency to the Congress of the United States in compliance with section 312(c) of the Clean Air Act, as amended, and section 516(b) of the Federal Water Pollution Control Act Amendments of 1972 entitled, "The Cost of Clean Air and Water" be printed, with illustrations, as a Senate document.

SEC. 2. There shall be printed five hundred additional copies of such document for the use of the Committee on Environment and Public Works.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–439), explaining the purposes of the measure.

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

PURPOSE

Senate Resolution 266 would provide (1) that the annual report of the Administrator of the Environmental Protection Agency to the Congress of the United States (in compliance with section 312(c) of the Clean Air Act, as amended, and section 516(b) of the Federal Water Pollution Control Act Amendments of 1972) entitled "The Cost of Clean Air and Water", be printed with illustrations as a Senate document; and (2) that there be printed 500 additional copies of such document for the use of the Committee on Environment and Public Works.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The resolution (S. Res. 285) authorizing additional expenditures by the Committee on Foreign Relations for routine purposes, was considered and agreed to, as follows:

Resolved, That the Committee on Foreign Relations is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $30,000 in addition to the amount, and for the same purposes, specified in paragraph 1 of rule XXVI of the Standing Rules of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–440), explaining the purposes of the measure.

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

PURPOSE

Paragraph 1 of rule XXVI of the Standing Rules of the Senate (as adopted by S. Res. 274, 96th Congress, agreed to Nov. 14, 1979) authorized each standing committee of the Senate to expend not to exceed $10,000 per Congress for routine purposes.

Senate Resolution 285 would authorize the Committee on Foreign Relations to expend from the contingent fund of the Senate, during the 96th Congress, $30,000 in addition to the amount, and for the same purposes, specified in said paragraph 1 of rule XXVI.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The resolution (S. Res. 286) authorizing supplemental expenditures by the Committee on Foreign Relations for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That section 2 of S. Res. 75, Ninety-sixth Congress, agreed to March 7, 1979, is amended by striking out "$1,301,000" and inserting in lieu thereof "$1,464,000".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-441), explaining the purposes of the measure.

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

PURPOSE

Senate Resolution 286 would amend the annual expenditure-authorization of the Committee on Foreign Relations (S. Res. 75, 96th Congress agreed to Mar. 7, 1979) by increasing by $163,000—from $1,301,000 to $1,464,000—funds available to the committee for inquiries and investigations through February 29, 1980.

An explanation for the request is expressed in the following excerpt from the Committee on Foreign Relations report to accompany Senate Resolution 286 (S. Rept. 96-425):

The Committee on Foreign Relations finds at this time that the SALT legislation and international events concerning the Middle East, Taiwan and China have increased the activities in this committee dramatically. SALT and SALT-related expenses alone have been close to $180,000 due to the high reporting expenses, the use of consultants and contracts, and the addition on a temporary basis of new members of the staff. The situation with regard to Taiwan and China has been the same on a lesser scale. There has been high expense with regard to the Taiwan legislation as well as committee activity with respect to treaty termination. The Middle East Peace Package placed additional unexpected demands on the committee's resources.

The funds requested by this resolution could not have been included in the committee's annual authorization resolution (S. Res. 75, agreed to March 7, 1979) because at that time it was not known and could not have been foreseen that the Taiwan Enabling Legislation and the Middle East Peace Package would be brought before the committee and that the SALT debates would require an extraordinary amount of time.

AUTHORIZING THE ARCHITECT OF THE CAPITOL TO CONTRACT FOR PERSONAL SERVICES

The bill (S. 2069) to authorize the Architect of the Capitol to contract for personal services with individuals, firms, partnerships, corporations, associations, and other legal entities, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Architect of the Capitol is authorized to contract for personal services with any firm, partnership, corporation, association, or other legal entity in the same manner as he is authorized to contract for personal services with individuals under the provisions of section 3709 of the Revised Statutes of the United States (41 U.S.C. 5).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-442), explaining the purposes of the measure.

