

## HOUSE OF REPRESENTATIVES—Wednesday, May 7, 1980

The House met at 1 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O Lord, during this moment of prayer allow us to sense Your presence and acknowledge Your gracious love. Teach us, in the midst of the daily demands of responsibility, to use these brief moments to reflect in Your goodness to us and to receive encouragement. Though we accept the necessary tensions of decision and competing interests, help us always to keep our eyes on You, from whom comes all help, O Lord, our rock and our salvation. In Your name, we pray. Amen.

## THE JOURNAL

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

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

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 1 and 3 to the bill (H.R. 126) "An act to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2382. An act to provide for additional authorization for appropriations for the Tincicum National Environmental Center.

## CUBAN REFUGEES

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

Mr. DEVINE. Mr. Speaker, the flood of Cuban refugees to Florida is not simply a large-scale human tragedy. It also poses a serious threat to this Nation's immigration laws and internal security.

As of midnight some 20,000 Cubans have entered the United States as a consequence of Castro's decision to export his political dissidents and other undesirables. There are estimates that as many as 250,000 Cubans may come to the United States.

Another 250,000 Haitians want to enter this country, and are watching the Cuban situation closely.

Mr. Speaker, this country has long pursued a policy of opening its borders

to political refugees. But we have no obligation to accept unlimited numbers of these people.

Many of the Cubans are undesirable aliens. Of the 300 an hour entering Florida, it is estimated that 60 are criminals. That is one jailbird a minute.

It is essential that we not abandon our immigration laws and procedures in this difficult period.

## "DEATH OF A PRINCESS"

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

Mr. PAUL. Mr. Speaker, the scheduled showing of "Death of a Princess" on the Public Broadcasting Service next Monday evening should be canceled. I urge WGBH-TV and the PBS to do so.

If shown, this movie will create serious problems between the United States and Saudi Arabia, as was the case in Britain. In fact, showing this film could be the most serious diplomatic blunder in years—and there is a lot of competition for that title.

There is no inconsistency, despite my belief in complete freedom, in wanting to cancel this film.

The making of the movie was heavily subsidized by the American taxpayer, as is the PBS network. Such Government backing greatly magnifies the diplomatic significance of this film.

If it had been privately produced, and were to be aired on a private network, Congress would have no involvement.

The problems with this film stem from the unconstitutional and unnecessary involvement of the Federal Government in broadcasting. This involvement was created by Congress, and only Congress can resolve it.

Educational TV would survive without Government subsidies, and be the better for it. The pseudo-civil libertarians who claim that curtailing a Government broadcast violates the Constitution are all too willing to extract money by force from the American people, to finance such an inappropriate film.

We will have perpetual conflict between the "interests of the state" and the first amendment, so long as taxpayers' money is used to finance broadcasting.

Licensure of the airwaves is a problem as well. Brought to us by the father of the Depression, Herbert Hoover, broadcast licensing results in the electronic media being less free than the print media, through equal-time provisions and relicensing regulations.

The Congress should seriously consider the deregulation of the airwaves,

based on the principles of private property. If the diplomatic crisis we face as a result of "Death of a Princess" causes serious debate on these issues, then it will have served a useful purpose. It is time that we considered the conflicts and dangers inherent in Government control and subsidization of broadcasting.

## NORTHEAST-MIDWEST INSTITUTE REPORT ON INCREMENTAL PRICING

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

Mr. HILLIS. Mr. Speaker, in order to gain a better understanding of the effects of incremental pricing, I asked the Northeast-Midwest Institute to study the issue and report their findings.

I have examined the institute's study which will be available May 12 and have come to the conclusion that phase II regulations which were submitted to the Congress yesterday, should be rejected. The report clearly states that implementation of phase II could cost the Northeast and Midwest jobs due to the closing of marginally profitable industrial facilities. The institute also finds that as these facilities are closed, residential gas prices will increase since there are fewer consumers to pay for production and transportation costs.

Certainly the original goal of incremental pricing was a worthy one. However, it is clear that full implementation of incremental pricing could severely hurt our productivity and should be rejected.

I urge my colleagues to read the Northeast-Midwest Institute's report. It is vital that we strike the proper balance between the need to help residential gas users pay for higher fuel costs and the need to improve our productivity. Phase II implementation could have a negative impact on both these objectives.

□ 1310

## THERE GOES THE JUDGE?

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

Mr. MICHEL. Mr. Speaker, last week Secretary of Education Shirley Hufstедler made a partisan attack on candidate Ronald Reagan in a speech at the National Press Club. I have read that speech. It is long on personal abuse and short on facts. It is a campaign document, pure and simple.

Listen to her words:

It would make about as much sense to abandon the Federal responsibility for education in today's world as it would to dismantle the Pentagon and rely for the com-

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

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

mon defense on the flintlocks that the Constitution guarantees our right to bear.

Neither Ronald Reagan nor anyone else I know has said we should "abandon" the Federal role of education. What has been said is that the proper role of the Federal Government does not call for a Department of Education.

The Constitution places primary responsibility for defense on the Central Government; it places primary responsibility for education on the States and the people. So what can she possibly mean by this false analogy?

In subcommittee hearings, Judge Hufstедler assured me she would not use her office for partisan purposes. Obviously she takes her promises as seriously as the man who appointed her.

**LAST MEMBERS OF IRAN RESCUE TASK FORCE ARRIVE IN UNITED STATES**

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

Mr. COURTER. Mr. Speaker, late yesterday, the last members of the Iran rescue task force arrived back in the United States. These were the men who gave their lives and whose bodies were desecrated; paying the ultimate price for their sense of duty and devotion to their Nation and fellow citizens held hostage. Though I am unaware of any Member requesting a special order on this occasion, I hope each and every one of us think about their sacrifice and reflect as to what their bravery has meant to our Nation and the world. We certainly owe them this much.

Thank you, Mr. Speaker.

**POSTAL SERVICE VIOLATES PRESIDENT'S PRICE GUIDELINES**

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, last week the U.S. Postal Service, Richard Nixon's most visible legacy to the American people, proposed a big hike in postal rates to the Postal Rate Commission. Unless the Commission vetoes the increase, it will go into effect in 10 months.

If President Carter is looking for violators of his price guidelines to chastise, he ought to look at the Postal Service. The proposed 33 percent jump for first-class rates makes price rises in other services look petty. Some jawboning in this area might save every American money over the next few years.

Even more appalling is the distribution of this rate increase. The rates for first-class mail, which is the type most Americans use to pay gas bills and to send get well cards to their aunts, are supposed to jump from 15 to 20 cents. On the

other hand, the rates paid by Time magazine and Reader's Digest are only supposed to go up by a scant 1.9 percent. The junk mailers will be forced to pay 17 percent more, but can save some of this amount through discounts.

I do not think the people of this country are going to sit quietly as the Postal Service raises rates and cuts services. The American people want a post office that delivers the mail at a reasonable price. Congress must take a more active role in making sure that the Postal Service does just that.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, does this mean that people who send Grandparents' Day greeting cards are going to find that their postage rates have increased by about a third?

Mrs. SCHROEDER. That is right—and Mothers' Day cards also.

Mr. JOHN L. BURTON. Grandparents' Day is the most important day.

Mrs. SCHROEDER. Mothers' Day is very imminent.

**PERMISSION FOR SUBCOMMITTEE ON HEALTH AND ENVIRONMENT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING 5-MINUTE RULE**

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Environment of the Committee on Interstate and Foreign Commerce be allowed to meet while the House is under the 5-minute rule today.

The ranking Republican, Dr. TIM LEE CARTER supports this request.

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

There was no objection.

**DEBATE CALLED FOR ON MUSKIE NOMINATION**

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

Mr. BAUMAN. Mr. Speaker, the old saying is that politics stops at the water's edge, but I think commonsense should not. I have read this morning the statement of one EDMUND MUSKIE of Maine, stating that he intends to carry on the foreign policies of President Carter and Secretary Vance.

If that is the case, I think the very least the other body ought to do is to conduct an extensive debate on his nomination, exploring every facet of the policies as they have been in the past and should be in the future. And, if he means what he says, I think his nomination should be rejected.

The hour of this country is too late to continue these policies, and if that is

what Mr. MUSKIE means, Mr. MUSKIE should not be Secretary of State.

**ANNOUNCEMENT BY THE SPEAKER**

The SPEAKER. For those Members present, the Chair would like to make the following announcement:

Upon completion of the budget resolution, the House will take up the food stamp bill, the rule and general debate.

At the conclusion of general debate, the House will have finished the legislative business for the day.

**FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981**

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 4, answered "present" 1, not voting 44, as follows:

[Roll No. 217]

YEAS—383

Abdnor	Bereuter	Clausen
Addabbo	Bethune	Clay
Akaka	Bevill	Cleveland
Albosta	Biaggi	Clinger
Alexander	Blanchard	Coelho
Ambro	Boland	Coleman
Anderson,	Bolling	Collins, Ill.
Calif.	Bonior	Collins, Tex.
Andrews,	Bouquard	Conable
N. Dak.	Bowen	Conte
Annunzio	Brademas	Conyers
Anthony	Breaux	Corcoran
Applegate	Brinkley	Corman
Archer	Brodhead	Cotter
Ashbrook	Brooks	Courter
Ashley	Broomfield	Crane, Daniel
Aspin	Brown, Calif.	D'Amours
Atkinson	Brown, Ohio	Daniel, Dan
AuCoin	Broyhill	Daniel, R. W.
Badham	Burgener	Dannemeyer
Bafalis	Burlison	Daschle
Balley	Burton, John	Davis, Mich.
Baldus	Burton, Phillip	de la Garza
Barnard	Butler	Dellums
Barnes	Byron	Derrick
Bauman	Campbell	Derwinski
Beard, R.I.	Carney	Devine
Beard, Tenn.	Carr	Dicks
Bevell	Carter	Donnelly
Bellenson	Cavanaugh	Dougherty
Benjamin	Chappell	Downey
Bennett	Cheney	Duncan, Oreg.

Duncan, Tenn. LaFalce  
 Early Lagomarsino  
 Edgar Latta  
 Edwards, Ala. Leach, Iowa  
 Edwards, Calif. Leach, La.  
 Edwards, Okla. Leath, Tex.  
 Emery Lederer  
 English Lee  
 Erdahl Lehman  
 Erlenborn Leland  
 Ertel Lent  
 Evans, Del. Levitas  
 Evans, Ga. Lewis  
 Evans, Ind. Livingston  
 Fary Loeffler  
 Fascell Long, La.  
 Fazio Long, Md.  
 Fenwick Lott  
 Ferraro Lowry  
 Findley Lujan  
 Fish Luken  
 Fisher Lundine  
 Fithian Lungren  
 Flippo McClory  
 Florio McCloskey  
 Foley McCormack  
 Ford, Mich. McDade  
 Ford, Tenn. McDonald  
 Forsythe McHugh  
 Fountain McKay  
 Fowler Madigan  
 Frenzel Maguire  
 Frost Marks  
 Fuqua Marienee  
 Garcia Martin  
 Gaydos Matsui  
 Gephardt Mattox  
 Glaimo Mavroules  
 Gibbons Mazzoli  
 Gilman Mica  
 Gingrich Michel  
 Ginn Mikulski  
 Glickman Miller, Calif.  
 Goldwater Miller, Ohio  
 Gonzalez Mineta  
 Goodling Minish  
 Gore Mitchell, N.Y.  
 Gradison Moakley  
 Gramm Moffett  
 Grassley Mollohan  
 Gray Montgomery  
 Green Moore  
 Grisham Moorhead, Pa.  
 Guarini Calif.  
 Gudger Moorhead, Pa.  
 Guyer Mottl  
 Hagedorn Murphy, Ill.  
 Hall, Tex. Murphy, N.Y.  
 Hamilton Murphy, Pa.  
 Hance Murtha  
 Hanley Musto  
 Hansen Myers, Ind.  
 Harkin Myers, Pa.  
 Harris Natcher  
 Hawkins Neal  
 Heffel Nedzi  
 Hightower Nelson  
 Hillis Nichols  
 Hinson Nolan  
 Holland Nowak  
 Hollenbeck O'Brien  
 Hopkins Oaker  
 Horton Oberstar  
 Howard Obey  
 Hubbard Panetta  
 Huckabay Pashayan  
 Hughes Patten  
 Hutto Patterson  
 Hyde Paul  
 Ichord Pease  
 Ireland Pepper  
 Jacobs Perkins  
 Jeffords Petri  
 Jeffries Peyser  
 Jenkins Pickle  
 Jenrette Porter  
 Johnson, Calif. Price  
 Johnson, Colo. Pritchard  
 Jones, N.C. Pursell  
 Jones, Okla. Quayle  
 Jones, Tenn. Quillen  
 Kastenmeier Rahall  
 Kazen Railsback  
 Kemp Rangel  
 Kildee Ratchford  
 Kostmayer Regula  
 Kramer Reuss

## NAYS—4

Dickinson Lloyd  
 Heckler Mitchell, Md.

## ANSWERED "PRESENT"—1

Ottinger

## NOT VOTING—44

Anderson, Ill.	Dixon	McEwen
Andrews, N.C.	Dodd	McKinney
Bingham	Dornan	Markey
Boggs	Drinan	Marriott
Boner	Eckhardt	Mathis
Bonker	Hall, Ohio	Preyer
Buchanan	Hammer-	Rose
Chisholm	schmidt	Rosenthal
Coughlin	Harsha	Royer
Crane, Phillip	Hefner	Scheuer
Danielson	Holt	Stockman
Davis, S.C.	Holtzman	Vander Jagt
Deckard	Kelly	Wilson, Bob
Diggs	Kindness	Wilson, C. H.
Dingell	Kogovsek	Young, Alaska

□ 1330

So the motion was agreed to.

The result of the vote was announced as above recorded.

## IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) with Mr. BOLLING in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, May 6, pending was an amendment offered by the gentleman from Arizona (Mr. UDALL).

The gentleman from Arizona is recognized for 5 minutes in support of his amendment.

Mr. UDALL. Mr Chairman, there is an old story about the minister who was giving his semiannual hell, fire, damnation Judgment Day sermon to the congregation, and he said, "Brothers and sisters, Judgment Day is coming." He said, "On that great Judgment Day, there will be lightning and rain." He said, "Brothers and sisters, on that great Judgment Day there will be earthquakes, and on the Judgment Day," he said, "there is going to be weeping and walling, and you are all going to gnash your teeth." The lady in the front row said, "But Reverend, I ain't got no teeth." And he said, "Madam, on that terrible Judgment Day, teeth will be provided."

Well, I do not bring glad tidings of great joy. There is going to be some gnashing of teeth around here if you do not back up this amendment I am offering. Let me just give some of the brothers and sisters an idea of the way you are going to spend the next 35 days. If my amendment fails, reconciliation is called for not later than June 15 in an amount certain. You are mandated to do the job.

If you are on the Post Office and Civil Service Committee, you might want to gnash your teeth a little bit. My friend JIM HANLEY in the next 35 days has got to produce changes in the law that will reduce spending in fiscal year 1981 by \$3,639,000,000 in budget authority and by \$4,204,000,000 in outlays.

You all ought to come over to the Post Office and Civil Service Committee sometime. We got Ed DERWINSKI, we got a great show over there, we got the pride

of the Ozarks and all of those fellows. What is going to have to happen to meet this mandate of the Budget Committee? We are going to have to reduce the Federal pay increase from 10 percent in October down to 6 percent; at least Saturday delivery of mail is going, and probably more than that; the two-time a year adjustment in Federal retiree benefits, retirement benefits, will have to go; and you folks who have got blue collar Federal employees, they are going to take a whack, too. Ways and Means, you friendly folks over there on Ways and Means, will have to come up with \$1.9 billion in savings between now and the 15th of July. Over at the Armed Services there will be great joy, where you will be mandated—not advised, but mandated—to produce \$3.2 billion in savings by changes in the law. Agriculture, a big one, Public Works and Transportation, I have them all here, but let me quit with Veterans. Those of you on Veterans Affairs will have to come back with a modest amount of \$400 million in reduced programs for the veterans and for the Veterans' Administration.

So the way you can head this off is to vote for this amendment of mine which says, "Yes, we are going to have a balanced budget and, yes we are going to have restraint and, yes, we are going to have reconciliation, but we are going to do it in August and September, the way the Budget Act contemplates."

To this point in the debate of this important resolution we have been concerned with amendments which are substantive. Amendments to this point have dealt with cuts to various programs and add-ons to various programs, all within the framework of the desire of the country and the Congress to get a balanced budget in this coming fiscal year.

I emphasize that this amendment deals with procedure and procedure only. That is why the chairmen of 16 standing House committees have joined me in support of this amendment. As Members know, these 16 chairmen have not all agreed on every amendment to this resolution. We have wide views on priorities. But we stand together on this amendment because you do not change the rules in the middle of the game.

Any study of the Budget Act and its legislative history makes it crystal clear that the Budget Committee, by reporting a bill with this reconciliation provision, asks the House to reverse the solemn decision made by both Houses in the conference committee in 1974. There may be arguments about some points in the legislative record, but no one can doubt that the whole budget scheme is designed to give us a target operation in the first resolution and binding ceilings in the second one. This was a compromise debated strenuously and finally settled in the conference committee and ratified by the House and Senate.

As I say, the history of the act is clear. Let me insert at this point, two paragraphs from the letter of the chairman to Speaker O'NEILL:

The reasons for that rejection are as valid today as they were in 1974. Given the time available to the Budget Committee, it is impossible for it to become well enough acquainted with all federal programs and activities to know where to apply appropriate economies program by program. The standing committees, with expertise in the programs in their respective jurisdictions, should attempt to translate the targets into program detail.

Invoking reconciliation in the first step of the congressional budget process undermines the committee system, reposing in the Budget Committee authority to legislate substantively with respect to the nature and scope of federal activities. Such a procedure which infringes on the legitimate roles of authority and appropriations processes, is not required in achieving a balanced budget.

The procedure brought to the floor by the Budget Committee this time simply passes the buck to the committee chairmen. I think all of us are ready to do our duty, to wield a painful ax if we have to, but it ought to be done 4 months from now, as all of us had a right to expect based on previous action on budget resolutions.

This is an attack on the budget process, but more than that, it is an attack on the committee system. There are, in my opinion, no compelling reasons for creating a precedent for invoking reconciliation in the first budget resolution. There are all kinds of good reasons for not disrupting the budget process this year. Once permitted, reconciliation in the first resolution would become a matter of routine and regular procedure. Hereafter, the first resolution would set ceilings, not targets, and the Congress would be controlled by one budget resolution adopted early in the year. Many weeks before relevant hearings could be held on which rational decisions could be based, irrevocable ceilings would be established with which all spending bills would have to conform.

The truth is that this budget resolution—like every first budget resolution to date—is nothing more than an educated guess. Recognizing this truth, we should be very slow to alter the budget process to force certain committees to make predetermined draconian cuts. Please note that section 3 instructs the committees, directs them, orders them to achieve cuts of a predetermined size. None of this was contemplated when the system was adopted. I think I speak for all of the committee chairmen in saying that we will do our duty, however tough it may be, but we ought to do it 4 months from now as we had a right to expect.

Incidentally, everyone in this committee knows that we are in a time of puzzling, deep-seated changes in our economic system. The economic assumptions of today will surely be no more valid than the economic assumptions of January are valid now. Who can guarantee the situation 4 months from now? We are told by the experts that an increase of unemployment of 1 percent of the labor force will cause an additional \$25 billion gap in the move of the budget toward balance. So why make these decisions

now? We will need flexibility in September; we will have flexibility in September, and we then can act in the light of conditions and developments between now and then.

There are no compelling reasons to require the committee chairmen to engage in a sensitive, disruptive procedure at this time.

I urge you to adopt my amendment. I place in the RECORD a letter to the Speaker from 16 committee chairmen who support the Udall amendment:

COMMITTEE ON INTERIOR  
AND INSULAR AFFAIRS,  
U.S. HOUSE OF REPRESENTATIVES,  
Washington, D.C., March 27, 1980.

HON. THOMAS P. O'NEILL, JR.,  
The Speaker, U.S. House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: We are opposed to the inclusion of reconciliation in the First Concurrent Resolution on the Budget.

Such action would have the effect of converting the spending limitation specified in the First Concurrent Resolution from targets to fixed ceilings. Ceilings were contemplated and proposed during initial consideration of the Congressional Budget Act in 1974 but rejected by both Houses in favor of maintaining the First Concurrent Resolution as a target for guidance of the Appropriations and Standing Committees.

The reasons for that rejection are as valid today as they were in 1974. Given the time available to the Budget Committee, it is impossible for it to become well enough acquainted with all federal programs and activities to know where to apply appropriate economies program by program. The standing committees, with expertise in the programs in their respective jurisdictions, should attempt to translate the targets into program detail.

Invoking reconciliation in the first step of the congressional budget process undermines the committee system, reposing in the Budget Committee authority to legislate substantively with respect to the nature and scope of federal activities. Such a procedure which infringes on the legitimate roles of authority and appropriations processes, is not required in achieving a balanced budget.

Balancing the budget should be accomplished by the spending committees in light of their evaluation of the priorities of the activities in their jurisdictions. The depth of the cut in any one program category should not be predetermined by the Budget Committee. It may suggest general overall reductions; it should not direct specific program cuts.

We understand that there is likely to be one substitute, and possibly a substitute to a substitute, to the Concurrent Resolution to resolve problems that have arisen since the Budget Committee ordered it reported. We urge your assistance in having included in any such substitute, language appropriately deleting reconciliation in the First Concurrent Resolution. In the event that there is not to be a substitute, we seek your assistance in having deleted from the First Concurrent Resolution provisions dealing with reconciliation by whatever means may be appropriate.

Sincerely,  
Morris K. Udall, James M. Hanley, Frank Thompson, Jr., Henry S. Reuss, Ray Roberts, Harold T. Johnson, Carl D. Perkins, Jamie L. Whitten, John M. Murphy, Peter W. Rodino, Jr., Neal Smith, Ronald V. Dellums, Don Fuqua, Melvin Price, Clement J. Zablocki, Harley O. Staggers.

I also place in the record a list of organizations who support the Udall amendment.

The list referred to follows:

SUPPORTERS OF MR. UDALL'S AMENDMENT  
The American Legion.  
The Disabled American Veterans.  
The Veterans of Foreign Wars.  
AMVETS (American Veterans of World War II, Korea, and Vietnam).  
The Paralyzed Veterans of America.  
National Association of Counties.  
National Women's Political Caucus.  
National Association of Social Workers.  
Committee for Full Funding of Education Programs.  
Adult Education Association.  
American Association of Colleges for Teacher Education.  
American Association of Junior Colleges.  
American Association of School Administrators.  
American Association of State Colleges and Universities.  
American Association of University Professors.  
American Council on Education.  
American Education Research Association.  
American Federation of Teachers.  
American Library Association.  
American Personnel and Guidance Association.  
American Vocational Association.  
The Association of American Law Schools.  
Association of American Universities.  
Association for Education Communication Technology.  
Association of Research Libraries.  
Committee of Private University Students.  
Council of Chief State School Officers.  
Council for Exceptional Children.  
Council of Great City Schools.  
National Association of Independent Colleges and Universities.  
National Association of Public and Continuing Education.  
National Association of Secondary School Principals.  
National Association of State Universities and Land Grant Colleges.  
National School Boards Association.  
U.S. Conference of Mayors.  
State of New York.  
State of California.  
State of Missouri.  
State of New Jersey.  
American Society of Highway and Transportation Operators.  
National Council of Senior Citizens.  
National Low Income Housing Coalition.  
National Employment Law Project.  
National Urban League.  
American Public Health Association.  
Coalition for Health Funding.  
American Nurses Association.  
National Association of Letter Carriers.  
National Treasury Employees Union.  
American Federation of Government Employees.  
American Academy of Pediatrics.  
American Association of Colleges of Nursing.  
American Association of Colleges of Osteopathic Medicine.  
American Association of Colleges of Pharmacy.

American Association of Colleges of Podiatric Medicine.

American Association of Dental Schools.  
American Association of University Affiliated Programs for the Developmentally Disabled.

American Congress of Rehabilitation Medicine.

Association of Nurse Anesthetists.  
American Diabetes Association.  
American Optometric Association.  
American Psychological Association.  
American Society of Allied Health Professions.

Association of American Medical Colleges.  
Association of Schools and Colleges of Optometry.

Association of University Programs in Health Administration.  
Citizens for Treatment of High Blood Pressure.

Association of Schools of Social Work.  
National Association of Community Health Centers.

National Council of Community Mental Health Centers.

National Mental Health Association.  
The National Foundation/March of Dimes.  
AFL-CIO.

UAW.  
AFSCME.  
United Federal Communication Workers.  
International Association of Machinists.  
ADA.

□ 1340

The CHAIRMAN. The time of the gentleman from Arizona (Mr. UDALL) has expired.

(By unanimous consent, Mr. UDALL was allowed to proceed for 3 additional minutes.)

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

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

Mr. PEYSER. I thank the gentleman for yielding.

There is something that troubles me on this. It appears to me if we follow this recommendation of the Budget Committee, that we are basically totally undercutting the authorizing committees whose function really is to develop these programs as they see fit in line with their research and study to do what is best to accomplish major ends.

Now if we act at this time on this, it is like saying all the work we have done is for nothing and we are following dictates of a committee which has not had a chance to do the kind of work we have. Is that basically it?

Mr. UDALL. The gentleman is precisely correct. If it were anybody but my friend, the gentleman from Connecticut (Mr. GRAMM), who is one of the great men in the service of the Congress, I would say it is a grab for power. It is a grab for power to do things that the authorizing and appropriating committee ought to do; and it should not be done by fiat handed down by the Budget Committee, much as I respect the members who sit on that committee.

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is another Mo Udall story about the old man, the young boy and the donkey. They were going along with the young boy on the donkey, and they ran into a group of people; and

they said, "For goodness sakes," to the young boy, "why are you letting the old man walk? You should have the old man on the donkey."

So they exchanged places, and the old man got on the donkey, and they ran into another group of people, and they said, "What are you doing to the old man? The little boy should be riding on the donkey. You should have the young boy riding on the donkey with you."

So they both decided to get on the donkey, and they ran into a group of people who said, "You know, both of you are weighing down on that poor donkey. It is really wrong what you are doing." So they decided, both the young boy and the old man, they would start carrying the donkey.

As they crossed the bridge, they lost their grip and the donkey fell into the river.

The moral of that story, according to the gentleman from Arizona (Mr. UDALL), if you do not make up your mind, you are going to lose your donkey.

The point is that we have reached the point where if we do not make up our minds on reconciliation, we are going to lose the budget resolution.

Reconciliation is essential to the resolution. It is essential as a procedure, as a tool, as a necessary discipline, and as a symbol that we are serious about passing a resolution that balances the budget.

Reconciliation is a legitimate tool under the budget process. Make no mistake about it. It is a legitimate tool. It is not a grab for power. It is, in fact, built into the Budget Act itself under section 310.

We have built it in under the first resolution under section 301(b)2, which states that the committee may recommend any procedure "which is considered appropriate to carry out the purposes of the act."

Now, that has not been made a point of order by anyone on the floor. It is, in fact, a legitimate parliamentary vehicle for us to build in reconciliation into the first budget resolution, because it is not only appropriate, but it is essential if we are going to have a balanced budget.

We add \$9 billion as part of this budget resolution in legislative savings, recommended by the administration and the committee. There is no way—there is no way—that \$9 billion in savings can be achieved without reconciliation.

Last year we targeted \$2.7 billion in legislation savings in the second budget resolution. We achieved about \$200 million out of that \$2.7 billion savings that was supposedly targeted and which the committees were supposed to go after, \$200 million out of \$2.7 billion. That was after we had a first budget resolution that targeted almost \$6 billion in savings.

Second, these are targets. These are not specific recommendations to the committees. The committees have the discretion to look at the areas that they believe ought to be recommended for savings. What the Budget Committee provides to the basic authorizing committees are suggestions and recommen-

dations. They are not mandates. We do present a target figure for savings, but it is up to the discretion of the authorizing committees to decide where those savings ought to be made, and indeed only 8 of the 18 authorizing committees have instructions under this budget resolution.

Committees like Interior, Public Works, Merchant Marine and Fisheries are not included. Science and Technology, Judiciary, Government Operations, Banking, nor the Appropriations Committees, none of those are included with regards to the instructions.

The third point is with regard to time. The gentleman from Arizona says we ought to wait until September. The fact is that we are dealing with severe time constraints as it is. This summer we are going to be engaged in national conventions which means we will not have that much time here. We are going to be spending 1 month in September in which the resolution or the Budget Act only provides for 10 days for the committees to report back on reconciliation.

If you think there is chaos now in a 30-day period in which we provide until June 15, imagine a 10-day period in which the committees have to report back reconciliation on some of the major issues that are here. There are severe time constraints.

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

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

Mr. CHAPPELL. I thank the gentleman for yielding.

What would happen in the event, as an example, if the Appropriations Committee after the passage of this bill—

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

(By unanimous consent, Mr. PANETTA was allowed to proceed for 5 additional minutes.)

Mr. CHAPPELL. If the gentleman will continue to yield, suppose we pass this resolution, and suppose that the limit on defense is \$145 billion, and the Appropriations Committee or the authorizing committee, as the case might be, brings back a bill to the House that exceeds that. When is reconciliation made? At that point?

Mr. PANETTA. Reconciliation is the process of saying to the committees, "You have a target figure of savings to reach." If the committee reports out a bill that exceeds that amount under the resolution, there is a holding of that bill at the desk, a delay on the enrollment of the bill that will hold the bill at the desk until sufficient savings have been passed.

Mr. CHAPPELL. In other words, when the resolution, the budget resolution, passes, if this reconciliation provision remains in it, when that Appropriations Committee or the authorizing committee, whoever it might be, comes back to this floor with a bill, in essence they have got to bring it inside of the figure given in the first budget resolution. Is that not correct?

□ 1350

Mr. PANETTA. The gentleman is absolutely correct.

But I might say that the gentleman from Arizona's amendment does not deal with the question of delay on enrollment; it deals solely with the question of the targeting to the committees under reconciliation. It does not deal with the delay on enrollment, which is another piece of the resolution.

Mr. CHAPPELL. Well, let me ask the gentleman, if he will yield further, is the gentleman saying even with reconciliation in the bill that that constitutes a target, or is the gentleman saying it is a firm figure?

Mr. PANETTA. The target on savings is a firm figure.

Mr. CHAPPELL. Absolutely.

Mr. PANETTA. But the savings proposals to achieve those particular savings are up to the discretion of the committees.

Mr. CHAPPELL. Yes, but what I am saying is in the beginning that is a firm figure that cannot be exceeded, and the committee can simply just stay inside of that figure, and that is the only response the committee has to a limitation; is that correct?

Mr. PANETTA. That is correct.

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

Mr. PANETTA. I am pleased to yield.

Mr. NELSON. If the gentleman from Florida will listen to this point, I want to underscore that the reconciliation instruction is instruction to eight substantive committees primarily on entitlement programs, and does not attach to the Appropriations Committee, which my colleague from Florida is concerned with regard to defense?

Mr. PANETTA. In response to the gentleman, there was another point that I was going to make, which is basically the savings targets we have provided here deal with reforms in entitlement type programs, permanent type programs, not the kind of discretionary programs the gentleman mainly focuses on in the Armed Services Committee.

Mr. CHAPPELL. Will the gentleman yield further?

Mr. PANETTA. I yield.

Mr. CHAPPELL. If the gentleman is dealing in procedural principles, it seems to me if this principle is to be started it could very easily be expanded to all committees and all types of programs; is that not correct?

Mr. PANETTA. I think, as with most delegations of power, it has been exercised with discretion. We felt trying to get a balanced budget mandated that we would implement this procedure of reconciliation in the first budget resolution or else we would have no savings opportunities to begin the fiscal restraint we are trying to achieve.

Mr. CHAPPELL. I agree in trying to make the savings, but what worries me is the procedural steps we are attempting to use here to bring that about.

Mr. PANETTA. The other point that needs to be made is that these savings

are important regardless of the economic situation that impacts on the Nation. We are not talking about in this area savings that relate to completely discretionary areas. What we are targeting is reforms that have been recommended year in and year out.

For example, on the Ways and Means Committee let me indicate some of the areas of savings that have been specified by the committee.

Health programs:

Hospital cost containment.

Revision to make medicare benefits for the working aged supplementary to private insurance.

Elimination of bonus to hospitals for provision of routine nursing services to medicare beneficiaries.

Limitation on payments to hospitals to the nursing home rate for long-term case services.

Implementation of joint audit for medicare and medicaid.

Establishment of financial penalties to deter abuse of medicare and medicaid programs.

Competitive bid purchasing for equipment and services.

Other health care cost control proposals.

Federal compensation reform.

Income security programs:

Disability insurance reforms, including revision of benefit computations, increased work incentives, improved administration, and other changes.

Those are some of the recommendations on the Ways and Means Committee. Those are basic reforms that should be enacted regardless of what the economic situation is. We are talking about reforms in uncontrollable spending. We have 76.6 percent of this budget that is now uncontrollable because of various entitlement programs. We need to focus on reforms in those programs, and that is what most of these savings target.

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

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

Mr. PANETTA. The basic problem in the budget we are dealing with, and I think this is something that has been debated over the last few days, is the lack of confidence of the American people in whether this Congress is going to have the will or the courage to do anything with regard to the budget, the fact that we are tied to special interests, the fact that committees will not, in fact, conduct proper oversight of ongoing programs in place.

If we fail to adopt reconciliation I think we confirm that basic lack of confidence in the process, that we do not have the will to do anything. If we fail to enact reconciliation I think it confirms the basic suspicion that we are going to say one thing, which is "Balance the budget," and do something else.

The point is that we have to make up our minds as Members here. We cannot be for a balanced budget and against reconciliation.

For those reasons I urge the Members to vote against this amendment.

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

Mr. PANETTA. I yield to the gentleman from Arizona.

Mr. UDALL. I was interested in the colloquy the gentleman had with the gentleman from Florida (Mr. CHAPPELL) and he seemed to be telling us, first, that they are not really binding, they are merely targets and advisory. Now he seems to be saying that these are binding, takes great pride in the fact that these are mandatory targets.

Let us talk about the Armed Services Committee and answer one question. I want to read from the bill on page 6. This is the last law we are asked to enact.

The House Committee on Armed Services \* \* \* shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by \$3,263,000,000 in budget authority.

That does not sound like advice. That says they "shall."

Mr. PANETTA. If I may respond to that, the reason for that figure is because there is a dual referral here, both to the Committee on Post Office and Civil Service and to the Armed Services Committee with regard to the dollar reductions as well as with regards to changes in Federal pay compensation. That is the reason we have the Armed Services Committee involved.

I hope the gentleman is not trying to convey the impression that \$3 billion somehow is going to be reduced from the Armed Services or from the defense area. We are basically targeting at reforms in pay.

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

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

Mr. UDALL. Will the gentleman yield further?

Mr. PANETTA. Yes; I yield to the gentleman.

Mr. UDALL. The bill clearly says, if I can read the English language, when we tell the Veterans Committee to chop off \$400 million in ongoing programs, that is not advice, it is not counsel, it is an order. It is an order by the House of Representatives to that committee to cut off \$400 million. If they only cut \$300 million, that is not enough and the bills are held at the desk.

Mr. PANETTA. The gentleman lays that issue correctly before the House, which is we do set a target at a certain figure. It is up to the committee to reach that target figure, but it can do it and exercise its discretion to finance those savings in other areas other than what the committee recommended.

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

Mr. PANETTA. I yield to the gentleman.

Mr. REGULA. I want to compliment the gentleman on his statement and his

work on the legislative savings. The question I would ask the gentleman: we keep hearing "cuts." Is not the gentleman really saying in reconciliation language they have to reestablish the increases to fit our targeted goal and the priority decisions rest with the committees that have the responsibility; is that correct?

Mr. PANETTA. The gentleman is correct. In addition to that, I might say it is not just the Budget Committee setting these targets; it is, indeed, the House of Representatives and the Congress.

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

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

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

Mr. PANETTA. I yield to the gentleman.

Mr. FRENZEL. I want to thank the gentleman for his statement and congratulate him also. I think the gentleman has laid out the issue very clearly to the Members. It is simply whether we are serious about balancing the budget or not.

The Budget Committee cannot balance the budget, nor can this House, in passing the budget resolution. We need the cooperation of the authorizing committees and the Appropriation Committees. There is no other way to do it than through the reconciliation process. The very fact that the gentleman from Arizona has brought this amendment to the floor, sustained by 15 other committee chairmen, is evidence of the fact that the committee chairmen do not want to submit to a balanced budget. They are unwilling to make the difficult decisions that now face this House.

I think the gentleman is just right, and I thank him for his statement and hope the amendment is soundly defeated.

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

Mr. PANETTA. I yield to the gentleman from Georgia.

Mr. JENKINS. Mr. Chairman, I would like to ask the gentleman in the areas he mentioned as far as the savings and the Committee on Ways and Means, I notice in the report that one of the items is hospital cost containment, which appears to be one of the larger items; is that correct?

Mr. PANETTA. That is correct.

Mr. JENKINS. This House already rejected hospital cost containment. Is the gentleman now saying that the Committee on Ways and Means ought to bring back hospital cost containment?

Mr. PANETTA. Let me state this issue was discussed in committee and it was our feeling, by virtue of the voluntary efforts that have been made in that area, plus any additional efforts that the committee might consider appropriate, that indeed a figure in the vicinity of \$780 million could be achieved in savings, regardless of whether or not the cost containment legislation itself is specifically enacted.

Mr. JENKINS. Is the gentleman saying that in hospital cost containment that

the Committee on Ways and Means has to take any other action?

Mr. PANETTA. That is absolutely correct.

□ 1400

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. PANETTA. The point is this, that a set figure is presented to the Committee on Ways and Means, and it feels that this is not the area that they can achieve savings, then we are asking the committee in its own discretion and using its own prerogatives to set targets within that figure. We do not think that is asking the committee too much in trying to reach a balanced budget, where all of the committees are going to have to participate.

Mr. JENKINS. If the gentleman will yield further, the problem that bothers me in the Committee on Ways and Means is the gentleman is really mandating to the Committee on Ways and Means that if we do not bring back such a program, we can raise taxes.

Mr. PANETTA. No, I do not think so. The gentleman himself has often spoken about the waste that exists within a number of programs, and I am sure the gentleman could find sufficient savings in other areas.

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

Mr. PANETTA. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentleman for yielding. I would like to speak with the gentleman from Georgia (Mr. JENKINS) about the point he just made. We debated this at length in the Budget Committee. The gentleman knows my involvement with hospital cost containment legislation and my concern with what the budget would set forth in that regard. It is my view that the savings that are shown in the budget with regard to hospital cost containment will be and are being achieved through the voluntary program, and that further action on the part of the Committee on Ways and Means will not be necessary to achieve that level of savings. The Ways and Means Committee has already brought out H.R. 2626 and that legislation, which now embodies the voluntary cost containment program, has been passed by this House. I have been through the figures with the CBO and with the Committee on Ways and Means staff, and it is my belief that those figures will be achieved without anything further being done by the Committee on Ways and Means in an affirmative manner to achieve those savings.

Mr. JENKINS. If the gentleman from California would yield, I appreciate the assurances of the gentleman from Missouri (Mr. GEPHARDT), but I simply note in the Budget Committee report that it says hospital cost containment, \$780 million. I know the House has already rejected hospital cost containment.

Mr. PANETTA. The point is that the Budget Committee felt it would have the

responsibility to lay out some areas that could be targeted by the committees. If we did not do that, we would be accused of not being specific as far as where these savings could be made.

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

Mr. Chairman, if I may for one minute, I would like to refer to something else in the resolution that has not been alluded to at all that could be a very significant thing. Then I want to discuss reconciliation. That one thing is the very last couple of sentences in the entire budget resolution calling upon the President to report back to Congress within 60 days as to what should be done to correct the Consumer Price Index—a small item, but it could be infinitely more significant as far as inflation than all the talk about a balanced budget and everything else.

Now, let me address this problem of reconciliation and the motion of our good friend, the gentleman from Arizona (Mr. UDALL). First of all, if we are serious about reconciliation, it has to come in the first budget resolution; it cannot come in the second budget resolution because it is too late.

Second, what has been suggested by the question of the gentleman from Georgia (Mr. JENKINS) and others is that this process is tough. It is. Let us make no mistake about it. There is no easy way to achieve what we are talking about achieving. We should fool ourselves in that regard.

We are breaking new ground. There are some questions that we do not know the answers to right now. We have never gone through this process before. For example, I happen to think—and this is no reflection on the chairman, who has done a significant public service as chairman of the Committee on the Budget, nor my colleagues on the Budget Committee—that we should have consulted the committees more as we moved into this process of reconciliation. The Committee on Post Office and Civil Service, for example, knows a great deal more about the ramifications of Saturday delivery than we do, and we did not consult adequately. The Committee on Education and Labor knows a great deal more about the school lunch programs than we do, and we did not consult adequately. I think that consultation process has to be improved.

I also suggested in appearing before the Committee on Rules, and requested, that each committee chairman who was affected by this reconciliation motion ought to have the right under a semi-closed rule to come in with an amendment to alter their particular mandate under the reconciliation process. I still believe that is sound, and as we go through the reconciliation process in years to come—and I think we have to if we are serious about the budget process—I think we have to leave the door open in this budget amendment for every committee chairman who is impacted by reconciliation to have the possibility of having an amendment to offer. I happen to believe that regardless of the good intentions of this body, come

March or so of next year it will be clear that we will have a deficit, regardless of our efforts. There is a chance that we will have a balanced budget, but if the Udall amendment is adopted, there is absolutely no chance that we will have a balanced budget. I do not see that we can avoid that reality.

The gentleman from California, my colleague on the committee (Mr. PANETTA) said the question is really, Are we serious about the budget process? I think ultimately it comes down to that. It is tough. There are no easy answers. We are breaking new ground, and in the process we are going to see some mistakes we have made. We are going to have to improve. But the answer is not rejecting this tool that gives us the only opportunity that we have to really get hold of this thing.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding. I agree with a lot of what the gentleman says, especially with regard to the fact that there is no way that the Committee on the Budget can in reporting a resolution in time to pass by May 15 know enough about all of these programs to know what funding level to recommend for sure. That is the reason why I do not think we should have reconciliation in the spring. I just give the gentleman one example. The committee has recommended under function 370 reduction of \$100 million in the Small Business Administrations Loan and Investment Fund.

Mr. Chairman, the Small Business Administration's business loan program is categorized under budget function 370, Commerce and Housing Credit. SBA's business loan and investment revolving fund is used to operate six loan programs, the primary one being the regular business loan program under section 7(a) of the Small Business Act. For fiscal year 1980 the Congress approved a total of \$391 million in direct loans and \$3.595 billion in guaranteed loans. For fiscal year 1981 the President recommended a total direct business loan program of \$346 million, or a reduction of \$45 million, and an increase in guaranteed lending to \$4 billion. The basis of the President's proposed cut in direct lending is an administration proposal to target all direct loans. These target groups for fiscal year 1981 would consist of women, minorities, and handicapped. All others would be excluded from direct loan assistance.

The House Budget Committee in its report recommends a reduction in function 370, including a reduction in the appropriation for SBA's business loan and investment fund of \$100 million with the Budget Committee's statement:

With this reduction, 1981 budget authority and outlays would be at about fiscal year 1980 levels.

The Budget Committee is correct that a reduction of \$100 million in budget authority and outlays in 1981 would leave them about the same as in 1980; but it is highly erroneous as to the im-

pact such a reduction would have on SBA lending as it would involve a major reduction in the amount of direct loans.

Until fiscal year 1979, each appropriation for SBA included a reserve for anticipated losses resulting at some time in the future on loan guarantees. In the case of SBA's regular business loans, the reserve was computed at 15 percent. Under the old system, for each \$1 billion of guaranteed regular business loans, Congress appropriated in advance a \$150 million reserve. This was certainly the wise and prudent manner of funding future losses due to current programs. Beginning in fiscal year 1979, however, at the administration's request and at the Senate's insistence, we did away with this prudent system. Instead, we now only appropriate an amount sufficient to cover losses anticipated in the next fiscal year; we have absolutely no reserve to pay future losses when they occur in later years. This change did, however, have one immediate effect—it reduced the amount of budget authority and outlays in the current budget needed to support SBA's guaranteed loan programs. We are now going to have to pay for this foolish change by an increase in budget authority and outlays not only this year but for years to come.

Had we continued under the old "reserve" system, losses attributable to guaranteed loans made in fiscal year 1979 would have been covered by amounts appropriated for 1979; and similarly, future losses occurring because of guaranteed loans made in fiscal year 1980 would have been covered by moneys appropriated for 1980 as part of the 1980 budget. But as I stated we no longer follow this system and as a result the 1980 budget contains money to pay losses on loans guaranteed in 1979 and the 1981 budget request includes funding to pay losses originating from guaranteed loans made this year as well as in 1979. In the fiscal year 1981 budget, for example, \$264 million is for losses or repurchases anticipated to occur in fiscal year 1981 on account of guarantees on loans made in 1979 and 1980. Looking at it another way, \$264 million of the administration's request of \$594 million in outlays or 44 percent, is uncontrollable. It goes without saying that this will continue ad infinitum and that even if SBA made no more guaranteed loans we would still have to continue to appropriate money to pay losses in the future due to guaranteed loans made in prior years.

The net result of the Budget Committee's recommendation that the appropriation to SBA's business loan and investment fund be reduced by \$100 million from the amount recommended by the President, if adopted by the Appropriations Committee, would be to force a further reduction in the already meager amount of direct loans. Instead of a \$45 million reduction as proposed by the President, the direct loans would have to be reduced \$145 million from the 1980 level or a budget cut of 37 percent.

I believe we should be going in the opposite direction and increasing the amount of SBA direct lending especially in these times of high interest rates and an acute lack of capital, a shortfall which

is devastating the small business community. Studies have clearly shown that the small business sector of our economy is the Nation's job creator and that jobs can be created through SBA loans, most of which will eventually be repaid. This is certainly much cheaper than the cost our Nation incurs by depriving the small business community of the capital it needs and thus preventing it from assisting our economy by adding to employment, and the ensuing increase in Federal income taxation, and a reduction in unemployment benefits, food stamps, and other Federal spending to assist the unemployed and their dependents.

I also want to point out that this budget resolution, as have previous ones, assumes that we will not have any large physical disasters besetting our Nation in fiscal year 1981. In an attempt to keep original budget requests low, the administration and the Congress repeatedly lowball the amount needed for capital for SBA's physical disaster program. As a result, supplemental appropriations are necessary and certainly this causes problems for any budget system. I simply want to point out that the \$180 million in new funds requested by the President, and apparently included in the recommendations of the Budget Committee, in all probability will not be sufficient and that additional capital will have to be provided to SBA if loan assistance is to be provided to disaster victims.

Finally, I want to point out that the Budget Committee is again recommending enactment of a limitation on the amount of Federal loans which may be made in fiscal year 1981. I certainly hope that my colleagues on the Appropriations Committee will not heed this recommendation as to impose such a limitation upon disaster lending and would simply necessitate extra paperwork by the Congress in order to increase the limitation as needed to provide disaster assistance. The worst aspect, however, is that while Congress would be shuffling the papers to lift the ceiling, disaster victims would be denied loan assistance and thus additional harm would be inflicted upon them by the very government which seeks to lend them a helping hand in their hour of need.

Mr. SIMON. I think the gentleman's position is well taken up to a point. I think that somehow we have to work out a procedure where we work with the Small Business Committee and the other committees. However, I disagree with my friend, the gentleman from Iowa. If we wait until September 15, 15 days before the start of the next fiscal year, the horse is out of the barn.

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

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

Mr. SEIBERLING. I thank the gentleman for yielding. There is a real dilemma here. It seems to me that if we do not have reconciliation in the first budget resolution, then the gentleman is absolutely right. We have gone through a charade, and there is no way that we are going to make this really a serious effort, as it ought to be. On the other hand, there is a great deal of validity



to what the gentleman from Arizona (Mr. UDALL) says in that the Committee on the Budget cannot possibly develop the knowledge and expertise to substitute for the authorizing committees and the appropriations subcommittees. So there has got to be some way to make sure that these twin concerns are handled.

My question to the gentleman is: If we vote against the Udall amendment and mandate reconciliation to the extent that the resolution does, then what is the escape valve, so that if the authorizing committee finds that there has been insufficient consideration in the Budget Committee, or if circumstances change in the economic outlook, or whatever, that we have some assurance that those factors will be taken into account before we pass the final budget resolution, or even before then if need be? What is the escape valve here?

□ 1410

Mr. SIMON. The only escape valve is, I am afraid, a certain amount of chaos if we do not reject the Udall amendment. For this reason: The reason there is chaos—and I stand to be corrected by the chairman of my committee—the ceilings that we have on this budget resolution are not altered by the Udall amendment so that those who spend the money quickly and get their appropriations in first, they would get them okayed.

Mr. SEIBERLING. That is not my question. My question is, Suppose we reject the Udall amendment, which I personally think is the only logical thing to do, if we are going to make the budget process meaningful.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GIAIMO and by unanimous consent, Mr. SIMON was allowed to proceed for 5 additional minutes.)

Mr. SIMON. I yield further to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, my question is suppose we reject the Udall amendment, stick with the committee position, require reconciliation. What escape valve is there in case the budget resolution does not correctly take into account something that the authorizing committee might feel is essential, or there is a change in circumstances between now and September? What is the escape valve in this process?

Mr. SIMON. Mr. Chairman, I will yield to the chairman of the Committee on the Budget and then I may care to add something.

Mr. GIAIMO. Let me first say to my friend from Ohio that it is not the intent of the Committee on the Budget to write legislation in any of these areas as the gentleman well knows.

Section 3, which is the section dealing with reconciliation, directs the various committees. For example, subsection (c) says that the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills and resolutions by \$839 million in budget authority and \$786 million in outlays.

Now, in arriving at that judgment as to how much the committees could save,

the Committee on the Budget is not usurping the power of the committee. The gentleman from Ohio knows, however, that there are many, many programs where the money could be saved. For example, the programs in the President's legislative reform packages have come before the Congress for some years and have annually been either ignored or not acted upon by the committees. These could be the programs in which the mandate of the House could be fulfilled, if the House adopts our budget resolution.

For example, we tell the appropriate committees to eliminate the twice-a-year cost-of-living adjustment for Federal retirees.

Now what will happen? They may substitute some other savings if they wish. We want them to come up with a total dollar amount in savings. We suggest these programs as possible areas and in fact historical areas where it has been demonstrated that there is at least a possibility of making these savings.

Mr. Chairman, what would happen on June 15, for example, if the committees report back and say, "We cannot make the savings which we have been mandated to make"?

Then they would be ignoring the will of this body, which will have voted this today.

Mr. Chairman, at that point nothing would happen unless this House determined to do something further. That something further could be for the Committee on the Budget or the Committee on Rules or someone else to report out some legislation in fact calling for these savings or other savings.

I would hope that the committees would not ignore the mandate of the House and Senate, if they adopt this resolution, as I hope they will. If they ignored it, they would be flying in the face of the order of the House and Senate to not make the necessary and required savings.

Mr. Chairman, let me go back a little. In March we had a historic meeting of the leadership of the House and Senate headed up by the majority leader of the House and the majority leader of the other body, and we discussed fully this whole budget process, particularly how we were going to attain balance, how we were going to reduce spending and do the other necessary things.

It was the consensus of those present that if we were serious about balancing this budget, we would have to go way beyond the mere adoption of a budget resolution, that it would have to in fact take the combined efforts of the leadership of both this House of Representatives and of the other body to make sure that what we determined was necessary in order to enact a budget in balance would in fact happen. That will take, I will say to my friend, the combined efforts of the leadership and the Members of this body and the other body to make certain that certain things happen this summer on the spending bills and on the legislative reform bills, or I guarantee you we will not have a balanced budget.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. SIMON was

allowed to proceed for 3 additional minutes.)

Mr. SIMON. Mr. Chairman, I would like to add one further point. We still do have that option of a second budget resolution.

If, for example, Mr. Chairman, my colleague from Iowa (Mr. SMITH) is correct in his statement about the SBA and the impact there, then that can be corrected in the second budget resolution but if we do not act now, if we postpone, we are dead.

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

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

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman from Connecticut has made an extremely persuasive statement. I think if we are really serious about getting a balanced budget, then I do not see how we can avoid requiring reconciliation.

Mr. Chairman, when I was in the Army—I am sure this will be recalled by others of us who were in the Armed Forces—every so often a directive would come down and say, "All headquarters will cut their staffs by 10 percent." Everybody would then scream bloody murder but they would have to do it. Then those who could produce, a few weeks later, evidence that they really had to have more people could get them, and others who were not able to do so found it hard to get them. That was the only way the Army came up with to keep the personnel in the headquarters from getting too overblown.

It seems to me in this huge Federal budget area we are going to have to adopt some kind of Draconian system of that sort.

Mr. Chairman, I do not happen to agree with all priorities in this resolution, and I voted to change some of them, but, nevertheless, the majority has spoken. It seems to me we are going to have to adopt reconciliation, impose these ceilings and have a system whereby, if some committee can demonstrate that they really should not be held to a particular level on a particular program, they can come back here and again place their case before the House with all the documentation and analysis and support they need, and if they cannot make a case then they are stuck with the budget ceiling.

Mr. Chairman, I know of no other way we are ever going to get out of the mess that we are in with respect to the budget being out of control and inflation being out of control unless we adopt this system.

Mr. Chairman, I think the gentleman from Arizona (Mr. UDALL) has made a very good argument but to me it is not persuasive. The logic is all in favor of requiring reconciliation and requiring it as part of the first budget resolution, much as I disagree with some of the priorities in it.

Mr. SIMON. Mr. Chairman, I thank the gentleman from Ohio. I would add but one other point. My good friend from Arizona (Mr. UDALL) said what he is seeking is to offer merely a procedural

amendment. It is a procedural motion but it goes to the very heart of the process and we have to take some tough action here.

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

Mr. Chairman, I rise in opposition to the amendment. I probably could say, "We told you so," but I will not. As a matter of fact, if you take a look at the debate on this subject last year you will find the House Republicans were supporting reconciliation, the Senate was supporting reconciliation, and the majority of the House was not.

□ 1420

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

Mr. LATTI. I will be happy to yield to my chairman.

Mr. GIAIMO. Mea culpa.

Mr. LATTI. Mr. Chairman, this is an important part of the budget process. It is a must if we are ever going to make this process work, and we are just delighted that the chairman is with us completely this time.

Let me say that we learn a little bit from the failures of the past. Let me point out that we had a provision in the last budget resolution, page H11258 of the CONGRESSIONAL RECORD of November 28, 1979, which reads as follows:

Sec. 6. (a) In 1980, each standing committee of the House of Representatives having jurisdiction over entitlement programs shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to what changes, if any, would be appropriate in the funding mechanisms of such programs to enable Congress to exercise more fiscal control over expenditures mandated by these entitlements.

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

Now, you know, we hear a lot about these entitlement programs that make up the uncontrollables in the budget. Now, you would think with language like that in the resolution, passed by the House last November 28, 1979, that these committees would have hastened to make recommendations to the Committee on the Budget to amend these entitlement shortcomings. Well, let me just read the list, committee-by-committee, of the recommendations for improvements of entitlement programs as presented to the Budget Committee.

Let me start with the Committee on Agriculture, under entitlements—no comment.

Appropriations—and they do not have any entitlements under their control, but have to, under law, provide the money for these entitlements, made this recommendation:

Concern noted on automatic indexing of entitlements.

The Armed Services Committee's recommendation to the Budget Committee on entitlements—no comment.

Banking, Finance and Urban Affairs—no recommendation.

The District of Columbia—no recommendations.

Education and Labor—favors entitlements but will review current legislation. At least, they said something.

Foreign Affairs—no recommendations.

Government Operations—the entitlement status of GRS may be an issue in reauthorization.

House Administration—no recommendations.

Interior and Insular Affairs—no changes to existing entitlements.

Interstate and Foreign Commerce—no change to existing entitlements.

Judiciary—no recommendations.

Merchant Marine and Fisheries—no change to existing entitlements.

Post Office and Civil Service—no comments.

Public Works and Transportation—no comments.

Rules—no recommendations, but there are no entitlement programs under Rules' jurisdiction.

Science and Technology—no comments.

Small Business—no comments.

Veterans' Affairs—no comments.

Ways and Means—strongly favors retaining existing entitlements.

This is the sum-total of what we received as a result of the action taken by this House last November 28 on the simple matter of entitlements. No recommendations were forthcoming.

Let me say, when we are presenting a budget to the American people supposedly in balance, and there is about \$9 billion worth of revisions which must be made in present law in order to obtain that balanced budget, can we truthfully say that we have passed a budget resolution which is in balance, without providing the mechanism, namely reconciliation, to bring about those \$9 billion in savings? You know the answer as well as I do. You cannot do it with a straight face.

So, we have got to have reconciliation in this budget if we really mean what we say to the American people. As has already been pointed out, we are not taking anything from the authorizing committees.

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

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

Mr. LATTI. We are only saying, "This is what you have to do in 'x' dollars in your committee to make up a balanced budget."

That is all we are saying, and I am pleased to announce that on this side we are going to have almost unanimous support. We have a couple of Members wavering, but we are going to have almost unanimous support on reconciliation because we really want a balanced budget, and to have a balanced budget we need reconciliation, which is already in the law. We are not putting anything in the law that is not already there. We are just following the Budget Act which we passed in this House in 1974, and hopefully we can pass this overwhelmingly today and tell the American people that when we pass this resolution we are passing a

resolution that is in balance, and we are going to keep it in balance.

We are trying to hold the line on Government spending and to balance the 1981 budget. The spending target of \$611.8 billion and the revenue target of \$613.8 billion contained in the budget resolution before us, however, are heavily dependent on the passage of changes in existing law which would result in savings of over \$9 billion. If we delete reconciliation language, the tool to enforce these reductions in spending, we are in essence increasing the spending target to \$620 billion and removing the tools necessary to achieve a balanced budget.

I ask my colleagues not to be swayed by the argument that the \$9 billion of legislative savings assumed in this budget would be passed without reconciliation language. Let us take a look at the history of legislative savings last year in the fiscal year 1980 budget. The House Budget Committee reported out a first budget resolution recommending total spending of \$532.7 billion and legislative savings of \$6 billion. Over the course of the summer, the authorizing committees failed to act on most of those legislative savings proposals. As a result, the Budget Committee had to trim down the amount of legislative savings assumed in its second budget resolution to \$2.7 billion. Even this amount could not be realized by the Congress, as it turned out. Only \$200 million of the \$2.7 billion was enacted into law.

In 1979, we witnessed a similar scenario. Of the \$2.3 billion in legislative savings assumed in the first budget resolution, only \$13 million was enacted into law.

The point to be derived from these experiences should be quite clear: Unless we provide for reconciliation in this budget resolution we will be facing a much higher spending ceiling in September in the second budget resolution.

I also feel strongly that we owe it to the American people to adopt a realistic first budget resolution this year. I ask my colleagues if they would feel comfortable passing the budget resolution before us without the reconciliation requirements necessary to see that the \$9 billion in legislative savings is achieved. If we did so, we would be deceiving the public into thinking that we are doing something to combat the inflation problem, knowing full well that our recommended spending level understated our best estimate of spending by \$9 billion. If we fail to preserve the reconciliation requirement in this budget, the argument that we are passing a balanced budget cannot be supported with a straight face.

I am sure most of my colleagues recall the battle we had over reconciliation last fall during consideration of the second budget resolution. The Senate and Republicans in the House supported reconciliation instructions in that resolution, but were eventually forced to give in to the majority of the House, who took the position that reconciliation instructions were unnecessary and that there "may be practical difficulties" with the procedure. Well, I say that the argument that reconciliation is unnecessary, that legislative savings will be achieved by merely urging committees to act has

proved totally groundless. And the argument that practical difficulties and time limitations complicate the implementation of reconciliation does not hold any weight this spring. There is just no excuse for once again abandoning the vital and essential tool of reconciliation.

Reconciliation instructions will not encroach on the jurisdictions of the authorizing committees, as some of my colleagues have argued. While the Budget Committee has suggested certain cost-savings to the various committees, the committees are by no means bound to these proposals. Using their expertise and knowledge of their areas of jurisdiction, these committees are free to report out alternative ways of reducing spending.

We are on the brink of a major economic crisis. Inflation is soaring at an annual rate of 18.5 percent and unemployment has jumped to 7 percent. Unless we take firm action now to correct the misguided economic policies of the last few years, we may soon find ourselves in a depression rather than a recession.

Put simply, a vote to strike reconciliation is a vote to increase spending by \$9 billion. I strongly urge my colleagues to defeat the Udall amendment.

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

Mr. Chairman, I rise in strong support of the amendment offered by the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL).

I would like to comment on the remarks made by the gentleman from Ohio (Mr. LATTA). First, I am sure he must be aware that our committee has already passed reform legislation that would realize cost savings of more than \$16 million in fiscal year 1980. That is reflected in the report of the Budget Committee accompanying the first concurrent resolution. Second, recently my full committee ordered reported a bill, H.R. 7102, which contains a provision that would result in reduced Federal outlays of more than \$109 million in fiscal year 1981. I might add that this provision of the bill is being offered by the committee as an alternative to one of the recommendations proposed by the Committee on the Budget pertaining to third party reimbursement for medical care received in VA hospitals by certain non-service-connected veterans.

As to the issue of reconciliation, there is little I can add to what the gentleman has already stated. My comments shall therefore be brief. I believe in the legislative process. Through the committee structure, the House has been an effective body.

In my view, if the reconciliation instructions are not deleted from the first concurrent budget resolution, then we might as well abolish the authorizing and Appropriations Committee and transfer their functions to the Committee on the Budget. I have no quarrel with reconciliation under the procedure established by the Budget Act.

Mr. Chairman, this budget resolution would require the Committee on Veterans' Affairs to reduce or terminate current benefits, or reduce the amount of proposed cost-of-living increases in benefits for our Nation's veterans, totaling \$400 million, by June 15, 1980. This mandate from the Budget Committee is made, to the best of my knowledge, without hearing from any individual or organization in public hearings who represent our 30 million veterans. Although I understand the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, and other service organizations have requested to appear before the Committee on the Budget on a number of occasions, they have been denied the opportunity to do so. Yet, the committee is willing to accept, without question, the suggested cuts in veterans benefits proposed by the administration. This is totally unacceptable to me.

Mr. Chairman, in prior years when we disagreed with the committee, we were allowed to go to the House floor to overturn decisions by the Committee on the Budget on the veterans budget. On a number of occasions, the House restored severe cuts imposed by the Budget Committee. Since the Committee on the Budget was established, we have been forced to go to the House to assure an adequate level of benefits and services for veterans. Never has the House failed to support us in our efforts. It simply means, Mr. Chairman, that the Committee on the Budget is, and has always been, out of step with the House—at least on veterans issues.

Mr. Chairman, I want every Member of this body to fully understand the problems we are going to create for veterans if the Udall amendment is not adopted. If we allow the Budget Committee's mandate to stand, a great number of veterans are going to be turned away from hospitals who need hospital care. More are going to be denied treatment in VA outpatient clinics. Many of those who cannot afford to pay for expenses to the VA hospitals will be denied patient travel reimbursement allowances. Hundreds of thousands of Vietnam veterans will be denied an adequate cost-of-living increase in education benefits, and all service-connected disabled veterans may not receive an adequate cost-of-living increase in their compensation benefits effective October 1, 1980.

It should also be noted, Mr. Chairman, that some of the same Members who have mandated these drastic reductions and the termination of veterans' benefits have introduced measures now pending before our committee to increase current benefit levels. Some have introduced bills that would create new entitlements costing many millions of dollars annually, if enacted. Some have written me urging that the committee hold early hearings in order to report their bills to the House. Yet, these same Members tell us we cannot have funds to keep current programs going at the level our veterans deserve.

Mr. Chairman, I hope the Members of the House reject the mandate proposed by the Budget Committee. How in the world can we explain such reductions to veterans who will be adversely affected when they know the House is considering or has passed legislation to add millions to our Federal budget, including, among other things:

First, \$444 million (fiscal year 1980) and \$352 million (fiscal year 1981) to provide initial resettlement assistance, cash and medical assistance for additional thousands of refugees coming into the country from Vietnam and other parts of Southeast Asia, Cuba, and elsewhere throughout the world;

Second, increase the food stamp program costs by \$3.5 billion in fiscal year 1980 and \$600 million more in fiscal year 1981;

Third, approximately \$300 million in fiscal year 1981 for health planning;

Fourth, \$1.2 billion in budget authority and \$150 million in outlays (fiscal year 1981) for youth training and employment programs;

Fifth, \$646 million (fiscal year 1981) for early and periodic screening, diagnosis and treatment of individuals under Medicaid (increased entitlements);

Sixth, \$912 million in fiscal year 1981 for welfare reform; and

Seventh, \$80 million in economic support assistance for Nicaragua.

It is a tragic day, Mr. Chairman, when we have before us a measure that would mandate the Committee on Veterans' Affairs to report a bill by June 15 to "save" \$400 million in veterans benefits while we continue to add millions to the budget as I have outlined above.

Our committee has initiated certain reform measures designed to eliminate inequities in several veterans' programs. We are considering additional proposals which, if enacted, would reduce Federal outlays substantially. I do not accept, however, the theory that we can, without proper hearings, immediately bring about \$400 million in program savings.