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

PURPOSE

Architectural and engineering services, as well as other services of a technical or professional nature, required in connection with major construction and other projects carried out by the Achitect of the Capitol are now procured on the basis of personal service contracts with individual professionals, and have been so procured since amendment of R.S. 3709, by section 9 of Public Law 600 of August 2, 1946, 79th Congress, 2d session, 60 Stat. 809, 41 U.S.C. 5.

In the last two decades, the form of practice of professionals throughout the Nation, has undergone substantial change. There has been an ever-widening trend to practice in the form of associations and professional corporations. The Congress has recognized this trend by authorizing executive branch agencies engaged in construction projects for the Government to contract with architectural and engineering firms, associations and corporations for such services, rather than solely with individuals.

The Architect of the Capitol has thus far not been afforded this opportunity. He is still required to contract with individual professionals for services for the projects which he is charged to carry out on behalf of the Congress and the Supreme Court. A congressional project could thus be deprived of the services of professionals best qualified to render such services, since some professionals consider it to be to their interest to practice and contract exclusively within the framework of their professional firm or corporation. For those who are willing to adjust their ordinary form of doing business to the present legislative branch requirement, detriments often arise in the form of tax and internal problems that seem unwarranted in view of the lack of necessity for such arrangements when these same firms contract with other Government agencies for similar work.

In addition, difficulties requiring contract modifications frequently arise in personal service contracts with individuals for major projects which generally extend over a number of years, because of demise, incapacity or other changed circumstances on the part of one of the signatories of such contract.

Enactment of the proposed legislation would simplify contract administration by the Architect of the Capitol and authorize him to contract with the best qualified professionals whether they practice as individuals or as members of a professional firm or corporation.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the measures were adopted en bloc.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OFFICIAL EXPENSES PAYABLE OR REIMBURSABLE FROM A SENATOR'S OFFICIAL EXPENSE ACCOUNT

The resolution (S. Res. 294) relating to official expenses payable or reimbursable from a Senator's official expense account, was next considered.

● Mr. PELL. Mr. President, the measure before the Senate, Senate Resolution 294, deserves the support of every Member of this body. The Committee on Rules and Administration reported this resolution without objection.

For far too long we have struggled without a clear and positive definition of what is a proper reimbursable official expense. For too long we have left unresolved the question whether each Senator may define for himself what is an official expense for purposes of the 10-percent official expense fund and the home office expense allowance.

Today, with Senate Resolution 294 we have the opportunity to put these unanswered questions to rest. With agreement to this resolution we will for the first time define "official expense" for purposes of these expenditures. We will confirm the fact that the statutory provisions of the 10-percent fund allow each Senator to determine the necessity of official expenses he decides to incur. But we will also confirm the fact that each Senator may not make the final determination that a given expenditure is an "official expense" reimbursable from public funds. The final determination on what is such an "official expense" is to be made by the Rules Committee.

For purposes of paragraphs (5) and (9) of title 2 section 58(a) of the United States Code, Senate Resolution 294 defines "official expense" in the familiar terms of the standards customarily associated with the Internal Revenue Service's definition of deductible ordinary and reasonable business expenses. To be an official expense, the expenditure must be for an "ordinary and necessary business expense incurred by a Senator and his staff in the discharge of their official duties." This is the basic and essential test.

But, the resolution also provides additional and more specific guidance. While each Senator's discretion to determine the "necessity" of official expenses made from his 10-percent office expense fund is virtually unquestionable, it is not absolute. Sections 2 and 3 of the resolution establish or reconfirm certain expenditures which cannot be deemed "official expenses" for purposes of payments with any public funds.

Each of us can live with the definitions and prescriptions of Senate Resolution 294. We will all benefit from the certainty it provides in guiding us in our use of public funds. I urge its adoption.●

Mr. CRANSTON. Mr. President, in 1977 when Senator BENTSEN and I began our effort to give managerial responsibility over office accounts to Senators themselves, our purpose was to do away with the antiquated practice of limiting official expenditures to an arbitrary list, based on outdated practices. We had found that certain of our office expenses, while clearly official in nature, would not be reimbursed by the Senate because they were not on the Rules Committee list of approved expenses. The so-called 10-percent discretionary account which resulted from our efforts and which was adopted as part of the fiscal year 1978 legislative appropriations bill afforded

us at last the opportunity to be reimbursed for such official expenditures—thus eliminating the need for unofficial office accounts for official expenses.