Therefore, I strongly support the amendment offered by the gentleman from Arizona. Supporting his amendment does not add a penny to the budget targets established by the Committee on the Budget. The resolution without reconciliation will show a balanced budget. We can and should have a balanced budget and our committee will do its share to bring it about. I urge the members of the Committee on Veterans' Affairs and all Members of the House to join me in voting for the amendment offered by Mr. UDALL.

□ 1430

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman yield?

Mr. ROBERTS. I am happy to yield to the distinguished chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Chairman, I wish to compliment the distinguished gentleman from Texas (Mr. ROBERTS) for his statement.

Mr. Chairman, the amendment to strike the reconciliation instruction in this resolution deserves our support.

The reasons for this are not based upon emotion or instinct, but upon hard facts and common sense.

If we strip away the camouflage and a good deal of the rhetoric, we are staring at the stark shape of a power grab.

Under the guise of voting out a resolution to balance the budget, the Budget Committee actually is asking for a radical transfer of power unto itself from all of the legislative and appropriation committees of the House. Before a final vote is taken on House Concurrent Resolution 307, it would behoove us all to look at this power grab in all of its nakedness.

Now, I am not against reconciliation. I voted for the 1974 Budget Act of which reconciliation is an important and appropriate part. The smooth functioning of the budget process requires it.

But, Mr. Chairman, section III simply puts reconciliation on the horse-end of the cart. What is worse, it is put into the shafts backward.

Add to this spectacle the vision of the Budget Committee in the driver's seat—facing in who knows what direction—then we have a most remarkable vehicle indeed.

When the command is given to "Giddyup" it may go forward, it may go backward, it may go sideways—or it may go straight up and come crashing down on its axle.

That, I suggest, is not in the best interests of either the Congress or the country. If the budget process is to work, then it ought to work the way the Budget Act intended it would work.

That act contemplated that the Committee on Ways and Means, Agriculture, Post Office and Civil Service, Armed Services, Interstate and Foreign Commerce, Public Works and Transportation, Veterans' Affairs, Education and Labor, and so on, would continue to function as responsible and responsive organs of the House in dealing with the specialized and detailed aspects of their jurisdictions.

In the resolution before us, the Budget Committee would simply order the "fine tuning" of authorizing legislation from any of these committees, without itself holding 1 hour of hearings, without the expertise that comes of long experience and oversight of programs, and without having any notion of the real needs of the citizens.

If this power grab is successful and the Budget Committee does in fact get away with this grab for front-end reconciliation, we will have a situation roughly equivalent to a hospital dismissing the surgeons and letting the groundskeepers and maintenance men operate on the patient.

I will be blunt enough to say that if the Udall amendment is defeated, then it will not make any difference whether Members serve on Ways and Means, Education and Labor, Appropriations, or what have you. Service will be an empty honor, for those committees themselves will simply be bangles on some other horse's harness.

I would like to turn for a moment to a specific matter under the jurisdiction of the Committee on Education and Labor—the child nutrition programs.

Let me make it clear that I would not be standing here today taking up the time of the Members if the first budget resolution had set a target in accordance with the ground rules specified in the act. In those circumstances it would have been up to the Committee on Education and Labor to review the target and report the legislation. But that is not the case. The Budget Committee wants to play leapfrog with us. With a great running jump it dashes up behind us and mandates cuts of over \$500 million in child nutrition. That, I submit, is rather like playing leapfrog with a unicorn.

Of course, the Budget Committee magnanimously says that we are free to determine in what programs and to what extent the savings will be made. But the fact is that Education and Labor has only a few programs in which to achieve legislative savings, child nutrition programs being one of them.

What the mandate boils down to, then, is that we have to apply the cuts to the program categories identified by the Budget Committee in its report. We have no power to spread the burden and minimize the hardship, and virtually no flexibility to meet a cut of this size.

I think it might be instructive if the Budget Committee were required to file an environmental impact statement on the effects of the cutbacks it has ordered. If that had been done in this case, the Budget Committee would not have to take on faith the administration's advice that over a half billion dollars could be cut out of our child nutrition programs. As far as I know, it has called no witness to determine whether the advice is well founded or not.

The committee simply heard the nice round figure of a half billion dollars, and down went the boom. It wants the Congress to swallow the recommendation whole, without giving anybody in the country a chance to come in and say what its effect will be.

As the Budget Act was written, it was structured wisely so that any erroneous judgments made in May could be retrieved in September in the second budget resolution. The House was thereby given some elbow room and a chance to listen to public witnesses on the effects of the initial targets. But by trying to build a September house on a May foundation that has not yet been properly laid, we are behaving imprudently as well as half-baked.

Finally, Mr. Chairman, I feel that there are few Members of this House who believe that the resolution, even, with reconciliation, will result in a balanced budget. Or, even if it did, that a balanced budget would have a marked impact on inflation. If the economists know anything that the rest of us do not—and that is a postulate to which I am now less firmly attached than in former years—a balanced budget may result in less than three-tenths of a percentage point decline in inflation. In that event, it does not become us to try

to pull the wool over the country's eyes making Americans believe that this painful exercise is striking any real blow at the economic problem.

But even if we accept the notion that a balanced budget will reduce inflation, I am personally convinced that what we are doing insures the opposite—that we will not have a balanced budget. What we are doing is cutting back so drastically and sharply on Federal aid that it will cause further disappearance of American jobs. This unemployment, mated to the Federal Reserve's high interest policy will insure that we do not have a balanced budget. Loss of revenue and increased unemployment benefits will offset any gains we make by cutting back on expenditures of other programs.

I urge the Members to vote for the Udall amendment. Not only will it curb the growth of power of the Budget Committee at the expense of other jurisdictions, it will stem the rush to ever more fiscal instability resulting from unemployment and diminished tax resources. That is not what a balanced budget means. That is not what the Budget Act intended.

Mr. Chairman, no one has more dedication to the goal of a balanced budget than I—but there are ways to balance it without taking it out of programs that serve the poor and the old and the sick.

You know how often, during the past 30 years, I have taken to the floor to recount the terrible error we made back in 1953 when we allowed the Eisenhower administration to close down the synthetic energy program. There were on-going pilot plants which were producing liquid fuel from coal at a price even then very close to petroleum. Now we are 27 years behind the eight ball. We have wasted 27 years of synthetic fuel development.

Not long ago, the Press Journal in Louisiana, Mo., recalled the brilliant work that the Louisiana plant had carried out back in the late 1940's and early 1950's. The story recalls that when the plant was finally closed down, the documents and records were sent into storage in Pennsylvania. And an inquiry made just recently by the newspaper to the Department of Energy indicated that the Department was not even aware that there had been a pilot plant back three decades ago.

Certainly the Department of Energy has demonstrated little ability to get us out of our energy crisis, and I believe the Congress could profitably cut several billion dollars out of its budget—and let some of our good programs for the poor and for the educationally underprivileged continue to do good.

And while we are about it, we could save some billions by cutting back on the State Department appropriation, too.

We could balance the budget, and we could do it in such a way that would not do any damage to the people at all.

Let us vote "aye" for the Udall amendment, and defeat reconciliation.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Udall amendment.

Mr. Chairman, I make this statement as one who was an advocate and a proponent of the budget control committee. I thought, and I still do, that it can serve as a major instrument in the operation of this House. Never did I think that I would have to come to the well and offer this type of statement. I am as committed to a balanced budget as any Member of this Congress, but I want very much to do it in a fair and responsible manner.

Each committee has certain jurisdiction in the Congress, a rather important responsibility. We happen to have a number of staff professionals who do nothing else but ply that particular road, and in this particular jurisdiction that is in the area of civil service and postal service.

The Budget Committee never has consulted with this committee. Thus the conclusion it arrived at was an arbitrary one, and I just want to make clear today some of the ramifications of the instructions that will be forced upon this committee resulting from the passage of this resolution.

No. 1, it was most unfortunate, in recognition of the fact that approximately \$4 billion in cuts relates to the jurisdiction of this particular committee. That being the case, it seems to me that the rule should have provided some debate on the intricacies of the subject matter. That is academic. That accommodation was not provided.

To comply with the instructions of the Budget Committee we are going to have to make a determination with regard to Federal pay. It seems to me that if we are going to get on frequency with the Budget Committee, then we must recognize that irrespective of what the figures of the Bureau of Labor Statistics may be later this year, irrespective of what the Consumer Price Index might be later this year, we are going to mandate that all people who are Federal employees will get not more than 6 percent. God forbid that the rate should rise to 18 percent, but if it should go up to 18 percent, the Budget Committee mandates that they will not go beyond 6 percent.

These are our instructions. We are instructed by this committee to do this.

The cost-of-living adjustment affecting all of the retirees is certainly worthy of a great deal of consideration, but little consideration has been given it.

Let me turn, if I may, to the Postal Service. As we know, the Postmaster has moved with a rate hike proposal which will have the effect of increasing first class postage by 33½ percent. I remind the Members that that rate hike is based on the present fiscal status of the U.S. Postal Service, which happens to be confronted with an oncoming fiscal deficit of \$600 million. Now, that is bad. But even worse is the projected fiscal deficit for the subsequent year which happens to be \$2.3 billion. Add to those woes the fact that now we are going to compound that problem by taking away all of the public service appropriations provided that institution. These are appropriations that by law were enacted back in 1970 and that the institution was depending upon until 1985.

So now we are going to pull the rug out from underneath it and say, "You are not going to get any of these moneys. All \$736 million in the way of public service moneys is going to be denied you."

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(By unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mr. HANLEY. Mr. Chairman, we are also saying that in addition to the \$736 million, we are also taking another \$100 million away from the revenue foregone appropriation.

Mr. Chairman, let me assure my friends that all of this, if it becomes fact, will come back to haunt this Congress. As I have said several times during the past week or so, a future administration and a future Congress are going to have to deal with this U.S. Postal Service on a crises management basis because by virtue of this action we are indeed going to make the whole system crumble.

We are putting it into absolute jeopardy—and this is the greatest threat of all—the all-precious heart of the institution, the private express statute, because we are forcing that institution probably to provide but 5 days of service. Once we do that, we open it up to private enterprise. I am not saying there is anything wrong with that, but in exchange for the private express statute or the monopoly on first class mail, our Founding Fathers mandated the commitment that that service would be provided 6 days a week.

So by denying that 6th day we have opened a breach for the private entrepreneur. If that happens to be the case, the private entrepreneur will come aboard. For example, I would be delighted to serve the major cities in America with a courier service on that 6th day; I will do it for less money than the Postal Service, and it would be a very profitable business. I would not concern myself about the private express statute, as I believe my right would be sustained in court.

Let me say to my friends that this institution of Congress is being seriously affected by what the Budget Committee is doing. If we agree to what it is doing entirely, then why do we not just junk the committee system?

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

Mr. HANLEY. I will be delighted to yield to the chairman of the committee.

Mr. GIAIMO. Mr. Chairman, the gentleman referred to the approximately \$4 billion that affects his committee, the Committee on Post Office and Civil Service. As he knows, it also affects the Committee on Armed Services because it deals with the cost-of-living adjustment for both civilian and military retirees. But in arriving at these recommended areas where we could find \$4 billion, the committees of the House and the other body on the budget were not just reaching out blindly.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(On request of Mr. GIAIMO, and by unanimous consent, Mr. HANLEY was allowed to proceed for 4 additional minutes.)

Mr. HANLEY. Mr. Chairman, let me respond to the gentleman.

Mr. GIAIMO. Mr. Chairman, I have not yet asked my question, so if the gentleman will yield further, I will proceed.

Mr. HANLEY. I yield to the chairman of the committee.

□ 1440

Mr. GIAIMO. We do try to stay in communication with the gentleman's committees, we discuss these matters with the gentleman and members of his committees on the floor of the House and elsewhere, our staffs are in quite good communication with the gentleman's staffs, I will say to the gentleman. There is no absence of communication, as the gentleman is trying to indicate.

In addition to that, we also get the March 15 letters from the gentleman's committees and the other committees stating what the gentleman will do and, by inference, we draw conclusions about legislation to come during the year.

But let me get to my question. We try to find areas where we can recommend savings of money to the committees not via the reconciliation route, but through the normal budget process and, of course, it is implicit therein that we recommend that you save the money and you devise how to save it. If you save it in this area, fine; if you pick another area, that is fine also, it is up to you. But let us take the cost-of-living area. Here is an area where we recommend the elimination of the twice-a-year, cost-of-living adjustment for Federal retirees. Now, the gentleman and I personally are going to retire from this place in January, as the gentleman well knows, and the gentleman and I are going to draw twice-a-year, cost-of-living adjustments, whereas those on social security and other type pensions, certainly in the private sector, get cost-of-living adjustments for inflation once a year. But you and I, as Federal retirees, will get it twice a year.

Reform action in this area would save an estimated \$1 billion. One billion dollars. That is a lot of money. Nothing has happened either on COLA or on the President's recommendation and the Budget Committee's recommendation for pay reform. Nothing happened last year, nothing has happened this year, and I will say to my friend that nothing will happen without reconciliation because of the pressure of the special interest groups. I know how strong they are. They have been crawling all over me. But it is an area of legitimate reform and you have not even had any hearings on it.

Mr. HANLEY. If the gentleman would be good enough to advise me when this administration called upon this committee to do what the gentleman is suggesting, would the gentleman advise me, and when did the administration ever send any legislation up that would suggest what the gentleman is suggesting now?

The answer is, it has not done this.

Standing next to the gentleman is the chairperson of the subcommittee of jurisdiction, who may be able to shed some light on the subject. I will be delighted

to yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mr. GIAIMO. The reference to the President's recommendation was to the pay reform bill. If I said COLA, I meant the pay reform bill.

Mr. HANLEY. Fine.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(By unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

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

Mr. HANLEY. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. I want to thank the gentleman for yielding.

Since the chairman of the Budget Committee did mention COLA, maybe it would be well to refresh the memory of the House as to what we have done there. If the Members will recall, just a couple of years ago we eliminated the 1-percent kicker. The retirees used to get an additional 1 percent, which was to make up for the lag in the time between the increase in the cost of living and the time that there would be an adjustment. We removed that 1-percent kicker with the promise—and I think this is very important—that there would be a twice a year adjustment in its place.

If the word of the Congress does not mean anything, then so be it. Let us just make that clear to the Nation. We made a promise. We ought to keep the promise.

Now, to go to the other subject that the Budget Committee chairman has brought up—pay reform—I use quotes around the word "reform." We have held three hearings on this legislation to date. Many more are contemplated. I want to assure the House that in terms of savings it means absolutely zero, zero, not 1 cent.

The administration said we would save \$2.8 billion. When we pressed for an explanation as to where the \$2.8 billion would come from, we learned that the exact amount will be "saved" whether or not the bill is passed. Federal employees, in order to be brought to comparability, should get a 10.4-percent increase. The administration is going to be proposing a 6.2-percent increase because that is what they think it would come to under this pay reform bill. The difference between the 10.4 percent and the 6.2 percent comes to \$2.8 billion. As the administration terms it, it is not really a saving, it is a cost avoidance. Well, call it cost avoidance or call it whatever you will, it will be achieved without passing one word of that bill. We will save the \$2.8 billion if the President comes in with the 6.2 percent adjustment figure we have been told he will offer. That \$2.8 billion rests with the administration.

Mr. HANLEY. I thank the gentlewoman for putting both issues in proper perspective.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has again expired.

(On request of Mrs. SPELLMAN and by unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mrs. SPELLMAN. If the gentleman will yield further, I think this colloquy we have just had, this explanation of the pay reform bill, indicates that, with all of the knowledge that my good friends on the Budget Committee have (and they are my good, respected friends), they cannot possibly know the details of the legislation in each of the committees as well as do the members of the committees.

Mr. HANLEY. I thank the gentlewoman for putting both issues, the issue of pay and COLA, into its proper perspective. And the fact of the matter is that the administration did not send up a presentation related to COLA, and the matter of pay reform has already been explained by the gentlewoman from Maryland (Mrs. SPELLMAN).

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

Mr. HANLEY. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Chairman, I think the gentlewoman from Maryland has made an excellent point, because with regards to the pay reform issue, what in fact the committee did legitimately was to seek other savings that needed to be met and that the committee felt would be appropriate. That is all we are asking here. We are not telling you that you have to pass pay reform, we are not telling you that you have to pass COLA. What we are saying to the committees is that these are legitimate areas that ought to be looked at. If the committees can come up with other savings, then so be it. That is your discretion. But you have, I think, affirmed the basic thrust here. The committees have the responsibility to bring savings back to the floor if we are going to have a balanced budget.

Mr. HANLEY. With due respect to what the gentleman has said, if I read the resolution correctly, you are instructing certain committees of the House to do this and that on a particular day in June. It is an instruction, a mandate.

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

Mr. HANLEY. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, on page 8 of the committee print, it says:

The House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills and resolutions by \$3.639 billion in budget authority and \$4.204 billion in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981 . . .

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

Mr. HANLEY. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Chairman, the Budget Committee is assuming that in each case we will be able to find moneys to replace those that they are recommending. I personally would feel that it

would be an overwhelming breach of faith if we were to reduce the twice-a-year adjustment for retirees. I have no idea where we could possibly find that sum of money as a substitute. We have searched for it.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has again expired.

(On request of Mrs. SPELLMAN and by unanimous consent, Mr. HANLEY was allowed to proceed for 3 additional minutes.)

Mr. HANLEY. Mr. Chairman, I can only conclude that we are going to pick it up by not having a 20-cent first-class stamp but perhaps a 50-cent first-class stamp and, as opposed to not giving any pay increases, reduce the level of salaries throughout the Federal institution. And if anybody else has other ideas with respect to how you might bring that down into the perspective that the gentleman suggests, we welcome your thoughts.

□ 1450

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

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

Mr. WIRTH. I thank the gentleman for yielding.

I have found this discussion between the chairman of the committee and the distinguished Congresswoman from Maryland very, very interesting. I think there is one point that has been made and there has been a lot of undertone that somehow the Budget Committee is assuming knowledge of the details and the specifics of the programs.

As the chairman of the Budget Committee just pointed out, we are not doing that. We are not targeting a specific program, but rather a level of expenditure.

Now, if that level of expenditure, as the gentlewoman was suggesting, is going to be difficult to reach, that is something that is decided upon by the whole House. That is something that we have been debating and working on in the House for the last 2 weeks. Is it too high? Is it too low? What changes ought to be made?

The House, it seems to me, has been very good about working its will as to what that level of expenditure and those particular target areas ought to be. Is it that appropriate for the Post Office and Civil Service Committee to say to the House: "We do not think that your particular judgment, Members of the House, all 435 Members, is accurate, but, rather, what we think is our judgment as a smaller group of people is adequate, and we are going to overrule what the Members of the House, a majority of the House, wants to do." It seems to me that that is the answer to the question the gentlewoman raises, is it going to be difficult? Yes, it is going to be difficult to find those savings, but it is going to be difficult to find \$22 billion in savings found throughout the whole budget. It is not going to be easy.

I thank the gentleman for yielding.

Mr. HANLEY. I would only conclude that most desirable it would have been had there been some consultation with the committee, a bit of give and take,

some dialog, so that we could have put these figures within the world of the real, something that is reachable, as opposed to an arbitrary mandate about approximately \$4 billion.

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

Mr. HANLEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. I respect the gentleman very highly in his remarks, and the gentlewoman from Maryland also. It appears that perhaps the gentleman would not be able to cut back on this \$4 billion. In other words, this money that is absolutely necessary has to be spent for those specific purposes.

If I listen to other chairmen, I am sure I am going to hear the very same thing. That leaves me in a dilemma, the gentleman understands. I, for one, like the gentleman in the well, am in favor of a balanced budget. Correct?

Mr. HANLEY. Correct.

Mr. VOLKMER. I have heard other chairmen say that, that we have got to have a balanced budget.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

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

Mr. VOLKMER. Mr. Chairman, will the gentleman yield further?

Mr. HANLEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. If we have to spend this money that the gentleman says we have to spend, and the other gentleman said, and we cannot have reconciliation, then we are either going to have to have a deficit and not a balanced budget, or, guess what, in my opinion, the gentleman can correct me if I am wrong, we have got to raise taxes. Is that right?

Mr. HANLEY. There is no such thing as a free lunch.

Mr. VOLKMER. If we are going to have a balanced budget and we are going to spend the money, we have got to get the money from somewhere. The gentleman may be proposing raising postal rates. That is another raise in taxes. Is the gentleman in favor of raising taxes?

Mr. HANLEY. Not at all. I am in favor of anything that is reasonable and responsible which reduces the budget, of course, a tax increase is unnecessary. If the gentleman has any ideas, we conduct hearings on an ongoing basis within this committee, and if the gentleman has ideas with respect to the civil service program or the Postal Service, whereas responsible reductions can be made, come on in. We will welcome the gentleman with open arms.

Mr. VOLKMER. Let us assume the gentleman is correct and they cannot be made, and as every other chairman says here, these things cannot be done. We have to spend this money. Then we either have to have a deficit and borrow the money to spend if we do not have enough revenues, or we have to raise taxes to provide the revenues.

Mr. HANLEY. As I say, I am com-

mitted to a balanced budget if at all possible, but what is so magic about a balanced budget? May I ask that question? What is so magic about it?

Mr. VOLKMER. As far as I am concerned?

Mr. HANLEY. What is so absolutely magic about the balanced budget? Is that going to bring heaven right down on Earth and from that point on we live in a world of Utopia?

Mr. VOLKMER. I do not believe so, but I do believe that it will, one, have a little bit to do with our inflationary rate and a decline therein, and the other thing, it will give a symbol to a lot of people that we spend within our means.

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

There is a proverb that says wisdom consists of 10 parts, 9 of which are silence and 1 of which is brevity, and I am going to be brief.

I would suggest to the gentleman from Missouri, that there is an alternative being used that he did not mention, and that is to print the money. That is what we have been doing for a long time. That is why we are faced with the inflation rate that we have today.

I dare say there is not a Member of this body who has not been out on the stump attacking the fat in the Federal budget. How we love to attack the fat in the Federal budget. This is the way to solve our financial problems, to get rid of the fat. Yet, suddenly we hear today that we cannot even find \$9 billion of savings in a budget of \$611.8 billion.

I hear these committee chairmen saying we cannot find all this fat we have been talking about that amounts to less than 1½ percent of the Federal budget.

I say to the Members, I think if we make an effort, we can. That is why we have a second budget resolution.

The chairman of the Budget Committee made the point very accurately when he said these reconciliation requirements are recommendations, that we have a second budget resolution to adjust the aggregate totals and make changes in our priorities. A vote for reconciliation says we will try to save the needed less than 1½ percent of this budget in legislative savings.

We have indicated some areas in the budget resolution that this might be achieved.

I would only add one thing. The gentleman from Arizona (Mr. UDALL) mentioned about teeth on judgment day, but what reconciliation does is put teeth on budget day. If you do not have reconciliation, you do not have teeth in the budget, and you are not going to achieve all of the desirable goals we have been talking about over these many days. If you are for a balanced budget, if you are for lower inflation rates, if you are for lowering interest rates, you have to vote "no" on this amendment, and vote to keep in this resolution reconciliation. It is the heart of the budget process.

Mr. NELSON. Mr. Chairman, I rise in opposition to the amendment.

In my one year and a half here in the Congress, I have not heard better de-

bate, and I am most appreciative of this discourse of ideas; and I am very grateful to be able to take a part in it.

I believe the vote on this amendment is the true test of congressional will—to determine whether or not we want the balanced budget.

Congress must fiscally discipline itself, and if we can do this and if we can pass a budget in balance or with a surplus and hold that line all the way through the conference committee, then we are going to send out a very healthy fiscal message to the people of this country. After 11 years, it will be a welcome message.

There are a number of specifics that are worthy of merit in this reconciliation process. The whole House, as the gentleman from Colorado (Mr. WIRTH) said, works its will as to the aggregates in functional spending categories. Then the individual committees come in and flesh out, if you will, the skeletal structure of the budget.

Work needs to be done ahead of time so that you do not wait until September 15 and then at the last minute try to cut \$9 billion as reconciliation in a rush.

Let us start our reconciliation cuts now. The pressure will be on. People will be focused on it. Then when you bring all of those reconciliation cuts from the committee in June, they will come in one package. It makes it more understandable and simpler to vote as you see all of it at once.

□ 1500

I commend the reconciliation process to the House and would urge a no vote on the Udall amendment.

Mr. JONES of Oklahoma. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I will not take my full time because I think the arguments for and against this amendment are very simple, concise, and easily understood. Basically this is the litmus test for whether or not we really believe in a balanced budget.

What I hear in the debate today from those who are favoring this amendment is, yes, we are for a balanced budget, but let us not put any teeth into it so we can achieve it; yes, we are willing to vote for this budget, but, no, it cannot be achieved. I hear arguments that say the Budget Committee is taking away the jurisdiction of the appropriating and authorizing committees. That just simply is not the case.

This reconciliation device does not tell the authorizing committees what to do or how to do it. All this does is to give us a device with some teeth in it, to let us say OK, we are going to vote for a balanced budget and we are going to achieve a balanced budget.

There is no great magic to achieving a balanced budget. What you do is specify how much revenue is going to be raised and specify how much money is going to be spent. If the money to be spent matches the revenues to be raised, we have a balanced budget.

What I hear today is we cannot limit

the spending to that amount that will give us a balanced budget. I think we have to. I think this is precisely what the American people are looking for. Are we serious? Is this a sham, or is it a balanced budget in genuine terms?

Reconciliation will let us tell the American people well before the 1981 fiscal year begins that we can achieve a genuinely balanced budget.

I think it is absolutely essential, it is absolutely the true test as to whether or not we really believe in a balanced budget. I hope very much this House will go on record in support of reconciliation and vote against the Udall amendment.

Mr. CONABLE. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, we have had a lot of rich oratory this morning. I agree with the gentleman from Florida that it has been a very interesting debate.

I would like to add another simile. Last week I was home in western New York. In the back of my house there is a lovely slope blooming now with thorn and wild apple. I walked out there early in the morning and listened to the birds. It was beautiful. It was a very harmonious time. I wondered what was going on.

After a while it occurred to me that every one of those songbirds was engaged in the spring defense of his territory before the nesting. We have had some of that defense of territory here this morning, and the song has been an alluring one: "Yes, I am for a balanced budget, but do not in any way impinge on my particular nest."

This is the opportunity we have to make the budget process in fact a fiscal process. What we do here establishes the pattern of how much getting and spending we are going to do to lay waste our powers. Nobody else can do this pattern work. Once we have decided that, obviously it is the role of the legislative committees and others, the Ways and Means Committee and the Appropriations Committee to decide the details of how we are going to arrive at the fiscal aggregates set by the Budget Committee.

We have lots of safeguards in the process, but if we start out with the idea that somehow we are not going to impinge on anybody's territory to any degree, let them do what they wish, do whatever lovely thing comes into their mind whenever it comes into their mind to do it, then we are going to continue to have a budget process that has no fiscal reality in it. A good economy cannot come from fiscal chaos: chaos ultimately hurts us more than discipline.

It is too bad we have to be stern with ourselves. It would be a lot more fun if everybody could do his thing, if everybody could feather his own nest in whatever way he wanted. The people are telling us that the lack of fiscal discipline in the past has brought America to a pretty unhappy state. Having failed to find economic happiness in a state of nature, we better try fiscal policy for a while and see if it will not help us straighten out.

I think that will bring a surer sense

of harmony in the battle of those defending their territory. I hope this amendment will be stricken down and I hope we will demonstrate that we have the discipline and the understanding to do what is necessary. I think we must start in the spring if we are to get a handle on the myriad of entitlements, the so-called uncontrollables, the backdoor spenders and so forth. Otherwise we are going to find ourselves, at the time of the second budget resolution when truly we must have reconciliation, too late in the process to achieve the goal we all want, which is by timely discipline to get our economy back on a sound basis. True economic harmony is our hope—the liquid note of joy, not the more jarring note of partisan defense.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Udall amendment.

Mr. Chairman, I support the Udall amendment, not primarily for the reasons that have been put forward here, to protect the integrity of the Authorization and Appropriations Committees, but because what we are doing by this reconciliation provision is voluntarily adopting a straitjacket that will make us unable to meet the changed conditions that unquestionably are going to affect this country and affect this budget very radically.

There is no question in my mind that the budget that is put forward as balanced at the present time is a sham. It is not going to be balanced. The entire assumptions on which this budget was formed have evaporated. We already have a 2.6 percent drop in the leading economic indicators. All of the economic experts are predicting a deep recession. In just this last month unemployment reached 7 percent. It was just 6.2 percent 1 month ago. Both the inflation and unemployment figures on which this budget was based have soared.

The President's inflation expert now is forecasting 8 percent unemployment for the first quarter of 1981 and the increase in unemployment already represents something like a \$12 to \$14 billion add-on to the deficit as every 1 percent increase in unemployment adds \$25 billion to the deficit.

So we are just kidding ourselves when we talk about this budget being balanced. Recession and inflation will demolish the balance. The terrible thing is if we adopt this resolution, then we are not going to be able to respond to the problems that are going to occur. We are going to say these budget ceilings are more important than people being able to eat, people being able to retain jobs. We are going to hold on to this budget resolution at all costs. Reconciliation will require appropriations to be cut regardless of economic disaster in the country.

The response is going to be, "Well, we can take care of that in a subsequent budget resolution."

If my colleagues would take a look at what is happening now—in fiscal year 1980—because of the artificial ceiling we adopted with respect to the fiscal 1980

budget. Because of that ceiling and because of the changed economic conditions, eight days from now, 8 days from now the Department of Agriculture is going to have to tell the various States that the people are going to have to go hungry, they cannot have food stamps. They are going to have to start telling people on unemployment, "Sorry folks, no benefits left; there is no money left."

□ 1510

Very shortly after that, the same thing is going to take place with respect to black lung benefits and medicare and medicaid and military pay. But no, no, no. The Budget Committee says we cannot act. They say the only important thing before the Congress, what we are here to do, is to see to it that those ceilings are maintained—and the military should not get paid. Why bother? People who cannot afford an adequate diet should not have adequate diets. But we have got to keep that budget ceiling.

At the present time the supplemental appropriations bill, which is waiting, which the Appropriations Committee would like to see put through regardless of the budget ceiling so that we can get the food stamps out, so that we can get the unemployment benefits paid, so we can get the military paid, is being held up by the Budget Committee members who say, no, the budget ceiling should come first. I say that is nonsense. I say we have got to have the flexibility. If the economy is going to go down into the doldrums, if we are going to see millions of additional people unemployed, if we are going to see thousands of businesses go into bankruptcy, this Congress has got to be able to act to meet those emergencies, and we should not put ourselves in a straitjacket by adopting a budget ceiling and then saying, "balancing the budget has got to come first; I am sorry, folks; the country has got to go to wrack and ruin."

I urge adoption of the Udall amendment so that we can do what the people of this country sent us to Congress to do—meet the needs of this great Nation.

Mr. FITHIAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have reserved whatever time is allotted me on this budget resolution to speak in opposition to the Udall amendment because I think we all recognize that it is the heart and soul of the process. I would just say by way of opening remarks to my friend, the gentleman from New York who asked for any ideas we had on the Post Office, we might think in terms of just asking each class of mail to pay its way, and whatever that costs, that is the way to balance the postal budget. Maybe that sounds too simple.

I want first to compliment the chairman of the Committee on the Budget and all the members of the Committee on the Budget. This is my sixth year here. I have been here for the entire time and the duration of the budget resolu-



tion. This is the first time that the Budget Committee has actually responded totally to the will of the country. This cost a lot of hours and a long time and a lot of hard work, and it was not arrived at easily. I think it is totally correct that if we are serious about delivering what we say we are delivering, then we have to have a reconciliation process. I would point out that in 15 of the 16 preceding fiscal years this Congress has failed to balance its income with its expenditures. I cannot believe as a historian that those 16 years have been that bad. I look back on those 16 years and I do not find them to be the worst of times. Yet by the process we have engaged in, we have never delivered in but one of those years a balanced budget.

Let me also suggest that the parade that I have seen to the well today reminds me ever so much about the old tale of the emperor who went about his empire insisting that he had this, that, or the other kind of clothing on, until a small child said, "But the emperor has no clothes." Either we are going to face up to reconciliation or we are going to accept the will and the judgment of those who have spoken against reconciliation, which is to say that we will tell the American people that we have clothes on in the budget, that we are balancing the budget, while in fact the budget has no clothes—the emperor has no clothes. Maybe we could say in the words of Shakespeare, "Brutus methinks you protest too much."