Shortly after the 10-percent account became operational, the need for guidelines for Senators in making decisions on expenditures from the account was raised by several Senators and the Rules Committee. A number of us involved in the 10-percent account effort met with the then chairman of the Rules Committee, Senator CANNON, and the then chairman of the Legislative Appropriations Subcommittee, Senator HUDDLESTON, to discuss how best to approach this situation.

Obviously in proposing the discretionary fund, I had no intention of opening the door for Senators or their staffs to use Federal funds for items or services where there is the least question that such expenditures are clearly for official purposes. I felt 2 years ago that the Rules Committee should publish a clear set of guidelines for Senators describing questionable expenditures. At that time I urged the Rules Committee to draw up a list of prohibited expenditures to serve as guidelines.

I am, therefore, pleased to see that the Rules Committee in Senate Resolution 294 has chosen this approach. I believe that Senate Resolution 294 is a fair and reasonable answer to the problem of guidelines. Moreover, I am glad to note that the committee has extended these guidelines to the home State expenses category.

I hope this action will once and for all lay to rest any suggestion that the 10-percent discretionary fund was intended to relax the bonds of fiscal discipline on official senatorial expenditures. We included in our legislation a section requiring complete disclosure by Senators of expenditures from the discretionary fund exactly because we wanted to discourage any uses to which questions might be raised.

With the Senate Resolution 294 prohibitions clearly spelled out, Senators will be able to exercise their own judgment on items or services purchased with discretionary funds secure in the knowledge that no arbitrary and hitherto unknown rules will be unveiled suddenly to thwart a legitimate official expenditure as so often happened back before the discretionary fund was adopted.

● Mr. HATFIELD. Mr. President, I rise in strong support of Senate Resolution 294. It is a moderate but necessary step, which will assist Senators by eliminating uncertainty in identifying appropriate expenditures from official office expense accounts; eliminate current problems in the administration of these accounts; and yet leave individual Members with wide flexibility and discretion in the use of these funds.

In 1977, the Senate, reacting to the excessively narrow categories of items which could be reimbursed from official office expense accounts, sought to introduce some flexibility into the system. Members wanted to be able to experiment with new office techniques and programs, and to fund these innovations through the logical mechanism—office expense accounts. Prior to this date, the accounts could only be used for items such as postage, long distance telephone charges outside of Washington, magazine and newspaper subscriptions, home State office expenses, and so forth. A new category of expenses, "Such other official expenses as the Senator determines are necessary," was established through an amendment introduced by Senator CRANSTON. This category was limited to 10 percent of the total fund available to a Senator.

The notion that Senators had unlimited discretion over this portion of their accounts was incorrect from the start. For example, the language of the new section stated that meals and entertainment could not be funded from it. In addition, the Committee on Rules and Administration has recognized and informed all Members that the account could not be used to overcome specific prohibitions or limitations in other laws. For example, the Senate provides money on an annual basis for a Senator's personal staff. That account is the sole source of funds for hiring staff, and a Senator may not supplement his clerk hire with his 10-percent money, regardless of whether "a Senator determines this to be necessary."

Similarly, the fund cannot be used to pay for travel expenses of a Member during the 60 days immediately prior to the date of a primary or general election, as there is a specific prohibition elsewhere in the law against the use of official funds for this purpose. To permit such use of the 10-percent funds would be to allow a Senator to do indirectly what the law bars him from doing directly—an interpretation impossible to justify.

Because Senators have thus never had unlimited discretion over the use of this fund, even in the face of the actual language used in the statute, the Rules Committee has faced a plethora of difficult questions about the appropriate uses of this account. This problem has been exacerbated by the passage of Senate Resolution 170, which requires that all vouchers for expenses over $25 be documented. Prior to the effective date of this resolution, the Rules Committee never knew the identity of expenses charged to the other general category in the account, "Home State office expenses." These expenses were merely charged to this particular category, and paid, as long as they were properly certified by the Senator, and did not exceed the limit of funds available. Now, however, the Rules Committee, because of the documentation requirement, is informed of the identity of these expenses, and the same problems have arisen with this category of expenses as we have seen with the 10 percent.

It is clear that Senators and their staffs do not know exactly what these two categories can be used for. This ambiguity could lead to a situation where a good faith expenditure is made for an item which is, unknowingly, and unfortunately reimbursable. It would be much preferable to have all Members know prior to a purchase or other commitment whether a particular expense can be reimbursed. In an attempt to clarify the existing uncertainty, the Rules Committee has reported Senate Resolution 294, which would, for the first time, define official expenses.

Particular items which could not be reimbursed under this account are clearly set forth in sections 2 and 3 of the resolution. Senators are left with their discretions, just as was intended by the Cranston amendment, but the problems for individual Senators, as well as with the administration of taxpayers' money, are eliminated.

I am convinced this proposal deserves the support of my colleagues, Mr. President, and I urge its passage.●

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

The resolution (S. Res. 294) was agreed to, as follows:

S. Res. 294

Resolved, That this resolution applies to payments and reimbursements from the contingent fund of the Senate under paragraphs (5) and (9) of section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C 58(a)). For purposes of such paragraphs and this resolution, the terms "official office expenses" and "other official expenses" mean ordinary and necessary business expenses incurred by a Senator and his staff in the discharge of their official duties.

SEC. 2. The following expenses are not considered official office expenses or other official expenses and payment thereof or reimbursement therefor may not be made:

(1) commuting expenses, including parking fees incurred in commuting;

(2) expenses incurred for the purchase of holiday greeting cards, flowers, trophies, awards, and certificates;

(3) donations or gifts of any type;

(4) dues or assessments;

(5) expenses incurred for the purchase of radio or television time, or for space in newspaper or other print media (except classified advertising for personnel to be employed in a Senator's office);

(6) expenses incurred by an individual who is not an employee (except as specifically authorized by subsections (e) and (h) of such section 506);

(7) travel expenses incurred by an employee which are not reimbursable under subsection (e) of such section 506;

(8) relocation expenses incurred by an employee in connection with the commencement or termination of employment or a change of duty station; and

(9) compensation paid to an individual for personal services performed in a normal employer-employee relationship.

SEC. 3. Payment of or reimbursement for the following expenses is specifically prohibited by law and may not be made whether or not such expenses constitute official office expenses or other official expenses:

(1) expenses incurred for entertainment or meals (2 U.S.C. 58(a));

(2) payment of additional salary or compensation to an employee (2 U.S.C. 68); and

(3) expenses incurred for maintenance or care of private vehicles (Legislative Branch Appropriation Acts).

SEC. 4. This resolution shall apply with respect to expenses incurred on or after the date on which this resolution is agreed to.

Mr. TOWER. I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION TO DESIGNATE SENATOR LEVIN ACTING PRESIDENT PRO TEMPORE FOR A CERTAIN PURPOSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Michigan (Mr. LEVIN) be designated Acting President pro tempore for the purpose of signing the enrollment on S. 1655.

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

ORDER FOR RECESS TODAY UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:45 a.m. tomorrow morning.

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

ORDER FOR RECOGNITION TOMORROW OF SENATORS JEPSEN, MORGAN, AND LEVIN

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow morning, after the two leaders or their designees have been recognized under the standing order, Messrs. JEPSEN, MORGAN, and LEVIN be recognized each for not to exceed 15 minutes.

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

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, morning business is closed.

CRUDE OIL WINDFALL PROFIT TAX OF 1979

The Senate continued with consideration of the bill.

AMENDMENT NO. 711

(Purpose: To provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to call up an amendment by Mr. HART to the pending measure.