There are those who have protested that they want a balanced budget cannot find 1.5 percent in cuts. If they are right, then we ought to really do the decency to the American people to stop this charade and go out and say that we are not going to balance the budget. But they are wrong. We can put in place the discipline of reconciliation. Why, then, I ask, if we are to adopt the Udall resolution do we have the budget process at all? Why should we go through this business? We have been agonizing here for days. It seems to me that if we cannot then deliver, we should not promise. This is a balanced budget resolution. But I would remind you that last year with the committees we did not reconcile when it was an imbalanced budget. The legislative savings that were written into the last budget were achieved by the collective wisdom and effort of all of the committees to the rate of 1 percent of what we promised the American people. One percent of what was said we would go out and achieve in our authorizing committees was actually achieved.

Let me then say that the most important thing about all of this is that this method which the Budget Committee has now proposed is the fairest possible method. It is much fairer, I would argue with the committee chairmen who are on the opposite side, than to tell them on September 10 that they have 10 days to reconcile. At least, we have a full month and we have a part of a congressional session. I would suggest if we are going to achieve what we agree to try to

achieve, then it is much more doable now, not later. This method is sound because it insures that the agencies and the departments will have sufficient notification of the proposed legislative changes to legislate savings, make changes, and issue rules and regulations that conform to the congressional mandate, not at the last hour—everybody knows what this House gets into the last few hours of the session—not in the last minute, not delaying it until long after the fiscal year 1981 begins.

Reconciliation simply adds the necessary discipline to the budget resolution to insure that the Congress can balance the Federal budget for the first time in more than a decade.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. FITHIAN. We become so accustomed to deficit budgets that we pile one program on top of another without thinking of the fiscal consequences for this country. The time has come finally to draw the line on deficit budgets. Only by adopting the reconciliation will there be sufficient discipline in the budget process to achieve this goal. Voluntary compliance will not work. Voluntarism will not work. The only thing I see that has a prayer for working is the discipline of a budget resolution with teeth in it, and a budget resolution without reconciliation is a budget resolution without any teeth, and then we will have all just played charades for so many days.

Reconciliation is the only means available to achieve a balanced Federal budget in fiscal year 1981. The Congress must make the difficult, but necessary and unpopular decisions, to reduce Federal expenditures, balance the Federal budget and curb inflation. We need performance, not promises, assurances, not dreams. We need to adopt the reconciliation process in the first concurrent budget resolution (H. Con. Res. 307) if we are to achieve a balanced Federal budget this year.

The first concurrent resolution on the budget (H. Con. Res. 307) is an historic breakthrough in many ways. First, it is the first balanced budget submitted to the Congress since 1969, after more than a decade of deficits which averaged nearly \$40 billion annually. Second, it is the first balanced budget ever submitted under the Congressional Budget Act of 1974. Despite all the special interest pressures requesting spending increases, the Budget Committee courageously resisted these unrelenting demands, and their effort should be congratulated. Third, the budget resolution attracted bipartisan support for a balanced Federal budget in fiscal year 1981. Bipartisan support, a long established Senate tradition, adds a degree of credibility and permanence to the House budget process. Fourth, the first concurrent resolution on the budget implements an unusual procedural device called reconciliation. To insure that the balanced budget plan becomes a reality, not an illusion, the reconciliation proc-

ess is a tough enforcement provision with some real teeth in it. Without reconciliation, there will be no balanced Federal budget in fiscal year 1981.

The historic adoption of reconciliation lays the groundwork for a speedy and effective method of balancing the Federal budget. The reconciliation process mandates that eight House and Senate authorizing committees report legislative savings of \$9,059 billion. Thus, each committee must examine their portfolio of programs and projects and selectively trim these funds from already authorized expenditures.

Normally, the implementation of reconciliation comes in the second concurrent budget resolution, under the 310 procedure. Since there will not be sufficient time to consider these budget cuts fully in the last 2 or 3 weeks of the Congress, I support the Budget Committee's decision to place the reconciliation process in the first concurrent resolution on the budget.

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

Mr. Chairman, my vote for the Udall amendment is not a vote against a balanced budget; it is a vote against the process being used here. It is irresponsible and misleading. The gentleman from California on the Budget Committee, in singling out committees they are trying to get a handle on, cited the Committee on Ways and Means, and I think that is justifiable. Let me show you what is being done here. The Budget Committee tells us the Committee on Ways and Means must raise \$4.5 billion in tax increases. Let me tell you, we have had some hearings in that committee, and if you are going to get a bill out raising taxes, you are going to have to do it with a discharge petition. The Committee on Ways and Means is not going to report out a bill to increase or speed up the collection of taxes. We do not have a single vote on the minority side, and I am not sure we have many more on the majority side.

The Budget Committee decides how much the budget will be cut, but it gives the Ways and Means Committee the pleasure of either raising taxes or cutting expenditures. If we do not raise \$4.5 billion in increased taxes, we will have to cut \$4.5 billion from worthy programs.

Let me suggest a couple of other things the Budget Committee has blessed us with. First of all, I must say in fairness to them they do not have much time to work, and they have a lot of ground to cover. Somebody suggested to them that there was about a half billion dollars in savings in welfare reform and the savings could be taken this year and the expenditures the next. They were informed there was no way in the world to get those savings in 1981. First of all, the Senate is probably not going to act on the bill. But assuming they did, State legislatures would have to act to implement the savings. Still they charged this \$500 million as a savings for the next fiscal year, and when we suggested to them that might present a problem, they recommended we find it somewhere else.

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

Mr. CORMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding. I want to commend the gentleman because he more than almost anyone whom I know has been trying to find some legislative reform, and he has accomplished it. He did so in disability insurance. He did so in the welfare reform package, I believe which is presently in conference. And he did so in title XX, Social Services. I think he has in his subcommittee tried to come up with about \$350 million. If we had had more of that we would not be here arguing today.

□ 1520

Let me talk about that so-called \$4 billion. The gentleman said \$4.5 billion package before the Committee on Ways and Means. I think it is \$4.2 billion.

The gentleman has already done some of that, too. The housing bond tax legislation which is \$400 million, you reported that out of your committee and we passed it in the House. What we are recommending you do is to try to find the rest of it and we suggest some ways. This did not just come out of the heads of members of the Committee on the Budget, it came out of those 8 days of meetings with the leadership with inputs from the gentleman's committee and others, and we are suggesting you can possibly find \$3.4 billion not in a new tax but in the withholding on interest and dividends. I know it is tough. All this business we are doing is tough, but it is possible.

Perhaps the gentleman can find something better. It is not a new tax but it is a law. As the gentleman well knows you are supposed to pay your taxes on interest and dividends. Some people do not. We are recommending that withholding and we will get an increase of \$3.4 billion.

Then we suggested, out of \$313 billion in revenues, try to find some users fees, try to find perhaps \$500 million in user fees. We even suggested the airport fees and the waterway fees or whatever else. They are reasonable requests.

Finally, I have little argument with the gentleman's committee. The gentleman's committee has tried, has cooperated and has come forth with legislation. The Committee on Ways and Means came forth with one of the largest legislative reforms last year, hospital cost containment. It was not the fault of your committee what happened to us here on the floor. However, there are other areas where the special interest groups are so entrenched—not in the area of your committee but in others, so entrenched that nothing will come forth.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. CORMAN was allowed to proceed for 3 additional minutes.)

Mr. CORMAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I requested that the gentleman from California have additional time

that he might explain that special interest forces do not have influence on the Committee on Ways and Means.

I do not want to take up the time of the special interest forces who do not make out too well on Ways and Means, but I would like to commend the gentleman for his remarks and as someone who was supporting a balanced budget with my colleague, the gentleman from California (Mr. ROUSSELOT), at a time when it was not popular, I think that this reconciliation process is a fraud. The Committee on the Budget has to come up in balance and instead of making a lot of cuts in defense and other areas where they might, they say, "Go find the money somewhere else," and they lateral the ball off. They do not take any heat. If a tax is passed they say, "Blame Ways and Means, Mr. Oil Producer, we just recommend it."

We know that your committee has roughshod over the oil industry, because the special interest forces have no influence in your committee. The gentleman can pick the insurance lobbies, he can pick the corporations, he could balance the budget and put us in surplus because special interest forces have nothing to do with the gentleman's committee.

Mr. CORMAN. Mr. Chairman, let me retrieve a couple minutes of my time.

I thank my colleague from California very much.

Mr. Chairman, if we approve reconciliation, there are going to be teeth, and let me tell you who they are going to bite. We are not going to get the \$3.4 billion withholding and we are not going to get the \$780 million hospital cost containment and we are not going to get the \$500 million in savings from welfare because we do not have time now to do it, even if the Senate acted today. So we have to find that money somewhere else. We are not going to find it in social security benefits. We are going to find it in the poorest of the poor.

The Committee on the Budget, Mr. Chairman, already found \$125 million of it. Do you know where it was? It was in legislation that would help children who are abandoned in this Nation, who have neither parent. I thought, if there was one proposal the Committee on the Budget would retain it was that one. I even convinced the President to include it in his budget, but the Committee on the Budget took it out.

Mr. Chairman, since I have been the chairman of the Subcommittee on Public Assistance of the Committee on Ways and Means I have done my best to live within budget proposals and to cut expenditures where we could. However, we cannot possibly find \$4.2 billion, even if we do away with help for children and even if we do away with help for the severely handicapped. That money is not there. That is what is wrong with reconciliation and that is what is wrong with this process. You have to spread the burden. If this House will not pass tax laws, you cannot make up the difference from the poor. You have to take a couple of bucks away from the Marine Corps, too, and I really do not want to do that.

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

Mr. CORMAN. I will yield to the gentleman.

Mr. PANETTA. I thank the gentleman for yielding. The difficult thing is, if we are going to reach a balanced budget, it has to come from somewhere. We have \$16 billion in reductions here. Admittedly, as the gentleman has pointed out, it is rough, it is rough no matter what area you go into. But you cannot come in here and say you are for a balanced budget but you cannot find the savings.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. CORMAN. Let me respond to the gentleman. I just do not agree with the cuts the Budget Committee insists on. If we spread these cuts evenly over that \$600 billion we are going to spend, that would be fine, but that is not what one does with reconciliation. If the House decides not to raise \$4 billion more in taxes, we are not going to require all committees to make that up. The Ways and Means Committee is going to have to make it up and it will not come from social security recipients—and it should not—it will come from a very narrow base of people, the poorest of us, and they will be seriously affected. That is my problem.

Mr. PANETTA. Mr. Chairman, will the gentleman yield further?

Mr. CORMAN. I yield to the gentleman.

Mr. PANETTA. I do join with the chairman in paying my respect to the Committee on Ways and Means.

The reality is, Mr. Chairman, the bulk of those entitlement programs, that is 76 percent of this budget that is uncontrollable, that the bulk of those entitlement programs rest within the jurisdiction of the gentleman's committee. That is just the reality with which we deal. It is unfortunate. It puts all of the pressure on the gentleman and I recognize that but these recommendations are not just the committee's, they come from the administration. They come from CBO. Indeed, they come from members of the gentleman's committee themselves.

Mr. CORMAN. Mr. Chairman, let me retrieve 30 seconds of the last 2 minutes. Members of the Budget Committee proposed that \$500 million could be saved from the AFDC program. CBO informed the committee it could not save \$500 million in the first year. That savings would not occur until the first full year after the program was implemented. The President also recommended these dependent children not be deprived.

When I support the Udall amendment I am not voting against a balanced budget. I am suggesting to you that you have a process that is not working and you have to take it back and find a better solution.

Mr. PANETTA. If the gentleman would yield, I would suggest it would be much more to the point to vote against the balanced budget resolution then to vote

against reconciliation because the two have to be unified.

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

Mr. CORMAN. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentleman for yielding.

I deeply respect the work the gentleman does as a subcommittee chairman of our Committee on Ways and Means.

Mr. Chairman, I would like to say to the gentleman I think the gentleman has put in very sharp focus for us the very argument that is going here.

In my view in the past, we have opted to fund all things over the objective of cutting down Federal spending or balancing the budget.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. GEPHARDT. Will the gentleman yield further?

Mr. CORMAN. I do yield to the gentleman from Missouri.

Mr. GEPHARDT. What reconciliation will require of us is to make decisions. For instance, in the Committee on Ways and Means, do we want to cut off orphan children, do we want to hurt people who really have need or do we want to pass higher user fees on people who have private aircraft? I have an answer for that and I am sure the gentleman does, too. I would like to have that debate go on in the House. I would like to have those decisions made.

Mr. Chairman, in the past we have done both. We have funded the orphan children and we have let people get by, in my view, with too low user fees for general aviation. We could go on and on and talk about other tax credits and tax breaks that we give through the code.

Mr. Chairman, I would suggest to the gentleman we can bring those things out of our committee and pass them on the floor if people see that as the stark choice they have to make.

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

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

Mr. WIRTH. I thank the gentleman for yielding. I, too, want to pay my respect to the gentleman for what the gentleman has done in his subcommittee, the Committee on Ways and Means.

Mr. Chairman, I understand what the gentleman says about the difficulty in arriving at the revenue figures suggested by the Committee on the Budget but as the gentleman from Missouri has pointed out, we are not saying that that be the direction in which the revenue is raised. The gentleman and we have all talked about, for example, general aviation user fees. The average private pilot in this country is paying 15 percent of the cost of taking off and landing his or her aircraft. The taxpayer is paying 85 percent of that load. In general aviation 88 percent is paid by the user of that. That is a perfectly legitimate place to look for revenues, as are Coast Guard user fees, bargeway fees and so forth.

Mr. Chairman, there was also extensive discussion, as the gentleman knows, about taxes on tobacco and cigarettes.

□ 1530

If we are looking at all of those options, I understand the problems the gentleman is pointing out. The reasons I wanted the gentleman to yield—and I appreciate it—is to point out that there is no directive coming from the committee by any means, but rather we are calling for broad discussion.

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

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

Mr. CORMAN. Mr. Chairman, just let me suggest to the Members, you have all underscored the precise problem. You want the Ways and Means Committee to find \$4.2 billion or \$3.5 billion, and there are a lot of places to find it. The only people that have any stake in it are the people who are the worse off, because those are the programs that Ways and Means has the ability to cut back. If we cannot bring you a tax bill, we have to bring you a bill that will reduce aid to dependent children and aid to the severely handicapped, because those are the two categories you did not include in the budget.

If you would spread out these cuts, and if I thought the Armed Services Committee had some stake in a tax increase because they would lose money if they did not vote for it, I would feel better about the burden Ways and Means has been asked to bear in raising this money. Mr. Chairman, I recommend a "yes" vote on the Udall amendment.

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

Mr. Chairman, I rise in opposition to the motion to strike the reconciliation language.

Not in a decade in this House have we seen such affection for our standing committees.

At every turn in the budget debate, there is someone coming to the defense of committee jurisdiction. When there was an attempt to put a cap on spending, the guardians of the committees said the budget resolution was not the vehicle. Let the committees do it. When we sought to bear down on uncontrolables, they said no. Let the committees do it. When we sought to reconcile budget targets, they said no. Let the committees do it.

And where have the committees been? Last November we included in the second budget resolution a provision calling on them to report back to us by March 15 on the ways we could deal with entitlements and other uncontrolables. Only 2 of 19 committees even bothered to comply. Last November we sheepishly backed away from reconciliation. Since then, budget outlays have risen by \$25 billion. For the sake of the committees we are now waiving provisions of the budget resolution 60 to 70 times a year. Next week we are going to be debating sup-

plemental appropriations for 1980 of \$17 billion. Last year the figure was closer to \$11 billion.

But here we are again, being ever so cautious not to put too much pressure on the committees, for fear we may back ourselves into a corner and have to practice what we are preaching about balanced budgets and fiscal responsibility.

The argument that we must not fix ceilings in place of flexible targets is nothing more than double-talk. There is no such thing as a fixed ceiling on spending in this Congress. If we do not fall back on budget waivers, we work faster than a magician coming up with some other way to spend more money.

I do not seek to undermine the authority of committees. I do seek to prevent the complete undermining of the budget process. It is already a hapless, hopeless, useless process. Coming to this floor to debate a budget resolution is like coming to a masquerade ball where we all pretend to be doing something we are not. We have to wear the masks, because we cannot face up to the fact that the Federal budget is out of control.

My distinguished colleague from Maryland (Mr. MITCHELL) said yesterday that he did not know how he was going to vote on the Latta amendment, because a vote in favor of the 1981 budget would be more deceitful. While we disagree on what economic medicine is best for his constituents, we are in complete agreement on what it is we are doing with the budget process. We are deceiving the American people.

This is not a fiscal document we have here, but a political document. It is not designed to cool the fires of inflation, so much as to cool the fires of an angry electorate tired of high taxes and inefficient, wasteful and abused Government services.

When the debate on reconciliation is over and done with, I intend to call for a division of the question on this budget resolution so that we may have a separate vote on the 1980 and 1981 budget figures.

I have no reservations about the vote on 1981. This first budget resolution has been escorted through this House under heavy guard of the Rules Committee without a nick or a scratch. The distinguished chairman of the Budget Committee has repulsed attacks from the right and from the left, and in the end, I suspect he will find that he has kept his troops in line through it all. Victory will be his and I congratulate him on this, his last battle of the budget.

We have heard the litany of 1980 outlays many times during our debate on the budget. We started in the spring with outlays of \$532 billion. That rose to \$547 billion, and then to \$567 billion, and it is now, for the time being, \$571 billion. I understand that there are already plans in the works to shoot it up higher.

We cannot simply fold 1980 figures in with the estimates for 1981 and pass them out of this House as though they were a nonissue in this debate; 1980 is an issue, and we have to have a definitive up or down vote on this issue.

The 1981 budget is not the issue. It is the nonissue.

And 1981 is farther away from reality than a pennant for the Chicago Cubs—1980 is reality. We are still in the 1980 fiscal year. We are faced with uncontrolled increases in spending this year. There is no reason for rhetoric, no time for procrastination, and no room for retreat. We either take a stand or we don't, here and now today.

But I still think this vote ought to be taken, for the record. I sought to separate these two budgets from the beginning, and fought the rule on this resolution to make in order an amendment to make a start on reduction of expenditures in 1980. I now seek a division because I still believe, more than ever, that we have to take a stand on this year's spending. If we do not, then we have no right to vote out a 1981 resolution masquerading it as a balanced budget. If this Congress cannot exercise fiscal responsibility in 1980, then it will not exercise restraint in 1981, and the American people ought to know it ahead of time.

Obviously positioning myself as I have, I hope the Udall amendment will be soundly defeated.

Keep reconciliation alive. Without it we bury the budget process.

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

The CHAIRMAN. The Chair recognizes the gentleman from Texas, the majority leader (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I oppose this amendment. The amendment would dull the claws and blunt the teeth of this resolution.

The reconciliation process, which requires our committees to stay within the budget ceiling for each category of spending, is the heart and soul of the budget procedure. Without it, the totals we approve today for each function will be only targets. With it, they will be enforceable ceilings.

This amendment would postpone until next September the enforcement of those ceilings. It is true that we have followed that procedure in the past. It is true, as the authors of the amendment declare, that the budget resolution presently before us calls for an unusual discipline this early in the year.

But it also is true that we face a highly unusual situation. Inflation has hovered for weeks near 18 percent. Total debt, public and private, has soared to \$4.5 trillion.

Interest rates skyrocketed to unprecedented heights, stalling out our economic growth. Only now, at least partly in recognition of our determination to balance the budget, are interest rates beginning to come back down to normal.

These are unusual circumstances. They call for unusual action. They call for unusual discipline and unusual determination.

If we go forward with the reconciliation provision intact—requiring committees to abide within the total spending ceiling—the world will see that we are serious.

Those who lend money will see that we mean it, and interest rates will continue on the downward path.

The consuming public will see that Congress is serious about halting inflation, and the inflation psychology will begin to abate.

We have acted in good faith these last few weeks while this resolution has been under consideration. We have rejected amendment after amendment. We have demonstrated the determination to hold fast to the \$2 billion surplus and the \$10.5 billion budget cushion.

We have resisted temptations to unbalance the budget with more spending and also with unmanageable tax reductions.

Having gone forward under the banner of a balanced budget, let us not now retreat when the tide is just beginning to be turned. I urge you to reject this amendment, to hold fast to the balanced budget and to retain the reconciliation provision which lets us enforce it.

□ 1540

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I was not privileged to be a Member of this body in 1974 when the Budget Act was adopted by this House and by the Congress, but I have had occasion during the course of these past few weeks to reread the debate that took place on the floor in relation to it.

My recollection is that the distinguished gentleman from Missouri (Mr. BOLLING), who is now chairman of our Committee on Rules, was the manager of the bill. In the course of the various colloquys that took place, there is just not the slightest question in my mind but that the reconciliation process was never, never intended to apply to the first budget resolution. So it seems to me that the Budget Committee at the very least is overreaching in offering reconciliation at this stage.

But I think the most serious problem of the debate and of the process is that we are debating as if the budget resolution really was what counted in our economy and in our Nation at this time. Of course what really counts is what is happening in the real world outside of this Chamber.

Our distinguished colleague, the gentleman from New York (Mr. OTTINGER), has related what is happening, not only on the basis of our sense of it and our constituents' sense of it but on the basis of what most economists are predicting, and that is an 8 to 9 percent unemployment level sometime in the early part of the calendar year 1981.

In the course of this debate we sometimes get the feeling that the only legislation, the only law, that matters is the Budget Act and the budget resolution process.

I want to read to the Members from a section of a law which I think is particularly applicable at this stage in our economy. Public Law 95-524, signed into law on October 27, 1978, barely a year and a half ago contains a provision titled, title VI, countercyclical public service employment program. The section reads as follows:

#### STATEMENT OF PURPOSE

SEC. 601. It is the purpose of this title to provide for temporary employment during periods of high unemployment. It is the intent of Congress that such employment be provided during periods when the national rate of unemployment is in excess of 4 percent, and that the number of jobs funded shall be sufficient to provide jobs for 20 percent of the number of unemployed in excess of 4 percent, or 25 percent of the number of unemployed in excess of 4 percent in periods during which the national rate of unemployment is in excess of 7 percent.

Mr. Chairman, it just so happens that the unemployment levels now are in excess of 7 percent. What I just read happens to be the law as it exists today.

Section 602 goes on to say:

On or before March 1 of each year, the President shall report to the Congress the amount that would be needed to be appropriated for the following fiscal year in order to provide jobs . . . in fiscal years during which the President estimates that the national rate of unemployment will exceed 7 percent, for 25 percent of the number of unemployed in excess of 4 percent.

Then, Mr. Chairman, it goes on to say as follows:

Such report shall contain the President's estimate of the unemployment rate for the following fiscal year, the number of unemployed in excess of 4 percent of the labor force, and the average man-year cost of each public service employment opportunity.

Pursuant to that mandate, pursuant to that existing provision of law, the President in the budget that he sent up to us in January said that following:

This program—provides temporary employment assistance grants to State and local prime sponsors and Indian tribes during periods of high unemployment. It will provide an average of 200,000 jobs in 1981. As required by section 602 of Public Law 95-524, the following information is provided for 1981:

The unemployment rate is estimated to be 7.4 percent.

The number of unemployed in excess of 4 percent of the labor force is estimated to be 3.62 million.

The average cost per year of title VI public service employment opportunities is estimated to be \$10,194.

The amount that would be needed to be appropriated to provide public service jobs for 25 percent of the unemployed in excess of 4 percent is \$9,950 million.

Mr. Chairman, those are the President's figures in his budget. Clearly the law would require that he provide for \$9.95 billion to pay for 3.62 million public service CETA positions. Instead the President's budget called for only \$2.044 billion and 200,000 jobs.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. WEISS. Mr. Chairman, when the President submitted his revised budget in March of 1980, in some mysterious way he concluded that the unemployment in fiscal 1981 would be only 7.3 percent and offered a reduction in countercyclical public service employment

from the January figure of 200,000 to 149,000, and a reduction in budget authority from \$2.044 billion to \$1.35 billion. Today, of course, the estimate of unemployment is between 8 and 9 percent.

Our own Budget Committee in its report, in the face of all the projections and the requirements for money in excess of \$9.9 billion to meet the requirements of the law on the books right now also recommends reducing public service employment under title VI of the countercyclical public service employment program by 50,000 enrollees to the 150,000 figure of the President.

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

Mr. WEISS. I will yield in just one moment.

It seems to me, Mr. Chairman, that if we are going to be adhering to one provision of the law, then we ought to be adhering to other provisions of the law as well. If in fact we are facing the kind of unemployment levels which the President has projected, then we ought to be following the mandates of the law on the books right now and providing at least for the possibility—and that is all the budget resolution would give us—of expending moneys for the public service jobs which Public Law 95-524 mandates. Reconciliation would prohibit us from dealing with the very dire circumstances that millions of Americans who are in the process of losing their jobs—and hundreds of thousands have already lost their jobs—would be faced with in the forthcoming year.

Mr. PANETTA. Mr. Chairman, will the gentleman now yield?

Mr. WEISS. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, with all due respect to the gentleman's arguments, I think he is arguing more against the overall resolution than against reconciliation.

Mr. WEISS. Mr. Chairman, if the gentleman will allow me to reclaim my time, I am not.

What I am saying is that even if those projections were not in existence today but were likely to be in existence in the forthcoming 6 months, say, by the time this budget resolution would go into effect, if we have reconciliation, between now and September we would not be able to meet the expectations of the worst recession since the 1930's.

Mr. PANETTA. Mr. Chairman, if the gentleman will yield further just so we may clarify the point, the gentleman is talking about \$16 billion in reductions in this resolution; \$9 billion is in the form of legislative savings. Those are the only areas covered by reconciliation. The area of CETA reductions and the area of the other reductions the gentleman is talking about do not fall in the realm of reconciliation.

Mr. WEISS. Mr. Chairman, if the gentleman will allow me to explain it, the fact is that the budget resolution itself talks about these provisions resulting in the reduction of \$349 million in outlays in 1980 and \$1.350 billion in public authority and \$841 million in outlays in

1981. This is part of the budget resolution that is before us.

Mr. PANETTA. But it is not part of reconciliation.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

(On request of Mr. NELSON, and by unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

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

Mr. WEISS. I am pleased to yield to the gentleman from Florida.

Mr. NELSON. Mr. Chairman, I want to try to nail down this point, because I think the gentleman from New York (Mr. WEISS) has raised a most serious question here that needs to be clarified.

The gentleman from New York is actually arguing against the totals, the aggregate totals and the specific recommendations that the Budget Committee has made in its budget resolution.

□ 1550

The gentleman's arguments do not attach to the question of reconciliation.

Let me give an example. The \$9 billion directed to the eight committees, those funds for reconciliation do not prevent entitlement programs which, under existing law, would be considered to be activated to increase spending for certain kinds of programs that the gentleman is saying.

Mr. WEISS. If the gentleman will allow me, unfortunately the program I have just read from the budget and from the public law itself is not an entitlement program. What it does is to set forth the intention of that legislation as to what the number of positions ought to be.

If the Education and Labor Committee were, between the time that this reconciliation went into effect in the middle of June and September, to come forward in recognition of the depression that is facing us and suggest the expenditure in an amount above that which has been forced upon us with the reconciliation process, it in fact would be subject to a point of order. It could not be adopted. It could not go into effect to cure the problems that the country is facing.

Mr. NELSON. If the gentleman will further yield on that point, I would respectfully suggest to the gentleman that he is arguing against that particular aggregate in the budget resolution and that his argument does not attach to the question of reconciliation.

Mr. WEISS. If I may, I have been hearing that argument all afternoon. And, of course, it is almost like the Lincolnian argument as to how many hairs make up a beard. Every time you point to a particular hair, you say, "That is not a beard," and you point to another one, and you say, "That is not a beard. We are not telling you which part to shave, just shave the beard." But the fact is that, in totality, the various components make up the aggregate.

OK, you do not have to cut CETA, right? You can cut child welfare programs, health programs, aid to the handicapped programs. But the fact is that

you cannot say to all of them, "We are not forcing a cut on you." Of course you are forcing a cut.

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

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

Mr. OTTINGER. Mr. Chairman, I would like to agree with my friend, the gentleman from New York, and point out that what you are doing is taking targets in the first budget resolution and making ceilings out of them, as the people on the Budget Committee have admitted. That means that appropriations are going to be held at the desk and you cannot make changes that otherwise you could make, regardless of the targets that were established in the budget for changed conditions. I think that is what the gentleman from New York and I am really concerned about.

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

Mr. WEISS. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman, first of all, for going back and reading the legislation that brought about this whole budget process. If more Members would go back and read the debate, they might be very well informed.

It is true that when it was initially conceived, there were those of us who thought that reconciliation was more in keeping during consideration of the second budget resolution. What has happened and what we could not foresee at that time is that then given only 15 days, unfortunately, senior members on our Appropriations Committee have come up to the point, in practical fact, and said, "There is no way now, with this constraint on us that we can do it."

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

(On request of Mr. MICHEL and by unanimous consent, Mr. WEISS was allowed to proceed for 2 additional minutes.)

Mr. WEISS. I yield to my colleague, the gentleman from Illinois.

Mr. MICHEL. And because of that, it is very much in order that we consider reconciliation now in terms of the first budget resolution so that we are not caught unawares.

Mr. WEISS. If I may say this to my distinguished friend: The fact is that until this year, my recollection is that the reconciliation process was not used at all.

Mr. MICHEL. That is exactly the point the gentleman from Illinois has been making. There has been a very, very significant deficiency.

Mr. WEISS. Not only has reconciliation never been offered in regard to the first budget resolution, it has not even been suggested previously for the second resolution. Until we got caught in this mania of balancing the budget, regardless of the cost to the economy, of the cost to our people, we were concerned with reducing costs, reducing wastes, reducing expenditures, but we never tried to fit ourselves into an iron jacket. I think the whole discussion as to recon-

ciliation is only part of this obsession with the balanced budget, about which I think before this year is out we are all going to be saying, "It was a nice idea, but not in this kind of economy."

Mr. MICHEL. The gentleman is making part of a point that I was making earlier, and only to the extent, I would say to the gentleman, that reconciliation was, if he read completely that debate, a very significant part of the overall process, and without it, it really leaves an awful lot to the imagination.

Mr. WEISS. I am glad the gentleman really agrees with me on this. It was intended to apply to the second budget resolution and not to the first budget resolution.

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

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

Mr. WIRTH. Mr. Chairman, I would like to try again, as my colleague, the gentleman from Florida and the gentleman from California tried to do, to see if we can get the gentleman to understand the distinction between a discretionary program like CETA, which is the one the gentleman was referring to, which is not covered in this reconciliation resolution.

The program the gentleman was referring to, CETA, the Udall amendment has no relevance to CETA whatsoever, it is not applicable to CETA. CETA is a discretionary program which falls under the authority of the Appropriations Committee. The Udall amendment does not apply to the Appropriations Committee process at all. The Udall amendment applies to various legislative entitlement programs of which CETA is not included.

Mr. WEISS. Assuming, for the sake of argument, that that in fact is so—

Mr. WIRTH. Well, it is so.

Mr. WEISS. It applies to a food stamp program, it applies to a welfare program, it applies to a whole host of public assistance programs. The argument is still the same. We are talking about an economy that is in severe distress, where everybody is saying that things are going to get much, much worse. We are facing a recession worse than anything since the 1930's, and at in spite of that, what the Budget Committee is recommending to us is that we tie our arms behind our backs so that we cannot react to that situation. I find that to be incomprehensible.

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

Mr. Chairman, this has been a rather unusual debate. If I personally tended toward exaggeration, I would say it has been almost an historic debate. For example, I find myself supporting the position of the gentleman from New York (Mr. WEISS) and opposing therefore the carefully crafted position of the gentleman from Illinois (Mr. MICHEL).

But just to set my position straight, first let me say that I favor a balanced Federal budget. Furthermore, I favor re-

duction of the national debt by a surplus in the budget. And, therefore, to pursue those goals most effectively, I join in support of the amendment offered by the gentleman from Arizona (Mr. UDALL) to strike section 3 of the concurrent budget resolution. It is time for us to look at the facts.

The budget resolution does not truly represent a balanced budget. It only balances the budget on paper. The latest Economic Indicators show that the decline in our economy is going to be much worse than forecast previously. The unemployment figures for April show a drastic rise. Unemployment, which was 6.2 percent 1 month ago, is now 7 percent. The budget resolution assumes an average rate of unemployment in fiscal year 1981 of 7.5 percent. Mr. Kahn, the President's inflation manipulator, is predicting a total of 8 percent in the first quarter of 1981. At the 8 percent level the negative flow of one-half of 1 percent would result in an adverse effect of between \$12 and \$14 billion on the concurrent budget resolution's estimated surplus of \$2 billion.

Whether we are members of the Committees on Post Office and Civil Service, Veterans' Affairs, Ways and Means, Education and Labor, Armed Services, or Public Works and Transportation, we are certainly not prepared to carry out the proposed cuts or increase revenues in a budget resolution by mandating legislative changes that we know the Congress should not adopt.

Frankly, we are fooling ourselves and our constituents if we think otherwise.

For example, I doubt that we would be prepared to cut or reduce Veteran benefits or services by \$400 million.