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

Mr. ROBERT C. BYRD. I send to the desk an amendment by Mr. HART and ask unanimous consent that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for Mr. HART, Mr. PERCY, Mr. TSONGAS, Mr. DURKIN, Mr. BAUCUS, Mr. DOMENICI, Mr. HEINZ, Mr. BRADLEY, Mr. LEAHY, Mr. CRANSTON, Mr. LEVIN, Mr. METZENBAUM, Mr. HATFIELD, Mr. SARBANES, Mr. STEWART, and Mr. DECONCINI, proposes an amendment numbered 711.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

On page 152, between lines 11 and 12, insert the following new section:

SEC. 272. CREDIT FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable), as amended by section 301, is amended by inserting immediately before section 45 the following new section:

"SEC. 44G. CREDIT FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION.

"(a) ALLOWANCE OF CREDIT.—In the case of a builder of a new residential unit which incorporates a passive solar energy system, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount determined under the solar construction credit table which shall be prescribed by the Secretary, based on the ratio of the solar collection area to the house heating load.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT PER UNIT.—The amount of the credit allowed by subsection (a) shall not exceed $2,000 for a residential unit.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) BUILDER.—The term 'builder' means a person who is in the trade or business of building residential units and has a proprietary interest in the residential unit built.

"(2) NEW RESIDENTIAL UNIT.—The term 'new residential unit' means any unit—

"(A) which is located in the United States,

"(B) which is designed for use as a residence,

"(C) which is a unit of a building having less than five residential units,

"(D) the construction of which is completed after April 5, 1979, and before January 1, 1986, and

"(E) which is ready for occupancy before such date.

"(3) PASSIVE SOLAR ENERGY SYSTEM.—The term 'passive solar energy system' means a system—

"(A) which contains—

"(i) a solar collection area,

"(ii) an absorber,

"(iii) a storage mass,

"(iv) a heat distribution method, and

"(v) heat regulation devices, and

"(B) which is installed in a new residential unit after April 5, 1979, and before January 1, 1986.

"(4) SOLAR COLLECTION AREA.—The term 'solar collection area' means an expanse of transparent or translucent material that—

"(A) is located on that side of the structure which faces (within 30 degrees) south, and

"(B) the position of which may be changed from vertical to horizontal in such a manner that the rays of the Sun directly strike an absorber.

"(5) ABSORBER.—The term 'absorber' means a hard surface that—

"(A) is exposed to the rays of the Sun admitted through a solar collection area,

"(B) converts solar radiation into heat, and

"(C) transfers heat to a storage mass.

"(6) STORAGE MASS.—The term 'storage mass' means a dense, heavy material that—

"(A) receives and holds heat from an absorber and later releases the heat to the interior of the structure,

"(B) is of sufficient volume, depth, and thermal energy capacity to store and deliver adequate amounts of solar heat for the structure in which it is incorporated,

"(C) is located so that it is capable of distributing the stored heat directly to the habitable areas of the structure through a heat distribution method, and

"(D) has an area of direct irradiated material (that is, floors, walls, etc.) equal to or greater than the solar collection area.

"(7) HEAT DISTRIBUTION METHOD.—The term 'heat distribution method' means—

"(A) the release of radiant heat from a storage mass within the habitable areas of the structure, or

"(B) convective heating from a storage mass, through airflow paths provided by openings or by ducts (with or without the assistance of a fan or pump having a horsepower rating of less than 1 horsepower) in the storage mass, to habitable areas of a structure.

"(8) HEAT REGULATION DEVICE.—The term 'heat regulation device' means—

"(A) shading or venting mechanisms to control the amount of solar heat admitted through solar collection areas; and

"(B) nighttime insulation or its equivalent to control the amount of heat permitted to escape from the interior of a structure.

"(9) HOUSE HEATING LOAD.—The term 'house heating load' is the product of the number of square feet in the habitable floor area of the house multiplied by the insulation factor obtained from the insulation factor table under subsection (d)(1)(B).

"(10) JOINT PROPRIETARY INTEREST IN RESIDENTIAL UNIT.—If 2 or more builders have a proprietary interest in a residential unit, the credit allowable under subsection (a) shall be apportioned to each builder on the basis of his ownership interest in the residential unit.