As a ranking member of the Post Office and Civil Service Committee, I am especially concerned with the recommendation to reduce postal appropriations by \$836 million for fiscal year 1981 and a complete elimination to the Postal Service after 1981. That kind of cut in funds for the postal system will result in disastrous reductions in service which the American people have received for more than 100 years.

Elimination of the public service subsidy would end 6-day mail service and result in other major service cuts to be determined by the Postal Service. The revenue foregone appropriation provides reduced postal rates for religious, charitable, and educational organizations and institutions.

Therefore, there would be no opportunity, if we did not strike section 3, for the Post Office Committee to offer carefully considered alternatives to the administrative proposals. The legislative committees' role would render meaningless.

In this regard, Mr. Chairman, I vote in favor of Mr. UDALL's motion in order to preserve the role of the legislative committees in carrying out programs under their jurisdiction. The imposition of reconciliation as the first step in the Congressional Budget process really amounts to giving the Budget Committee authority to legislate on the nature and scope of Federal activities and infringes on the appropriation process.

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

Mr. DERWINSKI. I yield to the gentleman from Wisconsin, the de facto Secretary of State.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, I just want to point out that we are not poles apart on this issue. Furthermore, there have been rare occasions that I could be in agreement with my colleague and dear friend, the gentleman from Illinois. But on this issue I am in complete agreement, and I compliment the gentleman for his remarks.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Arizona, to strike section 3 of House Concurrent Resolution 307.

At the outset, I want to emphasize that my support of this amendment in no way detracts from my support of a balanced budget for fiscal year 1981, as recommended by the House Budget Committee in section 1 of the concurrent resolution. I am convinced that a balanced budget is an important first step toward curing our inflationary problems, and commend the distinguished chairman of the Committee on the Budget for his courageous leadership on this issue.

I do however, strongly object to section 3 of the concurrent resolution which would invoke reconciliation in this the first step of the congressional budget process contrary to the intent of the Congressional Budget Act.

If section 3 is permitted to stand, it will in my opinion do irreparable damage to the authorization/appropriation process. Standing committees of the House would become mere bookkeepers in the legislative process by abdicating their expertise and respective jurisdictions to the Budget Committees. Such a radical change in the legislative process is not in my view essential to achieving a balanced budget. Specific cuts in program categories should not be predetermined by the Budget Committees in the absence of the judgment of the appropriate standing committee of jurisdiction.

I want to commend the gentleman from Arizona for his leadership in offering this amendment and urge its adoption.

Mr. DERWINSKI. Mr. Chairman, in all modesty, I will accept the compliment of the gentleman from Wisconsin.

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

Mr. DERWINSKI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

Mr. Chairman, I do not know what is going to restrain this Congress, to tell you the truth. We speak of the legitimate committee process, and what has it produced? We have heard that this is no time for economy and that we cannot have constraints because of the condition of the economy. But we have had complete cycles in the economy, and when did we ever have a balanced budget and some drop in the national debt?

I am desperate, and I think the country is desperate. We are getting the feeling that we cannot stop the runaway

spending. We cannot stop the growth of agencies. We cannot control the operations of this Government.

Mr. DERWINSKI. We can. All we have to do is to mandate a balanced budget; then the legitimacy of the committees lies in the expertise of these Members which the panel on the Budget Committee has not had time to acquire. You must look at the tremendous experience that comes with committee responsibility over the years, the knowledge, the in depth feel for the problems. You do not have it in this new game with CPA's that the Budget Committee plays. That is why the Udall amendment is absolutely essential to the legitimacy of the legislative process.

Mrs. FENWICK. But the expertise of the committees has been disastrous.

□ 1600

Mr. DERWINSKI. Only those committees that do not agree with us on savings. When they agree with us, they have been in order.

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

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

Mr. BAUMAN. The gentleman serves on several very distinguished committees and has built up a great deal of expertise on his own. I gather in his discussion of legislative turf that has just preceded his yielding to me, he is interested in preserving the programs that have had such a great success and have come out of his two committees. Which is it, Post Office or foreign aid he is most concerned about?

Mr. DERWINSKI. I would say they are both vital to the well-being of our country, with certain limitations.

I could think of for example abolishing agriculture subsidies, speaking of a less sacred entity. I could think of a number of programs that we could well abolish, such as HUD subsidy programs, the annual public works overkill, and others.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

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

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

Mr. DERWINSKI. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

I am sure my friend knows that while he says we should let the committees work their will, that in the past, the Budget Committee has made recommendations, for example, in fiscal 1980, last year, of legislative savings in the first budget resolution of \$6 billion. However, without reconciliation, the end result was a savings of only \$200 million or about 3.3 percent. So the committees were 96.7 percent nonresponsive to the suggestions for legislative savings. Is the gentleman saying that something has changed?

Mr. DERWINSKI. Yes.

Mr. SHUSTER. And this year there is going to be a different response?

Mr. DERWINSKI. What has changed is the mood of the country. The lack of support last year for adjusted figures reflected the lack of drive, the lack of mood in this Congress. We still had the spending mood last year. Now, we have a balance-the-budget mood. I expect the committees to adjust accordingly, but I expect them to do it based on their knowledge of their turf, as opposed to the well-intended but very often misdirected goals of the Budget Committee. That is the real issue before us.

Mr. SHUSTER. I thank the gentleman and congratulate him on his confidence, which I do not share.

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

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

Mr. WIRTH. I understand the gentleman's interpretation as the country's mood being the great enforcer on the committee's structure.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has again expired.

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

Mr. WIRTH. If the gentleman will continue to yield, what happens if, in fact, we pass the Udall amendment, we go to the middle of September and the committees have not acted to arrive at the \$9 billion the gentleman from Pennsylvania is talking about, instead of that we have the dismal less-than-4-percent record that characterized our activities last year. Where do we go from there?

Mr. DERWINSKI. I read into the gentleman's question the disbelief that the House or the full Congress, having taken this position of support of the view of the gentleman from Arizona (Mr. UDALL), would then turn its back on its responsibility. I fail to understand why all of a sudden the only fountain of truth and the only strength in the entire Congress seems to be in this newly developed budget process. Strength lies in our authorization and in the Appropriations Committees.

If we support the gentleman from Arizona, then we will support him to the end of the process, which is to handle the reconciliation in the proper manner within each committee.

Mr. WIRTH. If the gentleman will yield further, I think that that response begs the point if I might. The point is that reconciliation provides the enforcement for the legislative savings that the whole House agrees to.

If you follow the argument of the gentleman in the well and you go to the Udall amendment, that spills over even if you assumed reconciliation by the 15th of September, the House goes into adjournment, and we have election time and arrive at the 97th Congress, how do we achieve the legislative savings if the gentleman is incorrect that the mood of the country is not adequate as the great enforcer to achieve the \$9 billion in legislative savings?

Mr. DERWINSKI. The real point I am making is that I do not believe the

Budget Committee and its figures which it intends to mandate upon every one of our authorizing committees. The Budget Committee has arrived at neither a scientific or logical figure in most cases.

I argue that the real responsibility, and therefore the discipline, must be returned to the committees that actually hold that awesome responsibility. In that case, we would logically, if we adopt the Udall amendment, logically follow through and meet the intended goals.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think we have had an historic debate here today. I think that what is at stake is the very future of the Budget Act itself.

I understand the arguments in support of the amendment of the gentleman from Arizona. I respect the concerns of the committee chairmen, who are concerned that the Budget Committee is trying to invade their turf.

I know how difficult it is whenever we get into a debate here on turf or reforms or committee jurisdictions or all of those questions. They are probably the most difficult and brutal debates that we ever have in this chamber.

Invading jurisdiction is not the intent of the Budget Committee, and certainly it is not the intent of this gentleman from Connecticut or the members of the committee which I have the privilege to chair.

I want to assure the chairmen of the committees that the Budget Committee is not trying to encroach upon their jurisdiction. We are given a job to do, and that is to look at the totality of Federal spending and see how best we can arrive at a balanced budget, which the people of the United States are demanding.

I also recognize the argument of some of the speakers who have been in the well who have other purposes and other motives in mind, and they make them quite clear when they speak. They are not interested in balancing a budget. They are not interested in controlling spending. They are not interested in cutting spending. In fact, they are interested in turning on the printing press which we have done in Government these many years.

We will see them by their votes as they vote for or against budget resolution or efforts to control spending.

I want to address myself to those of this body who wonder why we are having this great debate over this word "reconciliation."

My goodness, it takes time and effort to have to explain it to each other and certainly to a lot of the public. What we are saying is that in a budget of \$611 billion, we are trying to make some savings, and we are making \$16½ billion in reductions in spending programs.

We are asking the revenue committees to come up with an additional \$4.2

billion in ascertainable revenues. We are asking committees of appropriate jurisdiction to come up with ascertainable legislative reforms which will result in saving \$9 billion.

Let me tell the Members, if these things do not happen, we can't forget a balanced budget. If that is what we want to do, then let us do it. Let us say so, and let us tell the American people we really cannot live within the disciplines of the Budget Act, we are incapable of doing it here in Congress. We are good at voting programs, at spending moneys, but when it comes to cutting, reducing or reforming, we do not want to do it.

I do not think that is what we want to do. If this were a usual year, an ordinary year, we perhaps would not be arguing reconciliation in the first budget resolution. But this is not a usual year.

□ 1610

Let me go back. First, let me go back to last fall when the other body attempted to put reconciliation in its second budget resolution, in the fall resolution, and there was great disagreement in the other body to the extent that they suspended debate and had several days of caucus by the majority party and the minority party. After that debate reconciliation was adopted in the other body by a vote of 90 to 6.

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

(By unanimous consent Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. The resolution then came back to this body. I and members of the majority resisted efforts to impose reconciliation over the objections of the members of the minority who thought and believed that it had to be effected. The basic argument that I used and believed in last fall was we have legislative reform working in our committees, we have confidence that our committees are trying to do their best. That was our argument last fall. Let us give our committees the benefit of the doubt; let us not try to compel them via this very heavy legislative tool of reconciliation.

Now, do my colleagues know what happened? The president in his original budget last year sent up a legislative reform package of \$6 billion for the first budget resolution. We adopted it. Nothing happened. We reduced it in the second budget resolution to \$2.7 billion. Of the \$2.7 billion, how much in legislative reform came out of our committees? \$200 million.

So the legislative reform-voluntary method did not work last year.

This year my colleagues should know the other body has reconciliation not only for 1981, as we do, but also for 1980, as we do not. Early this year when the inflation rate went to about 18 percent, there was a panic in this city. The money markets were in disarray. There was uncertainty in the investing sector of America. There was uncertainty by the businessmen and women of America on whom we depend to pay taxes that make this great Federal budget of ours operate. There was great uncertainty on

the part of the President as to his January budget, which he had sent up.

As a result of meetings between the President and the leadership of the House and the other body it was decided to set up an emergency ad hoc committee headed by the distinguished majority leader of the House, the gentleman from Texas (Mr. WRIGHT) and the distinguished majority leader of the other body, the gentleman from West Virginia, Senator BYRD. On this ad hoc committee were the leadership of the House and the other body and representatives of the various committees on an ad hoc basis, and also the chairmen of the House and Senate Budget Committees. There were several basic agreements that evolved out of these 8 straight days of meetings. The first was that we should balance the budget, that we, the Federal Government, have got to send out the signal to the Nation that we are committed to the war on inflation, that we are determined to reduce inflation in this country which is eating America alive, and that we must do it immediately. We recognized that we must take steps in the monetary area, in the regulatory area, in the energy area, and many other areas. But certainly first and foremost, the most important thing we must do would be to put our own fiscal house in order and put our own budget in balance. That was agreed to in principle by all at those meetings.

Second, it was agreed that we would do this sincerely by reducing expenditures, not by estimating taxes above where we thought they would be, which would give us more revenues, obviously, and more leeway to spend. But it was essential we balance the budget by reducing expenditures. We recommended that and agreed to it, and we went over every program, every function of Government, looking for areas where we could reduce spending.

Also present at those meetings were the Secretary of the Treasury, the Director of the OMB, and the Chairman of the Council of Economic Advisers representing the President.

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

(By unanimous consent Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, we had a crisis on our hands. We have a crisis on our hands now. We have inflation at 18 percent. We have interest rates at unacceptably high levels, even though, thank goodness, they seem to be beginning to come down. We had chaos in our financial markets threatening the very structures of the society upon which 220 million Americans depend. We recognized we had to face up to this crisis and make substantial cuts, which we have done, totaling \$16.5 billion. It was recognized that there were areas where we could find some revenues without increasing taxes through some user fees perhaps, or through the withholding of existing taxes on interest and dividends.

Third, we looked at the legislative reform packages which Presidents tra-

ditionally send up year after year after year, pleading with the Congress to enact laws which will reform and change parts of some of these programs which cannot be justifiably defended. We recognized that if we could not use reconciliation as a tool, the same thing would happen this year as happened last year. The recommendations would be ignored by the committees, not because the committees do not want to cooperate, but because it is so difficult.

It is so difficult to overcome many of these special interest groups in this Congress. I am a veteran of World War II, but do my colleagues think they can withstand the veterans lobby in this country which can overwhelm the committees of the Congress if they are not forced and pushed and told by the House and the other body to enact certain reforms? Do my colleagues know the power of the postal lobby in this country and of the special interests of the Postal Services concerned with second, third-, and fourth-class mail in this country? I could go on and on. We recognized if we are to balance this budget this year we must have reconciliation and we must have it now in May and June.

It will do us no good to wait until the second budget resolution in September when it will be too late, given the fact that Congress will have to adjourn for the elections, and it will be too late for the Congress to rectify the inactions of committees. If there is inaction now, what will happen by June 15 if the committees fail to act? It is up to you. It is up to all of us. If we decide in this House that something must be done, then it will be done.

□ 1620

If we decide to go along with the committees as some have said, it is not going to happen. Then so be it. At that point, Mr. Chairman, we will not have a balanced budget. At that point we will have ignored the discipline of the Budget Act. The purpose of the Budget Act is not to do the legislating for committees; the purpose of the Budget Act is to look at the total budget of this Nation and try to establish some priorities and try to cut that pie up into the various shapes, into the various sizes needed by the various functions of our Federal operation. And that is what we are trying to do.

If you want to condemn this committee for stepping on toes, so be it. What this committee is trying to do is save the integrity of this Congress insofar as its commitment to the American people that it is going to stop spending money it does not have. It is going to stop taxing people via the indirect tax of inflation, which is the most vicious and cruel tax of all. It is trying to get a handle on Federal spending.

What this amendment would do would be to remove the discipline which you, not the committee—which you, the Members of this great House of Representatives—would be imposing on your committees.

I plead with you, if you want to balance the budget, if you want to preserve



the integrity of this Congress, vote down this amendment.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Udall amendment. That may sound strange to some Members of this body who have watched me come time and again before the Congress to ask for appropriations, to ask for authorizations for programs to help children, to help the less fortunate of our society.

I became interested in politics in a period of time when all politicians who were out on the stumps talked about setting new priorities. When I ran for the Congress the first time, I also talked about setting new priorities, and when I got here, I found out here that every other Member of Congress had talked about setting new priorities. I found out that what that really meant was the justification for the spending that you desire and the definition of another gentleman's waste.

I think that what we have done is we have kidded the American public all too long that we are setting priorities when in fact we have set none. I have watched the deficit in this Congress be raised time and time again. I have never seen it raised for anything that I believe in. I have seen it raised for the MX missile. I have seen it raised for strategic weapons when that was in vogue. Then I saw it turned around and it was raised for conventional weapons when that was in vogue. I have seen it anticipated that it be raised for something called a rapid deployment system, for a B-1 bomber that could not do its mission. What became apparent to me was that by having that variable in the system, in the equation of this adjustable deficit, time and again the people that I came to try to help, the people whom I was concerned about that this country has an obligation to—the old and the unfortunate and the poor and the children of this country—never had the deficit raised in their name. So the deficit was raised with amendments, and conservatives would generally support amendments for these programs that I disagree with, and then they would vote against the budget because the budget was in deficit. That is called having your cake and eating it, too. Only in Congress can you do that.

But let us now review what took place in this Congress last week. We had the Obey amendment that barely lost. We had the Ottinger amendment. We had other amendments offered. Then we had the Gramm-Holt amendment. Do you know what? The Gramm-Holt amendment did not pass. Why? Because they had to cut too many people too deeply to eke out the kind of defense spending that they wanted, that they thought Afghanistan and blunders around the world by this administration would justify. To get that kind of defense spending you had to cut the old too deeply; you had to cut the children too deeply; you had to cut other recipients of necessary programs, and that did not sell in the Congress. That approach did

not miss as narrowly as did the Obey amendment. That approach was trounced. But if we were playing under the old rules of adjustable deficit, I suspect the Gramm-Holt amendment would have passed, because we all know that national security is a great garnerer of votes in the Congress. So Gramm-Holt would have passed; but the deficit would have been increased; the conservatives would have voted against the budget; and the liberals would have been hung with being bigtime spenders because we have an obligation to report a budget of this country. I say no more am I going to play in that arena.

We will find out if in fact there is a great Democratic coalition in this country, and we will operate under a balanced budget. I want to pay tribute to the chairman of the committee, the gentleman from Connecticut (Mr. GIAMMO), who I think has done a fine job. I happen to think his budget stinks, but I think he has done a wonderful job. So these are not my priorities. This is not what I would vote for necessarily, but I do believe that it has kept many of the things that I do not believe in and that I think are wrong for this country from also being included in the process. I do not think that that would have happened without the pressure for a balanced budget. And I certainly do not believe that that will happen if we do not apply reconciliation, because without reconciliation I know where they are going to get the money. The gentleman from California (Mr. CORMAN) knows where they are going to get the money. They are going to get it from the less fortunate. But I do not think this Congress is going to be so prepared just to extract it from those individuals as they did without reconciliation. I think we are going to ask the Defense Committee to chip in a little bit, and maybe we will want to look at some of these programs a little more closely than we have looked at in the past, because don't you ever mislead your constituents that that deficit is going for the poor and the unfortunate in this country. That deficit is the cushion by which the special interests keep you from looking at what they are doing to the Federal budget.

The CHAIRMAN pro tempore (Mr. STUBBS). The time of the gentleman has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 5 additional minutes.)

Mr. MILLER of California. If you have a deficit and you can get everybody to agree to deficit spending as a modus operandi of the Congress, what you can do then is you can keep them from looking at tobacco subsidies; you can keep them from looking at pork barrel; you can keep them from looking at tax subsidies that can no longer be justified—those things that used to be called tax preferences but which today have lapsed into loopholes. You can keep the Congress from looking at those. But if the Congress is under the mandate to take care of the people in this country who are in desperate need, as Ronald Reagan would say, to take care of the truly needy,

and you work within a balanced budget and a reconciled budget, you must then look at all avenues to garner the revenues so that that can be done. So while I may not agree with this budget, and I would have hoped that the Obey amendment would have passed so that this budget would have been more humane, and while I agree with the people who have spoken here this afternoon, I think the people of this country are going to come back to us and ask us to help this economy, ask us to help those unfortunate people who are unemployed, and we will have to deal with that later on.

But what is most important to me is I believe that this process finally has become the vehicle whereby nobody again will be able to run off with the entire store because, as I have sat here for 6 years, those people who are interested in the defense of this country and interested in it in the sense of any contract that will go to their district must be good, will no longer be able to create a deficit at my expense, and no longer will many of us have to pay for their sins, because the budget will be in balance and those kinds of foolish expenditures will no longer be tolerated because the money will not be available.

So I suspect that many liberals might want to look at reconciliation as a vehicle to keep what has happened for so many years in this Congress from happening again whereby we are just constantly saddled with a deficit that is there for no other purpose than to protect the special interests in this country, many of whom tell you at the end of the letter, "By the way, I believe in a balanced budget."

□ 1630

You cannot do it and we should not do it and I think we ought to end that game right here and now and I ask the Members who oppose the Udall amendment.

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

Mr. MILLER of California. I will be delighted to yield.

Mr. SEIBERLING. Mr. Chairman, the gentleman has expressed my sentiments exactly. I wish to commend the gentleman. This process cuts both ways. As the gentleman pointed out, we found that out on the Latta amendment and the Holt amendment. It is not correct to say that liberal programs are the only ones that are going to suffer.

Yes, Mr. Chairman, some of them are suffering in this resolution, although the gentleman and I voted to change its priorities. But without a system to force this Congress to make decisions on priorities and to take the system seriously, we are never going to reorient priorities, we are never going to get tax reform, we are never going to get the kind of liberal democratic program that I think this Congress is to some extent, deserting. Until we get this system in place and make sure that everybody understands it is there to stay and get the public to understand it is there to stay, we are not going to have a new priorities kind of Congress.

Maybe the next Congress is not going

to have the right priorities but if it does not the people are going to be better able to see what a difference it makes if we make this system work.

Mr. Chairman, I commend the gentleman for his statement and I hope my liberal friends will support him because if there is one thing that is clear, it is that heavy deficit spending in times of severe inflation does not help liberal programs. It destroys them, because inflation makes the value of the money that went to support them worth less and less. All we have to do is look at the devastation that this budget resolution represents for many of them. There are many other things, such as price controls, payroll tax cuts, productivity incentives, energy conservation incentives, and so forth, that need to be done if we are to lick inflation, but those are not before us today. What is before us is the opportunity to show that Congress is serious about fighting inflation on all fronts.

Mr. MILLER of California. Mr. Chairman, I commend the gentleman for his remarks.

In closing, Mr. Chairman, I would just like to say that the gentleman from Ohio touched on a subject that I cannot believe I missed but I did, and that is the pressure for real tax reform, for ending the loopholes, the pressure will never mount as long as the special interests can count us into deficit spending because then, what we will have to do in the Committee on Ways and Means is, we will pit the homeless children of this country, the old folks of this country against the special interests of this country.

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

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 1 additional minute.)

Mr. MILLER of California. We will take those constituencies and march them to this Congress and let the Congress choose between them and the oil companies and the tobacco producers and those kinds of loopholes. I dare say that I have faith that this Congress will pick those individuals, those citizens of this country who are in need and they will do it at the expense of those tax loopholes that are only here because we have been conned into raising the deficit year in and year out so that we keep away from looking at those kinds of special preferences that are fraught throughout this entire governmental system of spending.

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

Mr. Chairman, at the risk of ruining the reputation of the two preceding speakers, I would like to agree with their conclusions but, for the most part, I would like to completely disassociate myself from their remarks. I will explain that. I do disagree with some of the arguments these gentlemen have advanced but I admire their conclusions and, good men, I think, can differ.

I want to say amen. Amen to the remarks to the gentleman from Connecticut who only a few months ago was against budget reconciliation and is now for it. That in itself is a reconciliation.

Amen. Come down brothers and sisters, come to the well and speak out, speak out in behalf of the balanced budget. Oh yes, brothers and sisters. This is music to my ears.

Turn your books to No. \$612 billion and we will all sing the balanced budget song.

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

Mr. BAUMAN. I yield to the gentleman. Amen. Yes.

Mr. GIAIMO. Mr. Chairman, I want to commend the gentleman.

Mr. BAUMAN. Amen.

Mr. GIAIMO. I want to commend the gentleman. The gentleman has been working long and hard, trying to make a convert here. The gentleman has finally made one.

Mr. BAUMAN. I just want to say that I am sorry that the gentleman's retirement has brought him to this late conversion. If we had only had him with us for the balanced budget last year and in years past he may have been able to stay in Congress forever simply on what might have been his record.

And the gentleman from California (Mr. MILLER), I want to praise his conclusions, too. Yes, I want to say that it is true that the programs conservatives support programs such as national defense which do cost money. If we are going to have a country, it does cost something to preserve it. But the gentleman, too, has arrived at the correct conclusion on reconciliation.

Mr. Chairman, may I say this: The most unworthy argument of all I have heard in favor of the Udall amendment was that of "turf." I do not mean the grassy stuff that cost so much to roll out on your lawn; since they are not building any homes now we do not need much turf. I am talking about legislative turf. We get accused in this Congress repeatedly of putting our own personal and parochial interests ahead of the national good. I can understand a district's parochial interest being put, on occasion, ahead of what might be described as a national good. But a chairman, and a subcommittee chairman being offended because the Committee on the Budget has the audacity to add up the spending figures and say, "We have to make cuts, please consider a cut, please make a little cut in one of your programs."

The answer comes back, "I am the chairman. I am the subcommittee chairman. You dare to suggest that I must consider the possibility of making a cut in a program under my jurisdiction?"

What poppycock, my colleagues. What poppycock. Go back and explain to your people that you could not balance the budget because of the pride of some committee chairman.

Eighteen percent inflation. Eighteen percent, twenty-percent interest rates and you argue legislative turf.

You know, we had a former Attorney General of the United States, Ebenezer Hoar. He made the comment once that Congressmen are like hogs—and I think that is a very unfortunate phrase—but he said they are like hogs, if you want to get a hog's attention in the barnyard,

you get a stout 2 by 4 before you give him the command and hit him across the snout. Thus you get his attention.

Well, I am glad that collectively the congressional snout has been struck by the 2 by 4 of 18-percent inflation. You finally noticed we need a balanced budget.

So I say today, reconcile, my brothers and sisters, reconcile here on this amendment and vote against the motion by the gentleman from Arizona (Mr. UDALL) to strike this important clause.

Mr. HYDE. Mr. Chairman, will my brother yield?

Mr. BAUMAN. I yield to the distinguished gentleman from Illinois (Mr. HYDE).

Mr. HYDE. I want to thank my brother in the well, and I think the gentleman does not sufficiently appreciate the depth of the conversion that has occurred.

Mr. BAUMAN. It is very deep here, I would say to the gentleman.

Mr. HYDE. It was a few short months ago that the distinguished chairman from Connecticut was in the well talking about the child health insurance program and the gentleman from Michigan had an amendment to make it an annual appropriation rather than an entitlement and the crusader from Connecticut stood there and said:

We are going to look at these entitlements, but not this one. Not this one. This is the wrong time.

Mr. BAUMAN. Do not speak too harshly of the gentleman.

Mr. HYDE. The depth of the conversion is remarkable.

Mr. BAUMAN. It is. And I say redemption is at hand. We must overlook the past sins of all and now that we have come to the bar of economic justice, we must do right.

Mr. HYDE. Would the gentleman say that political scientists should well note that a new axiom of political science has been here established that an 18-percent inflation rate is the point at which the Democratic Party understands that deficit spending is bad for the poor and the underprivileged?

Mr. BAUMAN. The polls also may have something to do with it, I will say to the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. BAUMAN. Mr. Chairman, I have excoriated the majority side a little bit, even though I have agreed with some of them on the pending question. I would like to address now some remarks to my side of the House.

Mr. Chairman, I am informed under the rule we are not able to speak on the budget after we vote on this amendment except by unanimous consent, so I want to speak to my leaders—wherever they are; they are around somewhere I am sure. I want to say this to them. We as the minority party will remain so, and

justifiably so, if in fact we choose to be the Rose Ruiz of deficit spending.

Now let me explain that. If we as a party, are going to get in at the last mile and support the Giaimo budget, we will betray our principles and deserve to be disqualified.

The Giaimo budget is a deficit budget, and includes a \$100 million tax increase. It is a budget that does not balance, a budget that causes great economic harm, a budget that has a classy veneer on it, but underneath is the same old liberal economic philosophy that has brought us to the ruin we face today.

□ 1640

We have no obligation, as the conservative party, to pull the chestnuts of these liberal folks out of the fire. They pretend to control this House but they do not. The closest budget amendment that came near to passage which made any sense was the Republican Roussetol amendment that would have only balanced the budget and reduced taxes.

Make them come to our side and deal after we defeat this budget, and we will give you a budget the American people can be proud of; that will help the people.

The majority leader, the gentleman from Texas—for 9 months more, at least—Mr. WRIGHT, said that this was not a charade, a political charade, as my leader, the gentleman from Illinois, (Mr. MICHEL) said. It is indeed a political charade, this so-called balanced budget. A charade is defined in Webster's dictionary as, "An almost transparent pretense."

There "ain't no" almost about this transparent pretense. This budget is out of balance. We should force the majority to accept its responsibility and not give them aid and comfort.

We should not vote for this final passage of this unbalanced budget resolution. We only have a few days left to correct these budget problems, and we will do it, but if you vote for it, you vote for inflation and deficits and the same old bankruptcy with a new veneer on it.

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

Mr. Chairman, I do not know whether I should address the body as "my colleagues," or "my brothers and sisters," but in any event, although I have great respect for the gentleman from Arizona, I think we must defeat his amendment which would eliminate reconciliation from the first budget resolution.

We are an institution with one trillion dollars of debt. We incurred that debt under the system that this amendment would perpetuate. We cannot afford that system. We have an interest bill of between \$100 and \$150 billion a year. Think for a moment what it would mean to this Nation if those dollars were available for the benefit of the people.

But, irresponsible spending of the past, imbalanced budgets of the past, have created a debt which we cannot now afford to assume. We cannot afford to make the payments on the interest, let alone the principal. In order to achieve fiscal

responsibility we must start with a balanced budget. However, the balanced budget is not the target. The target must be the trillion dollar debt. We must reduce our debt. Which means we must first break even, and then start building yearly surpluses.

For, whatever went on in the last 20 years in this body, we know that the committee system was willing to spend money it did not have, and that nobody knew how to stop it. We must have fiscal responsibility. We must have discipline. We must have the so-called CPA's to tell us, "You are going broke," and we have got to listen to them. Any other institution would have to listen or it would end up like Chrysler.

The tax revenues will not continue to take care of irresponsibility. We are on the verge of what could be a constitutional convention to mandate a constitutional amendment requiring that we maintain a balanced budget. It would be the height of irresponsibility on our part if we forced the people to go to those lengths.

So, I hope that we defeat this amendment, but more important, I hope that we realize that we can no longer have deficits; that we cannot afford our interest overhead. We must impose fiscal discipline upon this body. Our Budget Committee is that discipline, and let us work with them—not against them—because they are going to be the salvation of this body and of this Nation.

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

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

Mr. SEIBERLING. Mr. Chairman, I think the gentleman has made a very fine statement. I would simply like to take this opportunity to respond to a couple of points made by the gentleman from Maryland.

If there was a conversion of some of the people on this side of the aisle, it started in 1974 when we adopted the Budget Act. At that time, I know a lot of the colleagues said, "Well, it will never work," but now complaints are being made because there is a serious effort to make it work.

If there was a further step in the conversion, it did not take place this year. It took place in 1978, when a majority of this House voted that by fiscal year 1981 we should have a balanced budget. That is exactly what the committee's resolution would do.

The question before us, the real test, is, do we mean it? Are we going to make it stick?

There may be times when it is necessary, because of economic or other circumstances, to have an unbalanced budget. Even so staunch a Republican as former President Nixon espoused the idea of a "full employment balanced budget," which meant that in times of serious unemployment we might have to have an unbalanced budget. But, the corollary to that is that when times are good, we should have a surplus and use it to pay off some of that debt. Certainly in times of severe inflation and exor-

ciating interest rates we should at least try to avoid a budget deficit.

The gentleman has made an excellent point, and I do not think he is a recent convert, either. However, I believe he recognizes that these things cannot always be done instantly. It has taken time to get down from the \$66 billion deficit of the last budget of the Ford administration to a balanced budget in this, the fourth year of the Carter administration. But the time has arrived, and we must make it clear that we mean business.

Mr. HEFTTEL. Whether the conversion took place in 1976 or some other year, I think what matters is that we learn today what that conversion meant, and that we dedicate ourselves to fiscal responsibility. Be we liberals or conservatives—Democrats or Republicans—our national debt threatens all of us—and all of our institutions.

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

Mr. Chairman, I take the well at this time both to oppose the Udall amendment and to make several other remarks on the resolution which I think are appropriate at this moment.

I think one of the most important reasons to oppose the amendment is because if it passes, as has been indicated, the opportunity to really achieve a balance which is aimed at under this resolution is simply not going to be there. I think the most important reason for this House to pass the balanced budget resolution is so that the country can discover, after we have a balanced budget resolution passed, that we have to do a whale of a lot more than simply balance the budget if we really want to get a handle on inflation and if we really want to attack the real causes of inflation.

The fact is that the two industrialized states with the lowest rates of inflation last year, Germany and Japan, had deficits which were far greater in economic terms than was the deficit of the U.S. Government last year. In fact, their deficits translated into an economy our size would be approximately \$75 billion in the case of Germany and \$125 billion in the case of Japan.

That ought to indicate to us that we need to do a whale of a lot more than simply balancing the budget if we do really want to control inflation. I hope that by balancing the budget we will then be able to redirect the country's attention to some of the more fundamental needs that we must address if we are going to in fact whip inflation.

We perhaps then might get some attention to the necessity to reform our transportation system in this country, to remove some of the economic irrationalities which exist there. We might then get some more attention paid to what we to reform the way we deliver medical care in this country, to promote group practice and other methods by which we can bring medical costs down. We might even get some more attention paid to what we really have to do on energy if we want to reduce that portion of the inflationary

pressure which we have in this country at the present time.

□ 1650

Mr. Chairman, I would also like to address my remarks to both the Udall amendment and the resolution in general.

To the Members of the House who voted for my amendment last week, let me say that I appreciate that support. This budget resolution is not the budget resolution which I want. I deeply believe it does fall too heavily on the shoulders of the poor. It does not do enough to attack some of the real economic problems we have. I worked as hard as I could on my amendment to change it, and so did a lot of you. But that amendment lost by 12 votes.

We have another battle coming down the line, and that is the battle in conference with the Senate. As the Members know, that Senate resolution is substantially below the House resolution on domestic programs for the jobless, the poor, and the ill. It is substantially above the House resolution on Pentagon spending.

In my judgment, Members of this House who want that final conference report to reflect the values of the House rather than the Senate budget resolution ought to in the end support the resolution as it now exists. I think the best way we can strengthen the House position in conference, in dealing with what I consider to be an atrocious State resolution, is to have broad support for this resolution when it leaves the House all across the political spectrum. If not, you weaken the ability of the House committee to defend the House priority structure in that conference committee.

I would urge you to vote against the Udall amendment and to vote for the resolution on final passage. I would say that those who are thinking about voting against this resolution, whatever the outcome of the Udall amendment, will have plenty of time to review the final product when it comes back from conference. You will have plenty of time to determine whether or not it is a fair product which you can take to the country.

If you really want to get the country's attention focused on some of the real economic programs we are going to have to deal with if we are going to lick inflation in this country over the next 10 years, I would suggest that at this time you stick with the committee and vote for the committee resolution on final passage.

Mr. ASHBROOK. Mr. Chairman, the Congress is once again entering its yearly effort to formulate a budget for the Federal Government. As in past years the rhetoric of the budget process is laced with reference to how the budget will bring real relief to the taxpayer, and how the budget will be an exercise in fiscal responsibility. Somehow this optimistic rhetoric gives way to the demands of big government. The final shape of the budget will be more of the same high tax, high spending that has been the norm for many years in Washington. Why does this happen year after year? How can a Congress that was elected in the year of Proposition 13 and the tax

revolt end up spending record amounts of taxpayers money?

Part of the blame can and does fall on the bureaucracy. The GSA fraud and the other examples of waste have been cited many times in this Chamber. This year the President added his own role to the budget busting process by offering five different budget packages in less than 4 months. This confusion of packages has been an easy mark of those who want to focus blame for why we have a budget no one wants funded by a tax burden no one can bear. The bureaucratic or Carter incompetence excuses still do not provide a full explanation of why this year's budget is going to look just like every other year's budget. No matter how much time is expended on the rhetoric of fiscal responsibility or on the actual House consideration of the budget it is almost a certainty that fiscal year 1981 will waste just as much money, encounter just as much fraud, and burden just as many taxpayers as other recent budgets. In fact, there is a high probability that fiscal year 1981 will exceed its predecessors in these categories.

Why then does the growth of the Federal budget, and its related burden on the taxpayer, persist in quantum annual expansions? The answer lies in the process itself. Born out of a desire to reform the budget process in 1974 the current system is a blue print for failure. During the course of the congressional budget cycle the present system will eliminate accountability, obscure responsibility, and call into question the reliability of the numbers and statistics used. These flaws stem from the faulty assumptions in the original reform and in the blatant efforts to co-opt the system once the fiscal roof began to cave in on the big spenders in Congress. No matter which programs voters want promoted or how big a budget taxpayers want to pay for the current state of budgeting in the House is an embarrassment that should appall anyone who desires good government for their money.

Originally, the budget process spelled out in 1974 encompassed all spending of the Federal Government. This comprehensive approach was to be embodied in two resolutions. One to be passed in May to provide general targets for spending and one passed in September that created binding ceilings for appropriations. A process of reconciliation between standing committees and the budget ceilings was also instituted to allow for adequate time to hold the line on agreed-upon spending levels. This system immediately ran into a problem in the House. Many Congressmen dislike saying no to pleas from interest groups for more spending. The original process of allowing the Congress to blame the budget ceilings set earlier for their decisions gave way to a headlong effort to find ways around the ceilings. The binding power of the second budget resolution collapsed as standing committees refused to commit to reconciliation. Finally, a third budget resolution came into being. This allowed the Congress to simply total up all of its spending and report out a resolution showing revised

budget ceilings reflective of the new, higher totals. In effect, the House resigned itself to returning to the pre-1974 budget process without formally doing so.

If the failure of the budget process would have stopped there everything could have been out in the open and the voters could have decided whether or not the failure was unavoidable or whether new Congressmen were needed to hold the spending line. Unfortunately, many incumbents were hesitant to allow the voters such a clear choice. Instead of scrapping the 1974 system, a series of "reforms" took place to maintain the veneer of a budget process while allowing spending to go on unchecked.

The first breakthrough to muddy the budgetary waters was to allow off-budget items to be resurrected. These accounts, located in three Cabinet Departments and two agencies will amount to \$24.1 billion for fiscal year 1981 in budget authority and \$18 billion in outlays. While there are some offsetting receipts in these accounts they still amount to a major deficit that is not included in the overall budget. The growth of off-budget items has simplified the process of making the budget look a little smaller and a little more in balance than it really is.

Another breakthrough was the third budget resolution and supplemental appropriations. It is unrealistic to expect that a multibillion-dollar budget may not need adjustments during the course of the budget year. Fuel costs, natural disasters, economic downturns and other factors may cause the need for additional funds to be appropriated in one account or some reprogramming to take place between two accounts. However, these realities of budgeting have served as an easy opportunity to have the first and second budget resolutions become just political documents. In late April each year the House can make a great show out of holding the line on spending or, in the case of fiscal year 1981, having a balanced budget.

By the fall when the second resolution comes around it is increasingly difficult for the House to stand by the many times ludicrous levels passed in the giddy weeks of April. Instead of having to go on record capitulating to the spending sprees of the standing committees the second budget resolution gives a little ground, but still upholds the figures of April. Sometimes outrageous steps are taken to maintain fantasy in the face of reality. For fiscal year 1980 various amendments were added to the second budget resolution by the Budget Committee to keep the deficit under \$30 billion. Among them an assumption that \$300 million would be saved by hospital cost containment. This bill was not even on the House floor at the time the amendment passed. Today it has still not moved in the Senate though the House passed a weakened version. Another amendment discovered a \$2 billion savings for "the earlier effect of cash management initiatives," whatever that meant to its proponents. What it actually meant was that \$2 billion was to be cut out of the deficit by a stroke of

an accountant's pen. No real cut and no real saving occurred, except it did sound good in the press. A third amendment cut of \$1.5 billion from the deficit by adding that amount as a "technical adjustment" to the revenues. The result was a tight sounding budget with a \$29.2 billion deficit.

What happened to the second budget resolution for fiscal year 1980? Additional spending burst through the ceilings by \$19.1 billion, creating an additional \$8.5 billion in the deficit. Instead of forcing the House to face up to its outrageous assumptions of the second resolution by having a vote on a third resolution, the Budget Committee placed the third resolution in the first resolution for fiscal year 1981. The Rules Committee then obliged the Budget Committee by preventing a separate vote on the third resolution. If all of this sounds confusing, it is. Just as confusing an enemy aids the winning of a battle so does confusion of the voters make it easier for Congress to move ahead on spending without the need to account for itself.

The flood of new spending eventually has to be paid for. In the Federal Government this payment is in the form of newly printed inflated dollars. The accounting for these cheaper dollars comes in the national debt. The size of the national debt used to be a few billion dollars with savings bonds and other Government securities accounting for a majority of the debt. Now the national debt is approaching a trillion dollars. This figure has been dismissed as unimportant by many economists who believe the debt is "money we owe ourselves" anyway so there is no need to worry about its size. However, as of fiscal year 1981 the interest payments alone on the national debt will reach \$83.6 billion. That means more tax revenues or more usurping of private capital just to pay interest.

The size of the national debt, therefore, became another embarrassment for the Congress. It is difficult to posture as a fiscal conservative if there have to be votes to increase the debt ceilings every now and then. At first the Congress tried brinkmanship. The Treasury allowed the money supplies to run down to nothing and then alarm bells would ring around Washington. "The Government must default or the bureaucrats go without pay," would come the cry. "Benefits would be cut off," would be another cry. In the end the debt ceiling would be raised in the name of saving the republic.

This did not work last fiscal year. Too many in the House began to understand the brinkmanship game. They considered it an affront to the taxpayers and issued stern warnings well in advance of the brinkmanship ploy that either spending be held within its limits or they would stand by and let it all hit the fan. Thankfully for the big spenders, the Budget Committee and the Rules Committee discovered a new method of ducking the debt issue. A provision was passed as part of a rule to the second budget resolution of fiscal year 1980 to allow some unelected clerk of the House to simply erase the debt limits and allow

the ceiling to rise as the red ink piled up. This passed, so now there is no need to put the House through the embarrassment of showing the taxpayers it does not know how to add; only some unelected clerk gets that onus.

The debt limit avoidance will not be enough to satisfy the electorate in 1980. Proposition 13 and the tax revolt have forced the concept of a balanced budget into the political agenda. This year there has been a boom in balanced budgets. The President issued a balanced budget, on his third try, and the Budget Committee did him one better by reporting out a small surplus. What is incredible about both of these balanced budgets is that spending actually goes up by record amounts. How could this happen? Two very harmful ploys were used to fashion the balancing acts. The first was some more of the accounts manipulations that were used in the second resolution of fiscal year 1980. Assumptions were made that were dubious, such as underestimating inflation. Programs were delayed until the end of the fiscal year 1981 year, thereby assuring a third resolution for fiscal year 1981.

The second damaging ploy used was the cruel fiction that the budget is balanced at all. To cover the giant leaps in spending giant leaps in taxation are included. The windfall profits tax, the oil import tax, and other taxes that the consumers will have to face in the form of higher prices are included. Higher taxes under social security and higher tax rates because of inflation forcing incomes into higher tax brackets make an appearance. For fiscal year 1981 the increase in the tax burden, not counting inflation burden, will be close to \$100 billion. The balanced budget, therefore, is only balanced by confiscating more money from the incomes of taxpayers.

It is no wonder that the voters are confused and the taxpayers bewildered. The rhetoric says one thing, the figures say another, and the final outcome will be yet another. In the end the taxpayer pays more and gets less service, the Government gets bigger and does less, and the big spenders in Congress get off scot free because few people understand what happened. This is no way to run a government and no way to budget. Unfortunately, the system has been created to fail. It is up to the voters to demand elected officials commit themselves to building a system that works.

Mr. Chairman, this House is in the process of creating a budget for fiscal year 1981. Unfortunately, the process of budgeting tax dollars and holding spending to that budget has been an utter failure. In fact, I would have to say that it has been a cruel sham on the taxpayers of this Nation. In the last 5 years, we have had to have three third budget resolutions to allow unbridled spending to exceed the levels of the second budget resolution. This year we are not even allowing a separate vote on the third budget resolution. In past years this House has allowed the national debt to climb without any effort to stop the spending spree. This year we will not have any votes on the debt as last year the House voted to just let things take

their course. This year we supposedly have a balanced budget, but it is balanced only by juggling figures which will inevitably lead to a fourth third budget resolution next year and because almost \$100 billion in new tax burdens have been placed on our citizens. This process is a sick joke on the American public, and no one is laughing.

The legacy of failure of the budget process is a legacy of waste within the Federal Government. Since the Congress refuses to be held accountable for overspending the bureaucracy sees no need to hold itself responsible either. Every year billions of dollars of taxpayers' money are wasted because of fraud that goes unpunished, inefficiency that goes uncriticized, and unnecessary spending that goes unchecked. The examples of such waste have become common fixtures in daily news. Their burden on the taxpayer and on the efficiency of vital Government services are also well known. Since everyone knows about waste and the harm it does to this Nation, why does it persist? In fact, it seems to grow each year.

The reason waste exists and spreads in the Federal Government is the budget process is presently incapable of identifying and addressing the problem. Part of this problem is the nature of government itself. Bureaucracy has a vested interest in self-preservation. Since government supposedly exists because there is a problem that needs solving, solving the problem can be the fastest way to end the life of a given agency. The National Aeronautics and Space Administration was considered the star among bureaucracies in the 1960's. It received all the money it needed and was lavished in publicity and compliments. Once it had succeeded in landing a man on the Moon it was destined for oblivion. Today NASA has to fight for its life and suffers from both obscurity and budget cuts. Such are the rewards for success in Washington.

Therefore, failure is its own reward in the world of big government. If poverty, or urban decay are still around at the end of a fiscal year, then both future existence and future expansion of the agency in charge are assured. In some cases, criteria to define the problems are changed to assure that a problem is still around. This has happened with unemployment statistics and with food stamp eligibility. A case could be made that many programs used to address these issues may not exist or would be phased down if the original criteria were still in place.

The games bureaucrats play do not fully explain why waste persists. The 96th Congress was trumpeted as the "Oversight Congress." By definition this implies that the Congress would cut through the bureaucratic gamesmanship and ask pointed questions about why programs exist and what could be done differently if existence was justified. Except in isolated cases this attempt at oversight has failed. A Department of Education was narrowly approved in the face of clear evidence that it was not needed and could possibly hurt education in America. The Department of En-

ergy spends more dollars yet the Nation has less energy. Other programs with recent records of waste have received additional funds. How can this happen?

One of the key elements of the failure for Congress to exercise oversight is that information on Government finances is not complete. This may be hard to understand in a city seemingly awash with information. However, the present budget system works against full knowledge of the information necessary to conduct oversight on programs.

One of the building blocks for the Federal budget is the Treasury account number. These 11-digit numbers serve in the same way checking account numbers do to identify where dollars go in the bureaucracy. Treasury account numbers are on all documents sent to Capitol Hill by the bureaucracy during budget time. They are also in the massive appendix to the budget issued by the President. However, once these numbers come to the Hill they virtually disappear. The budget resolutions do list the general function numbers, but these are only the last three digits of the Treasury numbers. By the time authorization and appropriation bills reach the floor of the House no Treasury numbers appear at all. In fact the moneys within these accounts are usually rearranged in the form of legislative titles that correspond to statutory language.

Why are Treasury accounts important? If a bill comes to the House floor and the House wishes to identify a specific program being administered by a specific agency it can sometimes take hours of research to track the information. To track how many Treasury accounts may be part of a general effort to eradicate a problem and to identify the actual amounts of Federal dollars being spent could take days. When you consider that there are over 1,000 Treasury account numbers there could be years worth of man-hours involved in any single effort to conduct oversight over the expenditure of funds. Given the small staffs of individual Members and the severe time constraints on the House when first the budget and then a mountain of funding bills reach the floor all at once, there is virtually no way oversight can be conducted on a broad scale. Why then are Treasury numbers deleted from funding legislation? By deleting the numbers the power of information becomes focused in the hands of the bureaucracy and the majority staffs of the Budget and Appropriations Committees. The smaller minority staffs of these committees confront the same constraints of resources as do Member offices. The result is that unless a Member wants to take the staff's word on how money is being spent either vast amounts of time must be spent rechecking the figures or the attempt is abandoned.

The importance of Treasury accounts is underscored by the perennial question of "where do you cut the budget?" Every year Members out of frustration with the growth of Government offer across the board spending cuts. These are always

met with opposition because they are supposedly "meat ax" approaches. The reason they are across the board cuts and not specific is because in any given funding bill it is impossible to break the money down by accounts to make the specific cut. By keeping the information on treasury accounts difficult to compile the big spenders assure that meat ax cuts will be offered.

Without easy access to Treasury accounts Members of Congress must embark into oversight without the necessary maps. This places all but a chosen few at a great disadvantage in confronting the vague statements of agency spokesmen and of the chairmen of the standing committees. Unless a Member or his or her staff wish to devote hours to deciphering Treasury documents and manually indexing the funds with the accounts and then cross-indexing these figures with both agency organization charts and bill language can there be even a rudimentary attempt at oversight. This is not to say oversight does not occur. However, it does answer the question of why no comprehensive oversight has succeeded.

With the flow of funds so muddled by several layers of legislative language and the clear tracking of funds difficult at best it is no wonder that many programs can slip through each year regardless of the best efforts put forth by budget cutters. Efforts to cut through the laundering of Federal funds have met with opposition by both the big spenders and the bureaucrats. Efforts to have the highly touted Inspector General reports from the various agencies coded by Treasury accounts have not met with any success. Efforts to have the Treasury numbers listed in the budget resolution reports or in the funding bill reports have gone nowhere. In other words, for all the rhetoric about oversight, nothing has been done to open up the one key to information about Federal funds that would make oversight a reality.

With Members of Congress forced to chip away at the Federal bureaucracy with inadequate tools the opportunity for the big spenders and the bureaucrats to run rampant with tax dollars is ample. One of the most successful methods of pushing big spending without looking like big spending is being pushed is using the old "Who's on first" routine. When an authorization bill comes to the floor a proponent argues against a spending cut because it should be made in the appropriation bill. When the corresponding appropriation bill comes to the floor the same proponent tells the budget cutter that the cut should have been made on the authorization bill. The reason given is that the commitment to spend has already been made, therefore, the hands of Congress are tied. When, in the case of the International Development Bank authorization, the budget cut is offered to the authorization bill and the budget cutter states openly that the appropriation bill will be too late to cut the funds the proponents retort that it is already too late because the authorization is of itself the implementing of a previous commitment. In the end the

spending goes through yet everyone can point the finger at a previous action.

Another way to promote spending has been the brinkmanship act. A Federal bureaucracy goes about spending money and expands eligibility over and above congressionally mandated levels. The bureaucracy usually finds some expansionary loophole in the original legislation that can be interpreted to cover the new expenditures. When the agency is about to run out of funds it comes to the Congress and states that unless more funds are authorized certain groups will go unfunded. In the case of food stamps this ploy is used to perfection. Each year the food stamp rolls expand without explicit congressional mandate, but when the money runs out the food stamp bureaucrats immediately list the original target groups as the ones who will be hurt unless extra funds are approved. This very event will happen in Congress in the near future. The bureaucrats always state that they cannot separate the funds for recipients to cut the newer groups and always state that they have no time to readjust if money is not forthcoming. In October 1979 the USDA tipped its hand by stating it was going to try brinkmanship on food stamps. At that time I called attention to this fact. In a few weeks Members of Congress will express surprise and alarm to the program running out of funds and maybe they will succeed in stampeding the House into buying the "wolf cry" one more time.

The brinkmanship players, the self-preservationists, and the information withholders have all become permanent fixtures in the world of budgeting. They work in all program areas, some that liberals like and some conservatives might like. The bottom line to their existence and their success is that the system of budgeting fails to allocate resources in an open, or knowledgeable manner. In the end the system suffers and the taxpayer suffers. Until something is done to stop the waste, by opening up access to the necessary tools, the status quo will continue. The Congress can change that status quo. To do so may eliminate some of the alibis used when spending and taxation goes beyond the limits of reason and it would eliminate some of the old boy networks that have arisen in Washington between big spenders and bureaucrats, but it would bring better government to the Nation. I think most people would consider that a positive turn of events.

Mr. Chairman, the American taxpayer is bewildered by the record rise in Federal spending. In fiscal year 1969 the Federal budget was only \$184 billion. At that time the boom in domestic programs and in the Vietnam war were at their height. For 1981, when America is at peace, but with its defenses at the lowest level in recent memory, the budget is at \$628 billion. Many beleaguered taxpayers wonder how so much money could be spent in such a short time and yet there seems to be no improvement in what they receive from their Government. In fact it seems that with inflation at record levels, interest rates at record levels, and bureaucracy tying up

productivity that things have actually gotten much worse as Government spending increased.

The rate Government spends tax dollars is becoming ludicrous. Just a few blocks from here the U.S. Chamber of Commerce has what they call a Federal spending clock. The clock has two faces and a large tote board. The smaller clock face has a hand that sweeps past ticking off every time \$10,000 is spent by the Federal Government. The hand sweeps by so fast it is hard to keep track of. It only takes a half second for the hand to sweep by once. On the larger clock a little light flashes every time \$100,000 is spent. A light flashes every 5.8 seconds. Every 58 seconds a beep is heard which documents another million dollars being spent. That is almost hard to imagine.

My colleague from California, Mr. ROUSSELOT, documented back in February that the Federal Government now spends more every second than the average family of four makes in a year. That works out to \$17,364 per second. This figure is for fiscal year 1980. I am sure the spending per second will go much higher in fiscal year 1981. These two examples: A clock hand sweeping by at ever increasing velocity and a figure showing spending higher than earnings begin to indicate that matters are clearly getting out of hand on Federal spending. The taxpayer knew this fact years ago. However, every election year the taxpayers who are mad in April over their tax burden are confused in November by the mountain of rhetoric where every incumbent is able to say they voted to cut spending and hold the line on taxation. The voter gets further confused when they read remarks by the President or a bureaucrat regarding how they are doing all they can to cut spending and to hold the line on Government growth. If everyone is cutting spending and holding the line how come things are out of control? This has become a major quandary for the taxpayer who watches his or her paycheck shrivel up to virtually nothing as withholding taxes cut bigger portions out each year and inflation eliminates their buying power. What is going on?

In other remarks I have made recently, I have tried to explain how the system of budgeting hampers any real efforts to cut Government growth. The bureaucracy has its own games of institutional survival that defeats the system. In the Congress the budget process ends up being an exercise in frustration as figures get juggled and bills get passed no matter what is done by the budget cutters. In the attempt to have oversight over big government the tools to conduct adequate program review are either non-existent or unavailable save to a select few.

What can be done? The first thing is to remember that the tools to cut the budget already exist. There is no need for sunset laws, or for zero based budgeting, or for any other new reform to be passed. The Congress has the tools to do all that needs to be done at this very moment. The only thing lacking is the courage to use the tools. Sunset can be accomplished by simply not voting funds for a given

program or agency. In the case of the Federal Trade Commission the agency was legally sunsetted 3 years ago. Only the hesitancy of Congress to shut the rogue agency down and pursue other means of protecting the consumer has prevented sunset from happening. As long as emergency appropriations are passed to prolong the FTC life the Congress is on record circumventing the sunset apparatus it was given in the Constitution through having the power of the purse.

Zero-based budgeting is another example of fallacy covering fact. If a manager is a good one he or she will always begin from the standpoint that their job and agency are expendable. From that "zero base" an analysis takes place to see if there is still a need for their or their agency's existence, and, if so, in what form. In Washington institutional survival is the name of the game. No bureaucrat in his or her right mind would consider themselves expendable. Last year the major snowstorm buried the capital in 28 inches of snow. The head of the civil service issued an announcement that only necessary personnel should come in to work until the snow was cleared away. Immediately the phone lines into Washington were flooded with frantic calls from bureaucrats inquiring if they were necessary personnel. In this type of survival mentality environment there is no way zero-based budgeting will ever occur on a grand scale.

That leaves the Congress as the sole protector of the treasury. Only if Congress holds the line will spending be held within reason. But I have already stated that the system is designed to fail, because most big spenders do not want to be on record voting big tax burdens to their constituents year after year. How then can the Congress stop the growth of Government? It does have the tools, but how will it get the courage?

The first thing forgotten in the budget process is the fact that the Congress serves its constituents, not the bureaucracy. This fact seems to be forgotten during budget time. Only bureaucrats and the professional constituents are heard when it comes to spending the Nation's wealth. The bureaucrats are heard because it is their collective neck that is on the line if Congress decides to listen to the taxpayer instead of the tax wasters. The professional constituent is another matter. A cottage industry has arisen in Washington for countless groups posturing as speaking for the "voter" or the "taxpayer" or the "consumer." These groups are sometimes only one or two individuals with a computer mailing list for fundraising who make a living of testifying on behalf of the Nation. There are many groups that will state openly the size of their constituency based on membership rolls and do not posture beyond those bounds. There are many others, however, that say they speak for millions when they speak only for themselves. Congress has fallen into the trap of listening and believing these self-styled advocates. The result is that the view of reality in Washington is warped. The first thing Congress should

do is begin to listen to its real constituents and not to the professionals, who have vested interests in keeping big government big.

The change in Congress responsiveness to America will only come if the voters force that change. Change will only come if the voters are informed about what is really going on. The change will only take place if the Congress opens up its budget system to allow for the flow of vital information to all Members of Congress. The use of Treasury account numbers in all budget documents will allow any Member to locate specific data on specific funds and to assess their effectiveness. This is not now available. A budget system that has open rules so Members can address specific issues in the budget should be mandatory. Who cares if the process may take longer than it presently does? Is the object of the budget to allocate funds and decide on spending levels in an atmosphere of openness and full knowledge, or is it to see how fast big spending can be railroaded through? More time spent on the budget and on assessing all information in an atmosphere of openness would mean Congress would spend more time being sure existing programs functioned properly instead of creating new programs that are bound to fail. Oversight, however, is not as popular an issue as is creating something new. The press is not as interested in fine tuning as it is in the big new spending package. The voter can help reorient the Congress in November.

Another tool that would be crucial in cutting Government spending and conducting oversight is current services. Current services is a term used to describe the amount of services being carried out by a given agency in light of congressional mandate. Each year the funding level for providing current services goes up the rate of inflation set by the Office of Management and Budget (OMB). Any funding over the level of current services is an expansion of the program by the bureaucracy. Only after the Congress has acted on this new level will that become the current service level for future years. Unfortunately, current service figures are lumped in with expansion above current services when they are presented on the floor of the House. This is called budget creep. What happens is when a budget cutter offers an amendment to cut a given budget by a set amount the proponents of big spending state that the cut is cutting into the "meat" of the program. Since most Members do not have up-to-date current services figures, they cannot dispute this argument and most budget cutting amendments fail. This is a game that is played year in and year out. In fact, there are current services figures available. They are in printouts that come from the Congressional Budget Office and OMB. These printouts also list how much each agency is expanding its budget above current services. This list is compiled by Treasury account number which shows, once again, how important those numbers are. The following is a functional list of the original printout on current services for the fiscal year 1981 budget:

CARTER ADMINISTRATION PROPOSALS (FISCAL YEAR 1981)  
COMPARISON WITH CURRENT SERVICES

Budget function	Budget authority (billions)	Outlays (billions)
050 Defense	+13.065	+8.565
150 International affairs	+ .686	+ .148
250 General science	+ .148	+ .128
270 Energy	+3.598	+1.368
350 Agriculture	+ .135	+ .603
370 Commerce and housing	+ .088	+ .055
400 Transportation	+1.975	+ .812
450 Community and regional development	+ .839	+ .403
500 Education, training and social services	+3.278	+1.582
550 Health	+ .617	+ .685
600 Income security	+6.444	+2.945
700 Veterans benefits	+ .545	+ .388
750 Administration of justice	+ .092	+ .048
800 General government	+ .096	+ .097
850 General purpose fiscal assistance	+1.153	+1.153
900 Interest		
920 Allowances	+2.000	+1.500
Total	+34.759	+20.480
Total (minus defense function)	+21.694	+11.915

These figures show that it is possible to eliminate \$34.7 billion in budget authority without cutting into the "meat" of any program. It works out to \$21.6 billion, if it is decided that the military increases are needed. In fact, the Congress could decide the merits of each function expansion above current services. Instead this entire analysis is not even discussed during House consideration of the budget. Budget creep is simply assumed, added in, and covered up.

Current services provide a method by which the Congress can truly assess the growth of Government. If the Congress decided it wanted to hold the line on spending it could cut the \$34.7 billion and have a larger budget cut than any currently being advocated for fiscal year 1981. This, therefore, is how the budget can grow even with large sounding budget cuts. If you cut \$18 billion from the budget, you still have an expansion by a similar amount through budget creep. This is a rather startling finding. What is even more amazing is that the bureaucracy, the Carter administration, and several key leaders of the majority party have known about this all along. On the other hand, it took the hard work of staff people from Congressman BAUMAN's office and a number of aides from other offices almost a year to discover and analyze this material. Is it no wonder that the budget grows, and oversight fails when this type of coverup is going on?

In the future course of the fiscal year 1981 budget process I plan to offer motions and amendments that will try to force this Congress to open up its budget process and to tell the American taxpayer what is really happening to their money. It is an effort that may take more than this year to do. A number of other Members who share my commitment to open Government and accountable decisionmaking have already expressed a deep interest in bringing responsibility back to the budget. This is the alternative we offer. It is not specific cuts, but a method of opening up Government so that, in the future, decisions are made with full knowledge. From that base Government will be brought under control, and taxes will be eased. I hope a majority of my colleagues concur.

● Ms. HOLTZMAN. Mr. Chairman, although I support a balanced budget, I strongly oppose the budget resolution and the misplaced priorities and the geographic and social inequities that it contains.

This budget resolution will cut programs that provide essential services and support for financially troubled cities, for the elderly, for mass transit, for the unemployed, for the fight against crime, and for needy children. The budget resolution will severely limit the eligibility of persons for current programs, such as food stamps and low-income energy assistance. At the same time, it will delay the effective date of new initiatives, such as the youth education employment initiative and the child health assurance program. I proposed amendments that would have improved the budget resolution by restoring funding for many of those programs, but those amendments were not permitted to be offered under the rule and as a result we have had no chance to discuss the changes I proposed.

I am also concerned that this budget resolution accepts the idea that higher unemployment is a requirement for reducing inflation. Our experience during the last 19 years, during which this Nation has experienced both a growing level of unemployment and an accelerating rate of inflation, has proven that that notion is bankrupt. In the 1960's, unemployment averaged 4.8 percent, and the Consumer Price Index increased at an annual rate of 2.5 percent. During the 1970's, consumer prices rose at an average rate of 7.4 percent, but unemployment also increased to 6.2 percent. Higher unemployment has not "cured" inflation in the last two decades. What makes us think that an unemployment rate of 7.6 percent will cure inflation next year?

Moreover, I oppose the budget resolution because it is geographically biased. While it cuts or eliminates programs that are essential to the Northeast and the Midwest, such as the State share of revenue sharing and countercyclical assistance, it leaves virtually untouched those pork-barrel expenditures that benefit the South and West. As a result of the reductions in this budget resolution, New York State is expected to lose close to \$800 million. Of that amount, more than \$200 million will be lost to New York City alone. These are not minor cuts in insignificant programs. These cuts are major, and they will reduce our ability to fight crime, to conserve energy and to rebuild our deteriorating cities.

Yet, at the same time that it forces cities and States like New York into even tighter financial straits, the budget resolution mutely accepts and condones the growing transfer of wealth in this country from the East to the West.

As a result of the decontrol of oil prices and the exemption of State royalties and severance taxes from the windfall profit tax, the revenues of the oil-producing States are expected to increase by \$128 billion over the next 10 years. Applying the windfall profit tax to those revenues, as my second amendment to the budget resolution would have proposed would

generate more than \$10 billion by 1990—and would still leave the oil producing States with \$118 billion in increased revenues.

That \$10 billion would be more than enough to fund the States' share of revenue sharing if that program were limited to those States that are experiencing significant fiscal distress or that will be really hard hit by the country's recession. It could also be used to fund programs to promote the economic development of the Northeast and Midwest.

Like a domestic version of OPEC, the oil-producing States will be able to use their vast revenues to increase services, to attract industry, and to lower other taxes. Alaska has already begun that process by abolishing its income tax and paying cash dividends to its citizens. And, like a domestic version of the Third World, the Northeast and the Midwest will be importing ever more expensive fuel, and will continue to need massive Federal assistance.

My third principal objection to the budget resolution is that it fails to address the problems of our cities and the need for massive reinvestment in our cities. Over the next decade we must rebuild our mass transit systems, we must develop incentives for private industry to remain and grow and provide jobs in our older cities. And we must rebuild the infrastructure of streets and bridges and water mains and sewers that make life in urban areas possible. What does this budget resolution do about these problems? Unfortunately, instead of fully funding mass transit, it calls for appropriations \$100 million less than the level authorized under current law. It reduces funds for new economic development programs by 50 percent, despite the view of the Public Works and Transportation Committee that "Federal assistance to economically distressed areas should be increased rather than curtailed." It delays grants for sewer rehabilitation and improved wastewater treatment. And it delays research and development for new, alternative energy sources that would free the Northeast from dependence on both the domestic and foreign versions of OPEC.

Finally, this budget does not confront the endemic problem of waste and mismanagement in the Federal bureaucracy. The report of the Budget Committee notes that the President's January budget included about \$30 billion for personnel compensation, benefits, and overhead costs. From that figure, the committee cut only \$954 million, or a mere 3 percent. In spite of the fact that the budget will eliminate such important and useful programs as LEAA, there are no specific reductions for some of the wasteful and useless activities of the Federal Government, such as excessive printing and publication costs, movie production, and nonessential travel. If we adopt this budget resolution, we will reduce child nutrition programs, but there will be no freeze on the construction of Federal buildings. GAO has shown that the use of consultants is abused throughout the Federal bureaucracy, yet the budget reduces programs with a direct effect on peoples' lives,



while agencies like the Department of Energy will still be able to spend 80 percent of its remaining budget on consultant contracts.