"(d) SOLAR CONSTRUCTION CREDIT TABLE.—

"(1) PRESCRIPTION OF TABLE.—After consultation with the Secretary of Energy and the Secretary of Housing and Urban Development, the Secretary by regulations shall—

"(A) prescribe a solar construction credit table, to which reference is made in subsection (a), which meets the requirements set forth in paragraph (2), and

"(B) prescribe a table of insulation factors, based on the amounts of insulation in floors, walls, and ceilings and the number of panes of glass in the windows of a structure, for 8 categories of residential units ranging from one having no added insulation to one having the maximum feasible amount of insulation.

"(2) REQUIREMENTS FOR SOLAR CONSTRUCTION TABLE.—

"(A) IN GENERAL.—In order to meet the requirements of this paragraph, the table prescribed by the Secretary—

"(i) shall provide a credit at the rate of $60 for each 1 million Btu's of annual energy savings per residential unit, and

"(ii) shall set forth different amounts of credit for different ratios of solar collection area to house heating load and for residential units located in different areas of the United States.

"(3) ANNUAL ENERGY SAVINGS PER RESIDENTIAL UNIT.—For purposes of subparagraph (A), the annual energy saving for a residential unit shall be the amount by which the number of Btu's of nonsolar energy required to provide heat to a reference house for a calendar year exceeds the number of

Btu's of nonsolar energy required to heat a similar house, in the same or a similar location, which uses an incorporated passive solar energy system for a calendar year.

"(C) REFERENCE HOUSE.—For purposes of subparagraph (B), the term 'reference house' means a residential unit with 1,500 square feet of habitable floor space and a heating load of 7.5 Btu's per square foot per degree day.

"(D) HEATING LOAD.—For purposes of subparagraph (C), the term 'heating load' means the product of the number of square feet of habitable floor space of a residential unit multiplied by the appropriate insulation factor, set forth in the table prescribed by the Secretary under paragraph (1)(B), for that unit.

"(c) TERMINATION.—The credit allowable by subsection (a) shall not be allowed with respect to a residential unit the construction of which is completed after December 31, 1985.".

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by section 331, is amended by inserting immediately after the item relating to section 44F the following new item:

"Sec. 44G. Credit for passive solar residential construction.".

(2) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as amended by section 331, is amended by striking out "and 44F" and inserting "44F, and 44G".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after April 5, 1979.

Mr. ROBERT C. BYRD. Mr. President, that means that the order for the recogniton of Messrs. DOLE and JACKSON has been temporarily laid aside for the purpose of offering this amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL TOMORROW AT 8:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8:45 a.m. tomorrow morning.

The motion was agreed to; and, at 7:36 p.m., the Senate recessed until tomorrow, Friday, December 7, 1979, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate, December 6, 1979:

UNITED NATIONS

H. Carl McCall, of New York, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

DEPARTMENT OF ENERGY

Thomas Eugene Stelson, of Georgia, to be an Assistant Secretary of Energy (Conservation and Solar Applications), vice Omi Gail Walden, resigned.

THE JUDICIARY

Harry T. Edwards, of Michigan, to be U.S. circuit judge for the District of Columbia Circuit, vice David L. Bazelon, retired.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Merton W. Baker, [redacted] FR, Regular Air Force.

Brig. Gen. Ernest A. Bedke, [redacted] FR, Regular Air Force.

Brig. Gen. Donald W. Bennett, [redacted] FR, Regular Air Force.

Brig. Gen. Richard T. Boverie, [redacted] FR, Regular Air Force.

Brig. Gen. John T. Buck, [redacted] FR, Regular Air Force.

Brig. Gen. Louis C. Buckman, [redacted] FR, Regular Air Force.

Brig. Gen. William J. Campbell, [redacted] FR, Regular Air Force.

Brig. Gen. John T. Chain, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Harry Falls, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Lawrence D. Garrison, [redacted] FR, Regular Air Force.

Brig. Gen. Guy L. Hecker, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. George J. Kertesz, [redacted] FR, Regular Air Force.