For these reasons the misplaced priorities in the budget, the failure to treat all regions of the country equally, the absence of an urban program, and the failure to focus necessary cuts on proven waste and proven inefficiency I cannot support the budget resolution, and I urge its defeat.●

● Mr. KEMP. Mr. Chairman, I must register my opposition to this budget resolution, and I ask my colleagues to join me in voting "no" on final passage for the following reasons:

THE GIAIMO BUDGET IS "BALANCED" THROUGH AN INCREDIBLE TAX INCREASE

As we all know, there are two good reasons for supporting a balanced budget:

The first is that deficits tempt, and in extreme cases force, the Government to monetize the debt, which causes inflation.

The second is that heavy Government borrowing "crowds out" the private borrowing of available savings, with a severe negative impact on the economy.

As long as the Federal Reserve remains determined to tighten up on its excess creation of money, the monetization of debt is not the main worry. Instead, the object of balancing the budget is to keep individuals and businesses from getting clobbered by Government borrowing which siphons off potentially productive investment and drives up interest rates.

But remember that the method of balancing the budget is crucial. If a deficit is reduced by restraint in spending, it is all to the good. A dollar not spent by the government is a dollar not taxed, borrowed, or monetized.

If the budget is balanced by a revenue increase caused by a rise in taxable employment or productivity, this is simply the fiscal dividend of national prosperity.

But the Giaimo budget chooses neither of these acceptable methods of budget balance. Instead, the Giaimo budget is "balanced" through a massive 1-year tax increase. In effect, this budget proposes to tax away the very resources that would have been crowded out by a deficit.

In other words, the Giaimo budget destroys the very reason for balancing the budget.

Why should we support a budget balanced by huge increases in the marginal tax rates on individuals and businesses? Why support a number of new taxes, especially on savings, investment in housing and the use of energy? In dollar terms, the increase in receipts due to raising tax rates or imposing new taxes in fiscal year 1981 is \$69.6 billion in the Giaimo budget, and overall receipts are scheduled to increase by nearly \$100 billion.

These are unconscionable policies to be proposing in the midst of a recession, with productivity, employment and output falling.

But even more importantly, we should vote against final passage because the Giaimo budget will not be balanced.

All of the foregoing assumes the Giaimo budget, now balanced on paper, will be balanced in fact. Let us consider the more likely prospect: This budget will not be balanced because of the recession.

When unemployment rises, there is virtually no way to stem the drop in revenues and the automatic rise in spending on entitlements which occur. The Congressional Budget Office estimates this combined effect at \$25 to \$29 billion for each 1 percentage point rise in unemployment (\$20 to \$22 billion in lost revenue, and \$5 to \$7 billion in higher spending). This estimate does not include the inevitable increases in discretionary "antirecession" spending programs.

Largely because of the deteriorating economic situation, the CBO already estimates that the President will need the oil import fee to balance the budget, and the CBO is using optimistic assumptions about inflation and recession.

If, in fact, the budget cannot be balanced for even 1 year, despite massive, multiple tax-rate increases, it is time to admit that this strategy only takes us further from the goal of consistently balanced budgets.

Furthermore, a vote for the Giaimo budget is a vote for a deep recession.

Whether or not you believe that the majority will actually succeed in balancing their budget, there is no reason for you to vote for this budget resolution.

If the Giaimo budget stays in balance, it can only do so at the expense of the people we are trying to protect from government financial pressure.

If it does not, then we have the worst possible combination—rising Government borrowing, rising tax rates, and swelling spending, while the Federal Reserve applies the monetary brakes.

Either way, the Giaimo budget spells disaster.

Now is not the time for a contradictory tax increase, which would only serve to deepen the recession. Instead, we should be designing policies to restore health to our economy, to reinstate strong, noninflationary economic growth, to get this country moving again.

Finally, if you are planning to vote for this supposedly balanced budget out of political necessity, remember that the real political issue in November will be jobs and growth as the means of combating inflation.

The long-awaited recession of 1980-81 has arrived in full force. In April alone, 827,000 Americans lost their jobs, the largest jump in unemployment since January of 1975. The black unemployment rate climbed to 12.6 percent. The joblessness rate for teenagers rose to an incredible 16.2 percent. And those who still had jobs saw their purchasing power drop by 7.3 percent.

Last month, the index of leading economic indicators plunged 2.6 percent, the largest decline in 5½ years. The housing industry collapsed as construction tumbled 5.8 percent, the sharpest monthly drop in 36 years. The auto and steel industries were hit hard—Ford

suffered record losses, layoffs of steel and auto workers soared. And record high interest rates combined with 18-percent inflation to put thousands of small businesses permanently out of business.

This is only the beginning. By November, 8 percent of all American workers will be unemployed—by late spring of 1981, unemployment will be up around 9 percent.

That means that within a year, millions of Americans will not be paying taxes, will not be breadwinners for their families, will not feel like whole people in the eyes of their friends, and millions will need assistance from the Government until they are again gainfully employed.

I urge you to make a humane choice and reject this contractionary, job-destroying budget of despair. If you do not feel you can vote "no," then I ask you to at least vote "present" rather than to join in bringing on still more economic hardship to the American people.●

● Mr. MONTGOMERY. Mr. Chairman, I rise in strong support of the amendment offered by the distinguished chairman of the Committee on Interior and Insular Affairs, Mr. UDALL.

My comments are directed to those who would say we cannot have a balanced budget without reconciliation in the first concurrent budget resolution. Other Members who have commented on this have clearly established that this is simply not the case. No Member of the House feels stronger than I do that we must balance the budget and I shall do everything I possibly can to bring it about.

The chairman of our Committee on Veterans' Affairs, the gentleman from Texas (Mr. ROBERTS) has already expressed his willingness to bring about certain reforms that would reduce federal outlays in fiscal year 1981. Knowing him as I do, I am sure the House will be considering legislation from the Committee on Veterans' Affairs that will reduce Federal outlays whether, as a committee, we are mandated or not.

My opposition to reconciliation in the first resolution stems from the fact that our committee will be mandated to bring about savings by June 15. In other words, the committee will have no more than 4 weeks to make its recommendations to the Budget Committee.

I have two problems with this procedure. First, I have serious reservations about the level of cuts proposed by the Budget Committee that would total more than \$400 million. This cannot be done without adversely impacting on our Nation's veterans. Most of the recommendations of the Budget Committee have been rejected by the Committee on Veterans' Affairs on more than one occasion.

Second, if we are to realize anything near this amount of cost savings, we must have adequate time to review the programs so that we can be sure the cuts we are proposing are realistic.

We must not be mandated to make hasty decisions. It is unwise to institute

instant reform. Members of this body will regret making cuts without proper hearings. This can only be done if we are allowed to hold these hearings during the next 2 months. By that time, I am certain we can recommend to the House legitimate reforms. Only then can we bring about savings in a rational manner.

I urge my colleagues to support the Udall amendment. It will not increase Federal outlays at all. We can still have a balanced budget when the House establishes its ceilings in the second concurrent budget resolution in September. We can then impose mandated cuts to the Authorization and Appropriations Committees if at that time we are not within the targets or ceilings recommended by the Committee on the Budget. That is the procedure established by the 1974 Budget Act. Let us give it a chance to work by adopting the Udall amendment. ●

● Ms. HOLTZMAN. Mr. Chairman, although the revised second budget resolution for fiscal year 1980 has a substantial increase for food stamps, which I completely support, I cannot vote for that section of House Concurrent Resolution 307 because it cuts funds for elementary and secondary education. We need increases in both programs and it is wrong to finance one at the expense of the other. For that reason I will vote "present." ●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. UDALL. Mr. Chairman, I demand a recorded vote:

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 289, not voting 16, as follows:

[Roll No. 218]

AYES—127

Addabbo	Dingell	Mitchell, Md.
Anderson, Calif.	Dixon	Montgomery
Andrews, N.Dak.	Duncan, Tenn.	Mottl
Applegate	Early	Murphy, Pa.
Bailey	Edgar	Musto
Barnes	Edwards, Calif.	Myers, Ind.
Beard, R.I.	Ferraro	Myers, Pa.
Bennett	Fish	Nedzi
Bevill	Florio	Nichols
Biaggi	Ford, Mich.	Noian
Bingham	Ford, Tenn.	Oakar
Bonior	Garcia	Oberstar
Brinkley	Gilman	Ottinger
Brodhead	Gonzalez	Patten
Broomfield	Hanley	Perkins
Brown, Calif.	Harris	Peyser
Buchanan	Harsha	Price
Burton, John	Hawkins	Quillen
Burton, Phillip	Heckler	Rahall
Cavanaugh	Holtzman	Rangel
Chappell	Horton	Reuss
Chisholm	Howard	Richmond
Clay	Ireland	Rinaldo
Collins, Ill.	Johnson, Calif.	Roberts
Conte	Jones, N.C.	Rodino
Conyers	Jones, Tenn.	Roe
Corman	Kastenmeyer	Rosenthal
Coughlin	Kazen	Roybal
D'Amours	Kildee	Shannon
Davis, Mich.	Lederer	Smith, Iowa
Davis, S.C.	Leland	Solarz
de la Garza	Lent	Spellman
Dellums	Lujan	St Germain
Derwinski	McKay	Staggers
Dickinson	Mathis	Stark
Diggs	Matsui	Steed
	Mavroules	Stokes
	Mikulski	Stratton

Thompson  
Traxler  
Udall  
Vanik  
Vento

Walgren  
Waxman  
Weiss  
Williams, Mont.  
Wilson, C. H.

NOES—289

Abdnor	Gephardt	Murphy, Ill.
Akaka	Giaimo	Murphy, N.Y.
Albosta	Gibbons	Murtha
Alexander	Gingrich	Natcher
Ambro	Ginn	Neal
Annunzio	Glickman	Nelson
Anthony	Goldwater	Nowak
Archer	Goodling	O'Brien
Ashbrook	Gore	Obey
Ashley	Gradison	Panetta
Aspin	Gramm	Pashayan
Atkinson	Grassley	Paul
AuCoin	Gray	Pease
Badham	Green	Pepper
Bafalis	Grisham	Petri
Baldus	Guarini	Pickle
Barnard	Gudger	Porter
Bauman	Guyer	Preyer
Beard, Tenn.	Hagedorn	Pritchard
Bedell	Hall, Ohio	Pursell
Bellenson	Hall, Tex.	Quayle
Benjamin	Hamilton	Rallsback
Bereuter	Hance	Ratchford
Bethune	Hansen	Regula
Blanchard	Harkin	Rhodes
Boggs	Hefel	Ritter
Boland	Hightower	Robinson
Bolling	Hillis	Rose
Boner	Hinson	Rostenkowski
Bonker	Holland	Roth
Bouquard	Hollenbeck	Rousselot
Bowen	Hopkins	Royer
Brademas	Hubbard	Rudd
Breaux	Huckaby	Runnels
Brooks	Hughes	Russo
Brown, Ohio	Hutchinson	Sabo
Broyhill	Hutto	Santini
Burgener	Hyde	Satterfield
Burison	Ichord	Sawyer
Butler	Jacobs	Scheuer
Byron	Jeffords	Schroeder
Campbell	Jeffries	Schulze
Carney	Jenkins	Sebelius
Carr	Jenrette	Seiberling
Carter	Johnson, Colo.	Sensenbrenner
Cheney	Jones, Okla.	Sharp
Clausen	Kemp	Shelby
Cleveland	Kindness	Shumway
Clinger	Kostmayer	Shuster
Coelho	Kramer	Simon
Coleman	LaFalce	Skelton
Collins, Tex.	Lagomarsino	Smith, Nebr.
Conable	Latta	Snowe
Corcoran	Leach, Iowa	Snyder
Cotter	Leach, La.	Solomon
Courter	Leath, Tex.	Spence
Crane, Daniel	Lee	Stack
Crane, Phillip	Lehman	Stangeland
Daniel, Dan	Levitas	Stanton
Daniel, R. W.	Lewis	Stenholm
Dannemeyer	Livingston	Stewart
Daschle	Lloyd	Stockman
Derrick	Loeffler	Studds
Devine	Long, La.	Stump
Dicks	Long, Md.	Swift
Dodd	Lott	Symms
Donnelly	Lowry	Synar
Dornan	Luken	Tauke
Dougherty	Lundine	Taylor
Downey	Lungren	Thomas
Drinan	McClory	Trible
Duncan, Oreg.	McCloskey	Ullman
Eckhardt	McCormack	Van Deerlin
Edwards, Ala.	McDade	Vander Jagt
Edwards, Okla.	McDonald	Volkmer
Emery	McEwen	Walker
English	McHugh	Wampler
Erdahl	Maguire	Watkins
Erlenborn	Markey	Weaver
Ertel	Marks	White
Evans, Del.	Marlenee	Whitehurst
Evans, Ga.	Martin	Whitley
Evans, Ind.	Mattox	Whittaker
Fary	Mazzoli	Whitten
Fascell	Mica	Williams, Ohio
Fazio	Michel	Wilson, Bob
Fenwick	Miller, Calif.	Wilson, Tex.
Findley	Miller, Ohio	Winn
Fisher	Mineta	Wirth
Fithian	Minish	Wolpe
Filippo	Mitchell, N.Y.	Wright
Foley	Moffett	Wyatt
Forsythe	Mollohan	Wylder
Fountain	Moore	Wylie
Fowler	Moorhead, Calif.	Yates
Frenzel	Moorhead, Pa.	Young, Fla.
Frost		Young, Mo.

Wolff  
Yatron  
Young, Alaska  
Zablocki  
Zeferetti

Murphy, Ill.	Murphy, N.Y.
Murtha	Natcher
Neal	Nelson
Nowak	O'Brien
Obey	Panetta
Pashayan	Paul
Pease	Pepper
Petri	Pickle
Porter	Preyer
Pritchard	Pursell
Quayle	Rallsback
Ratchford	Regula
Rhodes	Ritter
Robinson	Rose
Rostenkowski	Roth
Rousselot	Roy
Rudd	Runnels
Russo	Sabo
Santini	Satterfield
Sawyer	Scheuer
Schroeder	Schulze
Seiberling	Sensenbrenner
Sharp	Shelby
Shumway	Shuster
Simon	Skelton
Smith, Nebr.	Snowe
Snyder	Solomon
Spence	Stack
Stangeland	Stanton
Stenholm	Stewart
Stewart	Stockman
Studds	Stump
Swift	Symms
Synar	Tauke
Taylor	Thomas
Thomas	Trible
Ullman	Van Deerlin
Vander Jagt	Volkmer
Walker	Wampler
Watkins	Weaver
Weaver	White
White	Whitehurst
Whitley	Whittaker
Whitten	Williams, Ohio
Wilson, Bob	Wilson, Tex.
Winn	Wirth
Wolpe	Wright
Wright	Wyatt
Wyatt	Wylder
Wylie	Yates
Yates	Young, Fla.
Young, Fla.	Young, Mo.

NOT VOTING—16

Anderson, Ill.	Hammer-	McKinney
Andrews, N.C.	schmidt	Madigan
Danielson	Hefner	Marriott
Deckard	Holt	Moakley
Fuqua	Kelly	Patterson
Gaydos	Kogovsek	

□ 1700

The Clerk announced the following pairs:

Mr. Anderson of Illinois, with Mr. Kogovsek.  
Mr. Gaydos with Mr. Hammerschmidt.  
Mr. Danielson with Mr. Deckard.  
Mr. Andrews of North Carolina, with Mrs. Holt.  
Mr. Patterson with Mr. Kelly.  
Mr. Moakley with Mr. Madigan.  
Mr. Fuqua with Mr. Marriott.

Messrs. CARTER, LEWIS, LONG of Maryland, MARKEY, and McCORMACK changed their votes from "aye" to "no."

Messrs. DE LA GARZA, COUGHLIN, and DUNCAN of Tennessee changed their votes from "no" to "aye."

So the amendment was rejected. The result of the vote was announced as above recorded.

The CHAIRMAN. For what purpose does the gentleman from Connecticut (Mr. GIAIMO), the chairman of the committee, rise?

□ 1710

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent to address the committee for 10 minutes. I intend to yield 5 minutes of that 10 minutes to the gentleman from Ohio (Mr. LATA), in order to explain to the committee where we are now and what is about to happen.

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

Mr. BAUMAN. Mr. Chairman, I reserve the right to object.

I reserve the right to object simply to make sure that those who may be opposed to the resolution have a chance to be heard. I would like to ask the gentleman whether or not those who might be opposed to the resolution will also receive 5 minutes.

I have no idea how the two gentlemen who are the subject of the request are going to vote, except in the case of the gentleman from Connecticut.

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

Mr. BAUMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I do not want to get into a lengthy debate on this. The gentleman from Ohio needs 5 minutes to explain what he intends to do or what the minority intends to do. I would like to explain to the majority what we intend to do.

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

Mr. BAUMAN. I yield to the gentleman from Ohio, reserving the right to object.

Mr. LATA. May I say to the gentleman from Maryland, I will be happy to yield him some time out of my 5 minutes.

Mr. GIAIMO. I am asking for 5 minutes for the gentleman from Ohio.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to

the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The gentleman from Connecticut (Mr. GIAIMO) is recognized for 10 minutes.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. LATTA).

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

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, for those Members who were not on the floor when we were discussing and debating the Udall amendment, I made the point that I wanted to make the request to divide the question on spending for 1980 and 1981. Members will recall that during the course of the deliberation on the rule, I requested that the previous question be voted down in order to open up the rule to provide for that specific vote on that amendment. That was denied. So here we will have an opportunity with the division of the question to have a separate vote on 1980 and 1981. I will make that request immediately after the disposition of the gentleman from Connecticut's amendment has been disposed of and prior to final passage.

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

Mr. LATTA. I yield to the gentleman from Connecticut.

Mr. GIAIMO. As I understand it, the next vote would be on the motion to rise, and then the gentleman would move to divide?

Mr. MICHEL. I would be in the House.

Mr. GIAIMO. In the House?

Mr. MICHEL. Yes; and prior to final passage. I was going to make it by way of a parliamentary inquiry, but I think that it explains the ground rules very well, and I thank the gentleman for permitting us to make a point.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I take this time to appeal to the Members of the minority party not to vote in favor of this budget. This is not a balanced budget in any sense of the word. It is a sham and a delusion. It claims to have a \$2 billion surplus, which the Congressional Budget Office the other day, although it was quickly squashed, indicated is already way out of balance.

We have fought in our party for years in order to bring to the American people an end to inflation, an end to high taxes and some sort of balance in our economy.

Now, we are being asked to support a budget that is out of balance, that is at the highest level of spending in history, \$612 billion, and a budget that presupposes \$100 billion in tax increases because of the policies of the party in control of this Congress, both real tax increases and inflationary tax increases.

I appeal to the Republican Members not to abandon our position at this time. I know some of our leaders feel an ob-

ligation to vote for this because perhaps they are concerned that the label says "balance." It is not balanced. If we at this last juncture abandon our historic stand, we could forever remain a minority party and that is what some want in this Chamber. But I suggest to the Members that those on the other side who jeer so loudly have brought us to the present crisis of 18-percent inflation, 18-percent interest and high unemployment all at once, a horror few could ever have accomplished.

So stand by your principles at this crucial point and vote against this grotesque unbalanced budget. The saddest event of all will occur if Republican votes provide the majority for a continuation of the liberals' economic bankruptcy that is ruining America.

The CHAIRMAN. The gentleman from Ohio (Mr. LATTA) has 1½ minutes remaining.

Mr. GIAIMO. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman.

Let me say to my colleagues, we have reached that point of decision. Let me address my remarks primarily to my friends on my right and also to my friend who just preceded me.

We have brought many of our friends on the left kicking and screaming to a position of support for a balanced budget. We have been advocating a balanced budget for far too long without success. Today we have a balanced budget, not balanced the way you and I would like to see it balanced, but it is balanced to the extent that we will not be borrowing money to finance a deficit in fiscal year 1981. The need for a balanced budget has been accepted by many who have opposed balanced budget resolutions in the past.

We have not gotten all that we wanted for defense, but the other body's figure for defense is higher than the resolution now before us. Our Republican substitute was higher than the Budget Committee's proposal on defense. This figure needs to be increased and I think it can be in conference.

As I brought out on the floor the other day in a colloquy with the majority leader, we will probably come back from conference with a figure nearer to what we had in the Republican resolution than the figure in the pending resolution. To do this, we must get to conference. In order to get to conference, we need to pass a resolution.

We have achieved, by the vote just taken, a principle that Republicans unanimously—unanimously—supported by a floor vote of last year, the matter of reconciliation. In this we have won one of the most important battles of the budget.

This is another important victory for Republican process, in molding a workable and effective budgetary process.

We have made other gains. It was my amendment, adopted in committee, which assures us of a productivity-type tax cut. Now, we can argue that we have not gotten all that we wanted and vote down the resolution. But past experience—and check the record—indicates

that the House has voted down a resolution, it meant higher expenditures were then included to gain votes for passage rather than less spending.

I recall the insertion of an Obey amendment for education, that cost the taxpayers over \$300 million after the House failed to accept a conference report.

Now, we can travel this same route again. We can vote down this resolution and force the chairman and the majority members of the Budget Committee to go in search of votes to pass the resolution by making additional expenditures to please this or that interest group. I do not think we want to go that route again. I think we want to establish the principle of a balanced budget for our Nation and start living within our means. If we are to reduce inflation, lower interest rates, and put people back to work we must start now. Because I feel so deeply about the need for a balanced budget, I am reluctantly going to support the resolution we have before us, even though it is not all that I would have liked. This will not be an easy vote for me but I'm hoping it will help set us on a course of fiscal responsibility for many years to come.

I would urge my friends to vote today for the concept of a balanced budget. Let us do our part to answer the prayer of the American people for a balanced budget and a way out of the fiscal mess we have been in for so long.

□ 1720

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO) to close debate.

Mr. GIAIMO. Mr. Chairman, I want to commend my friend from Ohio and associate myself with his remarks and thank him for the many, many weeks and months of hard work that he has put into making this budget a reality.

I want to advise the Members that we are now ready to rise as a committee and that we are going to vote on the adoption of the budget. I also understand that there will be a motion to divide the question by the gentleman from Illinois (Mr. MICHEL).

That means that we will be voting on the 1980 budget which has to be revised upwards, as my colleagues know, by a third budget resolution which is incorporated herein, and on the 1981 budget.

I further understand that we will be voting on the 1981 balanced budget first, if the question is divided.

After that we would have a separate vote on the 1980 budget, which is in heavy deficit, as my colleagues know.

I want to caution those of my colleagues who might feel disposed to vote against a 1980 budget that there are billions of dollars in appropriations for fiscal 1980 waiting to come to this floor. There is \$2.9 billion for food stamps. There is \$2.3 billion for defense. There is \$2.7 billion for pay raises in defense and in the civilian agencies. There is money for disaster relief, the highway welfare, social services, child welfare, fire fighting, refugee assistance. There are literally billions of dollars worth of

supplemental appropriations which cannot be brought to the floor unless we pass the 1980 revised budget.

Because of higher inflation, as my colleagues know, the estimated costs have gone higher, and we have to raise the ceiling. So please do not be persuaded to vote against the 1980 budget revision. It would literally bring disaster on our country.

As for 1981, it is in balance. I urge my colleagues to vote for it.

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

Mr. GIAIMO. I yield to my colleague from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply urge Members on this side of the aisle who voted for my amendment last week to vote for this resolution. If my colleagues want to put the Budget Committee in the best position to defend the House bill as opposed to the other body's priorities, we need votes from this side of the aisle for the resolution.

● Mr. RATCHFORD. Mr. Chairman, for many of my colleagues in the House, the vote on final passage of the first budget resolution for fiscal year 1981 poses a painful dilemma.

We cannot afford to ignore the mandate for a balanced Federal budget in 1981. For the great majority of Americans, the goal of a balanced budget has become too important a symbol of discipline for the Congress to fail in the current effort. Our action today will send an unmistakable signal—of commitment and of sacrifice—to the American public which will set the tone for the anti-inflation fight in the 1980s.

Yet there will be a price to be paid for the balanced budget, and the sacrifices will teach us all the sense in which many Federal programs have a very direct impact on the health and welfare of our Nation. The budget cuts of 1981 will be felt in every community in the Nation, in programs for the elderly, in job opportunities for our youth, in health care for the sick and housing for the poor. While there are examples of waste to which we can and must respond, the idea that we can sharply cut spending without at least delaying progress toward improvements in the quality of American life is a myth. The lesson will be a difficult one to learn.

The budget dilemma in fiscal year 1981 serves as a reminder that there is no "free lunch." Whether in the area of veterans' benefits, education or environmental protection, we cannot provide for our servicemen, teach our children, or clean our air and water without also paying the price. With the current state of the economy, we must respond with a balanced budget, and some spending cuts are unavoidable. Our task remains one of carefully weighing our national needs, setting clear priorities for Federal spending to insure that we use our scarce resources wisely and effectively.

The final vote is made particularly difficult by the failure of the House to demonstrate a greater sensitivity to some of our most pressing social needs. While the House budget provides for a strong national defense, including the greatest single-year jump in authorized defense spending since World War II, the House

Budget Committee's proposal is less responsive in its treatment of some important social programs. For this reason, I strongly supported the amendment offered by Congressman OBEY which would have preserved the level of defense spending and maintained a balanced budget, while strengthening an appropriate balance between defense and domestic expenditures by restoring funds for high priority social programs. I was deeply disappointed when the OBEY amendment failed on the House floor by a narrow 12-vote margin.

Mr. Chairman, final passage of the budget resolution is also made more difficult by the way in which the House debate has evolved, providing us with no opportunity to vote on separate issues of major policy significance such as the elimination of Saturday mail delivery. While the budget process must set targets for fiscal restraint, it should not deprive the Congress of the chance to set policy in a direct and forthright manner, examining proposals for legislative change on their merits. I am deeply disturbed by the proposed elimination of Saturday mail delivery, and view the proposal of such importance as to warrant a thoughtful debate on its impact and a separate vote on its adoption. The budget before us will not give us the opportunity to consider these issues.

The task before us is clear. With a strong mandate for a balanced budget, we have no alternative but to approve the proposal of the House Budget Committee which is now before us. For those of us with a deep concern for the impact of spending cuts on social programs, the House version of the budget looms as our best alternative, more responsive to our national needs than either the President's budget or the Senate proposal. The emerging Senate budget resolution is particularly troubling, with dangerously skewed priorities for Federal spending. The House budget already supports for a strong national defense, including an increase of \$15.2 billion or 11.5 percent in defense outlays—to move further in this direction, as the Senate proposes, would be unconscionable. We must oppose further cuts which would cripple programs addressing our pressing domestic as well as defense needs.

The challenge of a balanced budget will be difficult—the responsibility of a compassionate budget will require all of our collective discipline and strengths. Given the alternatives, I urge my colleagues to approve the House budget before us today, and then to oppose any future attempts in conference to destroy the careful balance which the House version attempts to preserve.●

Mr. GIAIMO. I would remind my colleagues that our first vote here last week was on the Giaimo amendment, which revised the 1980 budget. We voted for it overwhelmingly. I would urge my colleagues to vote the way they voted on the Giaimo amendment last week.

Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be

agreed to and that the concurrent resolution, as amended, be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had directed him to report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Under the statute, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

PARLIAMENTARY INQUIRY

Mr. MICHEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MICHEL. Mr. Speaker, has the Speaker put the question on final passage?

The SPEAKER. Not yet.

The question is on the concurrent resolution.

Mr. MICHEL. Mr. Speaker, I demand a division of the question. Specifically I ask that a separate vote be taken on section 6, the so-called third budget resolution for fiscal year 1980.

The SPEAKER. The first question is on agreeing to sections 1 through 5 and section 7 of House Concurrent Resolution 307.

PARLIAMENTARY INQUIRY

Mr. MICHEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MICHEL. Mr. Speaker, in dividing the question, is it not correct that the first vote is on the 1981 budget resolution and the second vote is on the 1980 budget resolution?

The SPEAKER. The gentleman is correct. We are voting on the 1981 resolution.

The question is on agreeing to sections 1 through 5 and section 7 of the concurrent resolution.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 225, nays 193, not voting 14, as follows:

[Roll No. 219]

YEAS—225

Akaka	Baldus	Bonker
Albosta	Barnard	Bouquard
Alexander	Bedell	Bowen
Ambro	Bellenson	Brademas
Anderson,	Benjamin	Breaux
Calif.	Bennett	Brinkley
Annunzio	Bevill	Brodhead
Anthony	Biaggi	Brooks
Ashley	Blanchard	Brown, Calif.
Aspin	Boggs	Burlison
Atkinson	Boland	Byron
AuCoin	Bolling	Carr
Balley	Boner	Chappell



Shumway	Stump	Weaver
Shuster	Symms	Whitehurst
Smith, Nebr.	Tauke	Whittaker
Snyder	Taylor	Wilson, Bob
Solomon	Thomas	Winn
Spence	Trible	Wydler
Stangeland	Vander Jagt	Wylie
Stanton	Walgren	Young, Alaska
Stenholm	Walker	Young, Fla.
Stockman	Wampler	

ANSWERED "PRESENT"—1

Holtzman

NOT VOTING—16

Anderson, Ill.	Hefner	Marriott
Andrews, N.C.	Holt	Martin
Danielson	Kelly	Moakley
Gaydos	Kogovsek	Roberts
Hammer-	Lederer	Wilson, C. H.
schmidt	McKinney	

□ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Kogovsek for, with Mr. Martin against.  
Mr. Lederer for, with Mr. Hammerschmidt against.

Mr. Moakley for, with Mrs. Holt against.  
Mr. Charles H. Wilson of California for, with Mr. Marriott against.

Until further notice:

Mr. Roberts with Mr. McKinney.  
Mr. Gaydos with Mr. Kelly.  
Mr. Danielson with Mr. Andrews of North Carolina.

So section 6 of the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

DESIGNATING CERTAIN LANDS AS ADDITIONS TO THE SANDIA MOUNTAIN WILDERNESS, NEW MEXICO

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3928) to amend the Act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.  
The Clerk read the Senate amendments, as follows:

Page 3, after line 3, insert:  
SEC. 2. Section 4 of the Act of November 8, 1978, is amended by changing "\$12,000,000" to "\$20,000,000".

Page 3, after line 3, insert:  
SEC. 3. The proviso in section 1 of the Act of November 8, 1978, is amended to read as follows: "Provided, That the tract of land described in this section shall not be included within the exterior boundaries of the Cibola National Forest until the Secretary of Agriculture determines that the city of Albuquerque, New Mexico, has acquired an option to purchase a tract of land containing approximately 640 acres located immediately to the west of such tract for open space or city park use: *And provided further*, That if such option is not exercised the tract of land described in this section shall no longer be included within the exterior boundaries of the Cibola National Forest."

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

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Ohio?

There was no objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate amendments just concurred in.

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

There was no objection.

AUTHORIZING CONCERTS BY THE NATIONAL SYMPHONY ON CAPITOL GROUNDS

Mr. YATES. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 330) authorizing concerts by the National Symphony on Capitol Grounds, and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 330

Whereas the National Symphony Orchestra has expressed a desire to perform free concerts on the United States Capitol Grounds for the entertainment of the citizenry of our Nation; and

Whereas these performances would be similar to those presently given by the service bands under authority of 40 U.S.C. 1391: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That the National Park Service shall be permitted to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds during 1980, such concerts to be free to the public and arranged not to interfere with the needs of Congress, under conditions to be provided by the Architect of the Capitol.

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

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, will the gentleman explain briefly why this concurrent resolution is necessary?

Mr. YATES. Yes, I will.

Mr. Speaker, if the gentleman will yield, this is a continuation of the tradition started last year of having free concerts for the public by the National Symphony Orchestra on the west lawn of the Capitol.

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

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

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FOOD STAMP ACT AMENDMENTS OF 1980

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 651 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 651

*Resolved*, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. It shall be in order to consider an amendment to said substitute recommended by the Committee on Ways and Means, amending the Internal Revenue Code and printed in the Congressional Record of May 1, 1980, and said amendment shall not be subject to amendment except for the offering of pro forma amendments for the purpose of debate only. After the adoption of said amendment, no further amendment to said bill or to the committee amendment in the nature of a substitute shall be in order in the House or in the Committee of the Whole to further change or affect the Internal Revenue Code. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

The SPEAKER pro tempore. The gentleman from New York (Mrs. CHISHOLM) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, I ask unanimous consent to make the following technical correction in House Resolution 651:

On page 2, line 19, after "of" delete "May 1, 1980" and insert in lieu thereof: "April 30, 1980".

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

There was no objection.