Brig. Gen. James E. Light, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. George C. Lynch, [redacted] FR, Regular Air Force.

Brig. Gen. John B. Marks, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Forrest S. McCartney, [redacted] FR, Regular Air Force.

Brig. Gen. Russell E. Mohney, [redacted] FR, Regular Air Force.

Brig. Gen. Cornelius Nugteren, [redacted] FR, Regular Air Force.

Brig. Gen. Waymond C. Nutt, [redacted] FR, Regular Air Force.

Brig. Gen. John W. Ord, [redacted] FR, Regular Air Force, Medical.

Brig. Gen. John R. Paulk, [redacted] FR, Regular Air Force.

Brig. Gen. Kenneth L. Peek, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Marc C. Reynolds, [redacted] FR, Regular Air Force.

Brig. Gen. Davis C. Rohr, [redacted] FR, Regular Air Force.

Brig. Gen. Robert D. Russ, [redacted] FR, Regular Air Force.

Brig. Gen. Richard K. Saxer, [redacted] FR, Regular Air Force.

Brig. Gen. Richard V. Secord, [redacted] FR, Regular Air Force.

Brig. Gen. Mele Vojvodich, Jr., [redacted] FR, Regular Air Force.

I nominate the following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Maj. Gen. Robert W. Bazley, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. William E. Brown, Jr., [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Philip J. Conley, Jr., [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Hans H. Driessnack, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Walter D. Druen, Jr., [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Billy J. Ellis, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Brig. Gen. Harry Falls, Jr., [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Lincoln D. Faurer, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. William D. Gilbert, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Andrew P. Iosue, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. William J. Kelly, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. John E. Kulpa, Jr., [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Richard L. Lawson, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Howard W. Leaf, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Thomas H. McMullen, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Freddie L. Poston, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Daryle E. Tripp, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Stanley M. Umstead, Jr., [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Hoyt S. Vandenberg, Jr., [redacted] FR, (brigadier general), Regular Air Force) U.S. Air Force.

To be brigadier general

Brig. Gen. Merton W. Baker, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Donald W. Bennett, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. James R. Brown, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Lt. Gen. Kelley H. Burke, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. William J. Campbell, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Van C. Doubleday, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James C. Enney, [redacted] FR (Colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Donald L. Evans, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Lawrence D. Garrison, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Fred A. Haeffner, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles C. Irions, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. John H. Jacobsmeyer, Jr., [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Doyle E. Larson, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. James E. Light, Jr., [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. George C. Lynch, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. John B. Marks, Jr., [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Forrest S. McCartney, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. George D. Miller, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Russell E. Mohney, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Cornelius Nugteren, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Jerome F. O'Malley, xxx-xx-... R, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. John W. Ord, xxx-xx-xxxx FR, (colonel, Regular Air Force) U.S. Air Force, Medical.

Brig. Gen. Marvin C. Patton, xxx-xx-... FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. John R. Paulk, xxx-xx-xxxx FR, colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. John T. Randerson, xxx-xx-... FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Marc C. Reynolds, xxx-xx-... FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Graham W. Rider, xxx-xx-... FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Davis C. Rohr, xxx-xx-xxxx FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Richard K. Saxer, ... xx... FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Stuart H. Sherman, Jr., xxx-xx-... xxx-... FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert C. Taylor, ... xxx... FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Wayne E. Whitlatch, xxx-xx-... FR, (colonel, Regular Air Force) U.S. Air Force.

EXTENSIONS OF REMARKS

BUILDING TRADES AND PRODUCTIVITY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 1979

● Mr. LaFALCE. Mr. Speaker, one of the central components of the trade union movement in this country has been the building trades unions. They have always been in the forefront of the trade union movement, and they have made many valuable contributions to that movement and to the country as a whole.

In addition to their role in the trade union movement, the building trades have been instrumental in providing public and collective services which benefit both contractors and their own members. Apprentice programs, job information, and union discipline have all made solid contributions to the continued health and vitality of the construction industry. Those contributions have been very important for the country as a whole, because the construction industry plays a very significant role in the economy.

Although those contributions have long been obvious, some antiunion activists have alleged that the building trades and unions in general have had a negative effect on productivity and efficiency in industry. These allegations have most often been false, but the lack of hard and concrete statistical data on the effect of unionization on productivity had hampered effective rebuttals.

However, Prof. Steven G. Allen of North Carolina State University has recently finished an econometric study of productivity in the construction trades, which indicates that the antiunion activists have been dead wrong. His findings show that construction workers who belong to trade unions are approximately one-third more productive than nonunion workers, which is a highly significant difference from any viewpoint. Dr. Allen based his study on output, employment, capital services, and other pertinent data compiled nationally by the Federal Government; and that data covers every sector of the construction industry across the entire country.

Most tellingly, according to the Allen study, this productivity difference between union and nonunion workers in the construction industry holds true regardless of such factors as the size of the contracting firm involved, the amount of capital used, the age or education of the workers, the type of construction work, or the region of the country. That should lay to rest a great many myths and misunderstandings about unions in general and the building trades in particular.

A copy of this pioneering study can be obtained from Robert A. Georgine, president, Center To Protect Workers' Rights, suite 800, 1899 L Street NW., Washington, D.C. 20036.●

THE POPE'S VISIT TO TURKEY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 1979

● Mr. DERWINSKI. Mr. Speaker, it was just a few weeks ago when the entire country was electrified by the visit of Pope John Paul II to the United States. His trip received the overwhelming media attention which it fully deserved.

I have been disappointed, however, at the limited media attention given to the Pope's visit to Turkey last week. In a way, this was not only unique and delicate, but possibly the most historic mission which the energetic John Paul has undertaken so far.

The specific purpose of the trip was to shore up the Orthodox Christian community in Turkey. The Pope met with Orthodox Patriarch Demetrius I, "first among equals" of all patriarchs and bishops of the Eastern Orthodox Church. The patriarch has suffered under great restrictions and calculated insults from Turkish officials over the years, so the immediate impact of the Pope's visit is to protect the Orthodox Church from the steady pressure on its physical assets and call the situation to the attention of the world.

In another dramatic gesture, the Pope received the Armenian Bishop of Istanbul. The Turkish genocide of the Armenians before World War I was the first tragedy of that kind in modern history.

The Roman Catholics and Eastern Orthodox Churches separated in 1054. Since Constantinople was overrun by the Ottoman Turks in 1453, the patriarchs have faced constant harassment, and in the last 50 years, secular Turkish officials have continued the pattern.

Thus, the religious significance of greater communication between these two great church leaders, which could lead to ultimate reunification, cannot be overstated. The Pope's trip symbolizes a new and meaningful relationship which will buttress the spiritual, historical and legal rights of the patriarch to continue to function in the historic city of Constantinople.●

CAPITALISM

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 1979

● Mr. PAUL. Mr. Speaker, some honest intellectuals who oppose the free market apparently do so under the impression that top businessmen control of the economy when the Government does not. But this is far from the truth. In a free market, it is the consumer who is king. The consumer's desires are what determine every economic activity. Businessmen succeed only to the extent that they are able to satisfy consumer needs and wants.

Dr. Ludwig von Mises, the greatest economist of our century and one of its most eloquent defenders of freedom, delivered a series of lectures on capitalism, in 1959, in Argentina. Only recently found among his papers, these lectures are even more relevant to the 1980's than they were to the 1950's.

The following article was printed in the December issue of the Freeman, which is published by the Foundation for Economic Education. I would like to call this article's many insights to my colleagues' attention.

The article follows:

CAPITALISM

(By Ludwig von Mises)

Descriptive terms which people use are often quite misleading. In talking about modern captains of industry and leaders of big business, for instance, they call a man a "chocolate king" or a "cotton king" or an "automobile king." Their use of such terminology implies that they see practically no difference between the modern heads of industry and those feudal kings, dukes or lords of earlier days. But the difference is in fact very great, for a chocolate king does not rule at all, he serves. He does not reign

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