Mrs. CHISHOLM. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman

from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 651 provides for the consideration of the bill S. 1309 to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

Mr. Speaker, this is an open rule, with one very limited exception. The rule allows for the offering of any germane amendment to the legislation as it is considered under the 5-minute rule. However, the resolution specifically makes in order an amendment to be offered by the Committee on Ways and Means amending the Internal Revenue Code; the Ways and Means amendment is nonamendable, being subject only to an up-or-down vote and may be debated by the offering of pro forma amendments. In addition, the resolution prohibits any further amendments to the legislation which further change or affect the Internal Revenue Code.

The rule provides for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for purposes of amendment under the 5-minute rule and the bill shall be read for amendment by titles rather than by sections. The rule provides for one motion to recommit with or without instructions.

As referred to earlier, Mr. Speaker, House Resolution 651 specifically makes in order an amendment recommended by the Committee on Ways and Means which is not subject to amendment. At the request of the Committee on Agriculture, the Committee on Ways and Means reviewed the language of S. 1309, relating to the disclosure of certain income tax data by the Social Security Administration to the Department of Agriculture and to State food stamp agencies in order to enforce certain provisions of the Food Stamp Law. After determining that the disclosure provisions of the Internal Revenue Service must be amended to effectuate this change, the Committee on Ways and Means has recommended the adoption of the amendment.

Mr. Speaker, the specific prohibition against amendments to the Ways and Means provision and any others which seek to amend the Internal Revenue Code was necessary to insure that extensive amendments to the tax code would not be in order.

The Ways and Means' amendment is necessary to make appropriate conforming changes to existing laws to effectuate the Agriculture Committee amendment; any further changes to the Internal Revenue Code would be both inappropriate and a clear infringement of the jurisdiction of the Committee on Ways and Means.

House Resolution 651 waives section 402(a) of the Congressional Budget Act against consideration of the bill.

Section 402(a) of the Budget Act provides that it shall not be ordered to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year. Since section 201 of the bill would raise the authorization ceiling for the food stamp program for fiscal year 1980, and since the bill was not reported on or before May 15, 1979, it would be subject to a point of order under section 402(a) of the Budget Act. The Budget Committee supports this waiver of section 402(a) to permit consideration of the bill.

In addition, Mr. Speaker, the rule waives clause 5 of rule XXI against consideration of the committee substitute. Clause 5 of rule XXI prohibits appropriations in a legislative bill. The waiver is purely technical, since there are no appropriations in the bill. However, section 128 of the bill provides for the payment of certain legal fees and other expenses incidental to the defense of officers and employees of the Department of Agriculture. This new authority could result in the use of funds already appropriated for the operation of the Department of Agriculture. The use of funds already appropriated for another purpose is technically considered a reappropriation, and thus the waiver is necessary.

Mr. Speaker, we are all aware of the serious situation that now faces the food stamp program and the millions of needy recipients of food stamp benefits. If Congress does not act immediately on S. 1309 and provide additional food stamp funding by May 15, the States will be ordered to suspend the issuance of benefits to millions of Americans. I will reserve my comments on this vital legislation for general debate. This is a matter of extreme urgency, and I would urge my colleagues to adopt House Resolution 651 so that the House may proceed to the consideration of S. 1309.

□ 1810

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

Mr. Speaker, House Resolution 651 is a modified open rule providing for the consideration of the Food Stamp Act Amendments of 1980. The rule allows 2 hours of general debate on the bill and waives section 402(a) of the Congressional Budget Act against consideration of the bill. This Budget Act section requires that new budget authority be reported by May 15 preceding the beginning of the fiscal year for which it is effective. Since section 8 of the original bill would raise the authorization ceiling for the food stamp program for fiscal year 1980 from \$6.2 billion to \$8.7 billion and since the bill was not reported on or before May 15, 1979, it would be subject to a point of order under section 402(a) of the Budget Act.

The rule makes in order the committee amendment in the nature of a substitute to be considered as an original bill for the purpose of amendment and the substitute is to be read by titles rather than by sections. In addition, clause 5 of rule XXI, appropriations in a legislative bill, is waived against consideration of the substitute. Since the categories of people

receiving benefits under the program have been expanded, previously appropriated funds could be used for different purposes than originally ordered.

Next, the rule makes in order the amendment recommended by the Committee on Ways and Means amending the Internal Revenue Code and printed in the CONGRESSIONAL RECORD of April 30, 1980. The amendment perfects the provision of the bill relating to the use of certain income tax data for enforcing the food stamp law. The amendment is not subject to amendment except for the offering of pro forma amendments for the purpose of debate. No further amendments to change or affect the Internal Revenue Code are in order.

Lastly, the rule allows one motion to recommit with or without instructions.

Mr. Speaker, the part of this bill which has attracted the most attention is that which increases authorizations for the food stamp program in fiscal years 1980 and 1981. As we are all painfully aware, the program has once again reached the limit which was placed on its spending for the fiscal year. Consequently, this bill sets new funding levels for these two fiscal years and to be certain that we are prepared when these limits too, are exceeded, the committee has been generous enough to provide us with cushions. These will allow the Secretary to lift the new caps by 5 percent for fiscal year 1980 and 10 percent for fiscal year 1981, allowing the costs of the food stamp program to reach \$10.7 billion by the end of fiscal 1981—almost doubling the cost of the program since 1977. Not the least of my concerns is the fact that this so-called cushion will remove funding authority from the committee and place this responsibility in the Secretary's hands—an abdication of congressional authority and possibly a precedent for other authorizing committees to be bypassed.

In addition to raising these caps, the bill contains some 22 amendments aimed at program reform. I recall food stamp reform of 1977 when Congress passed legislation aimed at restricting eligibility. What did we accomplish? We included a major liberalizing provision eliminating the purchase requirement which added some 3½ million people to the program. However, we did not come close to eliminating the 1.3 million projected.

Mr. Speaker, I shudder to think what the outcome of our empty and ill-conceived attempts at reform will be. If the program's costs follow the precedent set between 1977 and what is being requested for 1981, by fiscal 1985, the program could cost as much as \$20 billion.

I know that there are numerous amendments to be offered, including at least one substitute permitting the States to become more involved in setting their own eligibility and benefit levels. In addition, there is the recoupment amendment offered in committee by the gentleman from Vermont. Recoupment is an idea which was first suggested by then Congressman Andrew Young in the 94th Congress. The purpose of the Jeffords recoupment amendment is to treat benefits received by higher income recipients as interest-free loans, requiring benefits

to be repaid if the recipient's adjusted gross income exceeded 175 percent of poverty level and he received food stamps because of temporary unemployment. I am pleased that the House will have an opportunity to improve this legislation through some carefully constructed amendments, and I intend to support those amendments which will restore some order to the chaos existing in the current program.

Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, originally I had intended to try and oppose the rule. However, through some legal imagination and skillful drafting, we have been able to redraft the amendment so that I believe it will be held in order. It is not quite as trim a system as the one presented to the Rules Committee which is unfortunate. It is unfortunate that the Rules Committee did not see fit to allow me to give it in the original form, for ironically it might actually help protect the very agency that they are trying to protect, the IRS, from some administrative problems.

Nevertheless, I want to make it clear that I do not oppose the rule at this time. I intend to offer my amendment in its redrafted form. I would hope that the Members would give careful consideration to it at that time. I think it is an excellent proposition that will help to do much to restore confidence in the integrity of the food stamp program.

Mrs. CHISHOLM. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

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

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the Senate bill, S. 1309, with Mr. SIMON in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the Senate bill is dispensed with.

Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 1 hour, and the gentleman from Virginia (Mr. WAMPLER) will be recognized for 1 hour.

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

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

□ 1820

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

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

Mr. BAUMAN. I just wanted to ask the gentleman what the plan is for the remainder of the evening so the Members might make their schedules accordingly.

Mr. FOLEY. Insofar as I have any decision in the matter, it is our intention to try and finish the general debate on the bill in its entirety, I will tell the gentleman, but we will not attempt to proceed to have the bill read for amendment in any fashion.

Mr. BAUMAN. So there is not likely to be any more votes or rollcalls?

Mr. FOLEY. I hope we will not have any more votes. Perhaps the quorum call that might possibly be raised will not be raised on the gentleman's side, and I think Members would appreciate that.

Mr. BAUMAN. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I rise today in support of S. 1309, a bill that amends the Food Stamp Act of 1977 in two major ways. First, it would provide sufficient increased authorizations for fiscal years 1980 and 1981 to keep the food stamp program alive for the next 16 months, delivering benefits to the well over 21 million Americans who need such assistance in order to avoid hunger and malnutrition and the social, economic, and personal harm they entail. Second, it would impose upon the food stamp program the toughest, most extensive collection of provisions to deter error and punish abuse ever found in any nutrition program or in any single piece of income security legislation passed by Congress. Both parts of this bill are crucial to the future of the program. Only if both parts are enacted can the food stamp program effectively feed the needy, and only the needy.

#### THE NEED TO RAISE THE CAP NOW

The increases that the Committee on Agriculture has proposed in the authorization ceilings the Congress imposed on the program in 1977 are absolutely essential. I am sure that, by now, you are aware that, unless the Congress has taken action by May 15—just 1 week from Thursday—to furnish sufficient funding for the program for the months of June, July, August, and September, the Secretary of Agriculture has no recourse but to order every State in the Union to suspend the issuance of all food stamp benefits as of June 1. The Secretary has already written the Governor of every State in the Union on April 28, notifying him or her of the problem and warning him or her to take immediate precautions, including developing contingency plans for providing other forms of emergency assistance to low-income families. This is a very serious business, indeed.

The program would cease operating entirely on June 1. It could be revived again later when funds became available, but, in the interim, substantial hardship would befall the approximately 21.7 million needy Americans who were on the food stamp rolls in March of this year. These people would be forced to rely upon their already meager resources—most of them already have less than \$10 a day per household to subsist on—to obtain food unless and until

the Congress: First, lifts the \$6.188 authorization ceiling for fiscal year 1980; second, revises the second concurrent resolution of the budget for fiscal year 1980 upward to reflect that rise in the ceiling in both budget authority and outlays—the third concurrent resolution we just approved achieves this by virtue of the Giaimo amendment; and third, enacts the necessary supplemental appropriations—the Agricultural Appropriations Subcommittee of the House Appropriations Committee has already taken such action on April 28, and the full committee is expected to take further steps later this week.

All of these necessary actions may well be accomplished in time, but that is growing shorter and shorter. We cannot afford the social chaos that would prevail were we to fail to meet the deadline. If we do not succeed, we will be seriously harming people who cannot help themselves. Over three out of every five food stamp recipients in the latest survey were found to be either elderly, disabled, or children under the age of 18. Since then, the number of elderly persons on the program has grown by at least one-third. My staff estimates indicate that at least 12 percent and perhaps as many as 15 percent of all persons currently served by the program are age 60 or over, which amounts to 3.2 million elderly individuals who would literally not know where their next meal was coming from for weeks in the future. That is a frightening prospect, one we cannot allow to occur.

Sixty-nine percent of all food stamp households in that survey were headed by women. The average monthly income of all participating households was around \$3,800 a year or \$320 a month. Such people will have serious difficulties indeed coping with a total shutdown of their food purchasing power. We are not talking about people making thousands of dollars a month or \$15,000 a year. We are dealing with households at the depths of the economic barrel. Their average income, as indicated, is significantly less than half of the poverty level for households of comparable size. Over 90 percent have gross incomes below the applicable poverty line. Sixty percent have no liquid assets whatever, while 95 percent have assets under \$1,500. Two-thirds of them own no car; nearly three-quarters of them do not have a home of their own.

Food stamps form the primary or sole source of income for one out of every five households that use them. These households either have no income or the income that they do have in the form of earnings or other benefits totals less than the value of the food stamps they receive. They do not all come from major metropolitan centers. Nearly one out of every three recipients is from a rural project area. They are, of course, required to help themselves if they are able, but most are not. Only 15 percent of all heads of food stamp households are employable persons who are unemployed. The vast majority of adult food stamp participants are either working full time (12 percent), but at wages so low as to qualify them for assistance, or else un-



able to work because of age (16 percent), disability (16 percent), or the responsibility of taking care of pre-high school age children or incapacitated adults (35 percent).

In general, food stamp recipient households have been hit harder than others by the economy and, particularly, inflation. Overall income in the United States increased 40 percent during the past 4 years, while the incomes of food stamp beneficiaries went up less than one-fifth as much or only 7 percent. The cost of necessities (food, shelter, medical care, and household utilities) during this same period has risen faster than the cost of other items. Unfortunately, the needy spend 90 percent of all of their income on these necessities, while the rest of America spends only about 60 percent of its income to buy them.

We cannot in good conscience abandon these people to their own nonexistent resources, if only for a week. We cannot be responsible for an unprecedented cut-off, however brief, of vital benefits that support human life. There is no doubt in my mind—and a recent study by the Field Foundation confirms my belief—that the food stamp program is the most effective social program in aid of the poor in operation today. In 1967, when a team of doctors funded by the Field Foundation went across the country to examine the status of hunger and malnutrition among poor Americans, they returned to report that they had found hungry children suffering diseases caused by malnutrition that were well known in Africa and Central and South America, but not the United States. In 1979, after they had conducted a similar study, they were able to report that—

Now in those same areas, there is nowhere the same evidence of gross malnutrition we saw then. In the Mississippi delta, in the coal fields of Appalachia and in coastal South Carolina—where visitors 10 years ago could quickly see large numbers of stunted, apathetic children with swollen stomachs and the dull eyes and poorly healing wounds characteristic of malnutrition—such children are not to be seen in such numbers today.

The primary reason for the dramatic difference, for the 33 percent decline in infant mortality and the greater than 50 percent reduction in infant deaths from diarrhea, influenza, pneumonia, and immaturity (all directly related to poverty and malnutrition), was, from their perspective, the existence and intervention of the food stamp program. They stated categorically that—

The food stamp program does more to lengthen and strengthen the lives of disadvantaged Americans than any other non-categorical social program and is the most valuable health dollar spent by the Federal Government.

This 1967 study, books, TV documentaries, newspaper articles, and active concern exhibited most notably by President Richard Nixon in convening the December 1969 White House Conference on Food, Nutrition, and Health, perhaps the finest monument of his first term in office, resulted in the development of legislative recommendations to pass a more meaningful food stamp program, the one that we are extending today.

Unfortunately, since 1969, the program has become more the victim of unfair abuse than, as has been repeatedly asserted, itself abused. It has been saddled too long now with myth upon myth, unfounded story after story of Cadillacs crammed with groceries, shopping carts laden with \$10 sirloin steaks and \$20 lobsters and hamburger bought to feed dogs. All are distortions. Program rules disqualify Cadillac owners. Persons enjoying 37 cents in benefits a meal (\$35 per person a month) hardly buy luxury items or, if they do, the consequence is starvation the rest of the month. The Federal Government is quite penurious when it comes to bestowing food stamps allotments. For example, a family of four with absolutely no net income left after all deductions are subtracted from their gross income and, thus, with no funds of its own left to purchase more food, has the princely sum of 57 cents per person with which to buy the entire ingredients of every meal. The welfare Cadillac turns out to be a bicycle. We must discard these repetitious fairy tales and honestly confront the reality of human need in hard times and the justice of our satisfying that need.

The appropriation required to keep the program going is, according to the administration's latest estimates, \$2.791 billion. That is the sum that the administration has informed us on April 30 will be required to maintain full funding of benefits given current economic conditions, even taking into account a package of \$133 million in legislative reductions in program expenditures for fiscal year 1980. These legislative savings have been recommended both by the administration and the House Budget Committee, and will be offered shortly as amendments to S. 1309 by Mr. PANETTA. I anticipate that they will be accepted.

The authorization problem for fiscal year 1981 is equally serious. While the 1980 cap is approximately \$2.791 billion short of what the administration has determined will be necessary, the 1981 cap of \$6.236 billion is at least \$3.234 billion under what the Department's April budget revisions suggest will be required to furnish food stamps in appropriate amounts to all eligible recipients from October 1, 1980, through September 30, 1981. It is as much as \$4.097 billion less than the Congressional Budget Office's (CBO's) April 22 estimates for fiscal year 1981, as modified to include expected legislative savings.

#### WHY THE CAP IS OUTDATED

S. 1309, as reported by the Committee on Agriculture, is designed to raise the authorization ceilings for both fiscal years in order to accommodate economic impacts that were unforeseen when Congress first imposed the cap on food stamps in July of 1977. While the cap was, as conceived, a useful construct intended to give the authorizing committees controls over program spending and prevent the program from remaining an unchecked entitlement, it has become an inflexible corset, unreasonably restraining appropriate program growth brought about by unanticipated factors. The fixed level of estimated expenditures that constituted the cap was based upon economic projections supplied by the Con-

gressional Budget Office as of February 1977. These projections were quickly bypassed by events.

The intervening three and one-quarter years have obviously undermined whatever validity those projections may originally have had. In the context of the administration's January budget estimates for the program, food price inflation in excess of what was anticipated is directly responsible for approximately 53 percent of the rise in program costs, adding over \$1.4 billion to the cost of the program in fiscal year 1980 and \$2 billion in fiscal year 1981. The Department has informed us that each 1 percent increase in the Consumer Price Index for food generates approximately \$100 million in added food stamp costs.

Increased unemployment is responsible for another 26 percent of the surge over the 1977 estimates or approximately \$800 million and \$900 million, respectively, in the 2 fiscal years at issue. Each one-tenth of 1 percent in the unemployment rate tends to bring between 75,000 and 110,000 people onto the program at a cost of around \$50 million. That means, for example, that last week's jump in unemployment would, if the rate remained at least 7 percent for the next 16 months, add \$133 million in costs to the program for fiscal year 1980 and \$400 million for 1981.

The remainder of the expansion can be attributed to several factors, foremost among which is the income level of the new participants attracted to the program in 1979, after the implementation of the Food Stamp Act of 1977 and its elimination of the purchase requirement (EPR). The over 4 million program entrants traceable to EPR were considerably poorer than expected. The new EPR feature meant that eligible households no longer needed to pay, for example, \$100 in cash to obtain \$200 of food stamps. Instead, a family could receive the \$100 in food stamps that had been their previous bonus without first having to put up cash. Obviously, the family would have to use its own money if it wished to secure more than \$100 worth of food, but it did not have to deposit that cash as a prerequisite to program participation. Thus, for the first time, persons who were cash poor at food stamp issuance time were enabled to participate.

One more unnecessary barrier to use of the program by the very persons it was intended to serve tumbled. But, because those who were able to participate with the barrier down turned out to be at least as poor as existing recipients (it had thought they would be working poor at the upper end of the low-income ladder), the cost of EPR to the program was more than had been foreseen, perhaps as much as \$530 million more in fiscal year 1980 and \$640 million more in fiscal year 1981, or approximately 18 percent of the needed increase in authorization levels as of January.

Together, these three factors account for almost 97 percent of the growth in the program through January, with inflation twice as important as unemployment and three times as significant as EPR.

## CUSHIONING THE GAP

Since January, the administration as well as CBO has had to revise its estimates upward to reflect the impact of the deteriorating economic situation. Eligible households who previously had determined that it was not worth the effort to secure food stamps now feel impelled to do so, given the combined impact of inflation and recession on the funds they have available to spend on other necessities, including housing and utility costs. Program participation has recently surged from 19.6 million persons as of November 1979, to 21.7 million in March, reflecting current economic pressures upon low-income households. Congress can hardly hope accurately to forecast or manipulate factors (other than inflation or unemployment) that might well function, singly or in combination, to boost food stamp costs above even those revised budget levels, including the advent of natural disasters, the prospect of major cuts in various States' welfare budgets, the possibility of another boost in energy prices, the highly uncertain nature of the timetable for implementing some of the savings features of this bill, and similar unforeseeable circumstances.

None, any, or all of these possible developments might happen. Any one might be enough in and of itself to breach the new cap set in S. 1309 in a fashion impossible to remedy in the tight time frame that would exist. The result would either be unintended harm to program recipients or else more unnecessary funding crises in August-September 1980 and the late summer of 1981. These potential problems can be forestalled now by providing a reasonable cushion beyond the cap that permits program control to remain in the hands of Congress and the authorizing process without destroying the value of the program to poor persons. A realistic limit upon food stamp program spending is certainly better than no limit at all, and equally better than an unrealistic limit that imprisons the heart of the program in rigid chains.

Given this continual problem of relying upon inherently unreliable cost estimates and replacing one artificial lid on expenditures with another, the majority of the committee voted to supply the program with a needed cushion, permitting an override of the President's January 1980 budget projections for fiscal year 1980 by as much as 5 percent (or up to \$437 million) and for fiscal year 1981, whose status is far more uncertain, by as much as 10 percent (or up to \$974 million). As the latest estimates from the administration and CBO suggest, the cushion should be sufficient to meet projected funding requirements in both years, but it is still likely to be a close call.

This is the only reasonable way to avoid another round of food stamp re-authorizations and supplemental appropriations this year and next and to stop legislating about food stamps in a constantly renewed state of emergency. Under S. 1309, the Secretary could seek appropriations about the new cap—but within the cushion—in either fiscal year or both. Whenever he determined it ad-

visable to do so. Simultaneously or thereafter, he would have to inform both the House and Senate Agricultural Committees in writing that he needed to invade the cushion because of any one or more of a variety of economic or program factors, such as unanticipated increases in food prices, the rate of unemployment, or program participation (for whatever reasons these increases were occurring, including the recent situation attributable to overall inflation psychology and pressures); changes in the program brought about by S. 1309 itself, including the pace of its implementation, disasters, reductions in State welfare benefits, and a host of similar factors. This written report to the authorizing committees would be necessary 60 days before he sought to translate the appropriations into outlays, provided, of course, that Congress granted his funding request through the appropriations process. The report and justification trigger the Secretary's ability to use the appropriated cushion, but not to seek it in the first place.

## LEGISLATIVE REDUCTIONS IN COST

I fully realize the necessity of applying some legislative brakes to this program. I am in accord with the recommendations of both the administration and the House Budget Committee in this connection and, indeed, participated in the early stages of their formulation. Those recommendations are about to be offered by myself or other members of the Agriculture Committee as amendments to S. 1309 that would save \$133 million in fiscal year 1980 and \$433 million in fiscal year 1981 by:

First. Providing annual (every January) rather than semiannual (every January and July) cost adjustments to the thrifty food plan which defines program benefits and to the standard deduction for all participating households, as well as updating the excess shelter cost deduction in January rather than July, thereby denying any increase in benefits from these three factors in July 1980 and reducing their impact on the succeeding fiscal year (savings—\$436 million over both years);

Second. Refusing to update the poverty level of net eligibility to reflect March cost adjustments, thereby limiting program eligibility (savings—\$50 million);

Third. Cutting off the eligibility of all college and graduate students, allowing to participate (if they satisfy the income and assets tests) only those students who are under 18 or over 60, mentally or physically unfit, employed at least 20 hours a week during the regular school year or involved in a work study program, heads of households with dependents, or participants in the AFDC work incentive program (savings—\$60 million); and

Fourth. Lowering the maximum liquid assets limitation for a nonaged household from \$1,750 to \$1,500 (savings—\$20 million).

In addition, CBO has estimated that S. 1309's error rate sanctions provisions would save about \$90 million in fiscal year 1981, although the Department views S. 1309 as saving \$186 million. Postponing the implementation of S. 1309's expansion of the excess medical deduction for the elderly and increase in the

dependent care deduction until fiscal year 1982, a proposal to be offered, would further reduce S. 1309's impact on the fiscal year 1981 budget by \$122 million.

In all, members of the House Agriculture Committee, including myself, expect to offer and to have accepted a package of amendments reducing the cost of S. 1309 in fiscal years 1980 and 1981 combined by a total of \$688 million. A further \$90 million savings is contained in S. 1309 itself for a general total of \$778 million. This sum represents the changes we have made in our legislative posture after reporting the bill out of committee, changes that we initiated in response to the developments in the budget situation. The total of our reductions in the cost of the existing program is either \$656 or \$762 million, depending on whether one accepts the calculations of CBO or the administration. All of this evidences our good faith participation in the budget process as well as our recognition that certain carefully targeted program reductions are justifiable.

## DETERRING ERROR AND PUNISHING FRAUD AND ABUSE

Despite the obvious attention given the substantial rise in permitted expenditures, the most significant portions of the bill, not merely in terms of bulk (22 separate amendments covering nearly three-fourths of the lines), but primarily from the perspective of long-term impact upon the shape of the food stamp program, are the 15 basically bipartisan measures that deal with reducing error, fraud, and abuse. However generously motivated Americans may be to furnish resources to the poor to enable them to survive, particularly in the face of significant inflation and slowed economic growth, they understandably object if they believe that those resources are being abused. This committee agrees wholeheartedly with that concern.

These aims of the committee are reflected in this bill and, particularly, in the antifraud, error, and abuse provisions that comprise its core. These amendments are responsive to suggestions for tightening up the program contained in the October 1978-March 1979 and April 1, 1979-September 1979 semi-annual reports of the Department's Office of Inspector General or to deficiencies uncovered by the committee itself. Taken as a whole, they clearly constitute part of a continuing massive effort to save program money for the use of those who need it most by denying it to the unentitled.

The 15 strong provisions are intended to give the Inspector General all of the authority he desires to halt program fraud and the States all of the appropriate incentives to reduce program error. Indeed, the bill goes well beyond what the Inspector General has sought to strengthen stringent program administration. The arsenal of investigative and deterrent weapons thus furnished program administrators is substantially more extensive than that applicable to any other federally sponsored nutrition program and at least as comprehensive (if not significantly more so) as that available to police any other Federal income security legislation. The new anti-

fraud, error, and abuse measures contained in this bill include:

First. Computer matching. Strong encouragement for, coupled with permission to, the Secretary and State agencies to computer match information supplied by applicants and recipients against all available wage and benefit data contained in all relevant Federal agency (including Social Security Administration) files and in the files of the Department and the States to verify all income information in a manner that cannot be manipulated in any way by the applicant or recipient. This is the single most effective technique now in existence for avoiding error and fraud and preventing benefit payment to ineligible persons and benefit overissuances to eligible ones. Appropriate safeguards and limitations would obviate misuse of the information so obtained.

Second. Increased cost-sharing for computerization. A bonus of 25 percent in additional Federal cost sharing (over the normal 50 percent) for the administrative costs incurred by State agencies in developing and installing computerized systems for handling program data in order to make full and efficient use of computer matching and to lower error rates.

Third. Retrospective accounting. Provision of an option to the States to determine eligibility and benefits for certain types of households for a given month in light of a prior month's actual income. This will enable States to diminish error rates, since past income can be accurately ascertained, while future income is difficult to predict precisely. The Inspector General strongly supports giving States this option.

Fourth. Periodic reporting. A companion requirement compelling certain categories of households in States relying upon retrospective accounting to submit periodic reports (probably monthly, in most instances) on their income as a condition of continuing to receive food stamp benefits.

Fifth. State liability for errors. A penalty upon those States that fail to meet certain specified performance standards in controlling their error rates, including negative case actions, in light of national standards, with States to be liable for all erroneous allotments over their prescribed limit out of the Federal administrative cost-sharing that would otherwise be available to them. The Inspector General recommended this concept of requiring States to share in the cost of their own mistakes, as "the most effective device we know of to make those States and projects with poorly managed operations take an aggressive interest in improving the program."

Sixth. State incentives for reducing errors. Concomitant rewards for those States that are exceptionally successful in reducing their error rates, either absolutely in relation to specified low error rates or comparatively in terms of significant percentage improvement.

Seventh. Verification. New and strengthened verification procedures enabling certification workers to verify household size as well as verify intensively where computer profiles reveal that substantial dollar level errors are associ-

ated with particular household characteristics. Use of these error-prone profiles would be subject to approval by the Secretary. This should end the misperception of many State officials that their hands are tied in connection with verification.

Eighth. Photo identification. A requirement that all certified eligible households, other than those certified at home or by mail, acquire photographic identification cards to present with their authorization to purchase cards when obtaining food stamps in those areas, primarily central cities, in which the Secretary, in consultation with the Inspector General, finds that such a procedure would help protect the integrity of the program.

Ninth. Forfeiture of property involved in illegal transactions. A grant of authority to the Secretary to confiscate cash or goods used in food stamp trafficking in which large volumes of stamps are illegally obtained in exchange for lesser amounts of cash or less valuable commodities and later redeemed for a profit.

Tenth. Restrictions on aliens. The income and resources of an ineligible alien member of a household would be partially attributed to that household, thereby diminishing its benefits. Certification workers who determine, on the basis of information furnished by an applicant household, that a member of that household is in the United States in violation of the immigration laws, are to report that firm, legal conclusion in writing to the Immigration and Naturalization Service.

Eleventh. Strikers. Strikers per se would not be eligible for food stamps and would be per se ineligible unless they were either exempt from work registration or eligible for food stamps prior to going on strike or were involved in a lockout or else could demonstrate that their income fell within the requisite eligibility levels, their assets were sufficiently low, and their work registration status complied with the governing work rules.

Twelfth. State administrative fraud hearings. Permission to States to refrain from developing an administrative fraud structure so long as they ardently and vigorously pursue fraud in their court systems. Many States contend that administrative antifraud effort is not cost effective.

Thirteenth. Interference with the program. A ban on any Federal financial support to any person, organization, or group that interferes with or impedes, directly or indirectly, the implementation of any provision of the act or any regulations. This is designed to halt Federal funding of efforts illegally to hassle or harass State and local officials seeking to operate the program in good faith or the use of tactics of violence and intimidation.

Fourteenth. Special financial audit review of high participation States. Assurance that any State in which program participants constituted more than a fixed percentage of the State's total population would immediately be subject to intensive financial audit.

Fifteenth. Extension of workfare. Au-

thority to extend workfare pilot projects another 12 months through the end of the authorization of the underlying law on September 30, 1981, coupled with a competitive process to select the best possible 14 projects for a reliable test of the efficacy of the concept.

With the addition of this slew of amendments to tighten up program operations, the committee believes that it has thoroughly canvassed all of the available antifraud techniques and devices and directed implementation of those it has found to be efficacious in reducing error and abuse at a reasonable administrative cost. Once these techniques and devices are fully in place in fiscal years 1980 and 1981, the food stamp program should have the opportunity it has been denied in the last 5 turbulent years of congressional action to settle down and become stable. It must no longer be subject to an annual congressional revision of prior marching orders whose content is inevitably unpredictable and the accompanying plethora of new regulations which must be incorporated in handbooks, manuals, and, most troublesome of all, instilled in the conduct of tens of thousands State and local certification workers. Retraining personnel, rewriting manuals, and reprogramming computers are socially wasteful activities that can themselves be a major source of the error we allegedly seek to eliminate.

It is time that the program be viewed as mature and treated appropriately, so that error is not artificially induced by constant change. It is time to call a halt to the perpetual amending process. The States are understandably at the end of their patience with our unsettling method of repealing our mandates before they have even begun to be enforced. Good program administration demands that the program be allowed a period of peace in which it can most fruitfully and effectively diminish the incidence of fraud, error, and abuse, while continuing to perform in the outstanding fashion I noted earlier to eliminate hunger and malnutrition in the United States.

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

Mr. FOLEY. I yield to the gentleman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I know that changes have been made. I think we all applaud the big, really tremendous effort that the committee has made to reach it. I would like to ask: Could the gentleman tell me what is the maximum income of a family of four which might be eligible for food stamps?

Mr. FOLEY. Well, the maximum is \$11,412, at which level the household would receive \$31 in stamps for a month or \$1 a day to supply 12 meals.

Mrs. FENWICK. For a family of four.

Mr. FOLEY. That is the maximum. That is not the average, by any means. The average is \$3,800 per household.

Mrs. FENWICK. No, but that is the maximum.

I thank the gentleman.

Mr. FOLEY. By the way, one of the things that this bill does is postpone the July adjustment in the poverty level,

which will tend to keep that level from rising and thus prevent persons or families of higher income from becoming eligible for the program.

Mrs. FENWICK. I thank the chairman for his answer.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the measure being considered today—S. 1309, the Food Stamp Act Amendments of 1980. I am particularly concerned that the current "balanced budget mania," which is sweeping this Congress, may suggest that the "meat-ax" approach to reducing Federal spending is in order for the food stamp program. The anticipated introduction of amendments to cripple the intent of S. 1309 by incorporating unnecessary requirements for participation in the program, should be rejected since S. 1309 addresses those problems which necessitate reform in the food stamp program's implementation.

As the Members of this House must realize, the current authorization levels for the food stamp program are based on earlier economic projections which have long since been inadequate due to rising food costs and higher unemployment. One major component of S. 1309 increases the cap on the food stamp program to \$8.7 billion for fiscal year 1980, and \$9.7 billion for 1981. It is imperative that we not adopt any amendments which may weaken or eliminate this critical provision since Food and Nutrition Service officials have acknowledged that if the cap is not lifted, and Congress fails to allocate a needed \$8.3 billion, significant benefits will be cut. Moreover, the provision in S. 1309 which calls for raising the cap on the food stamp program spending is flexible enough to stipulate that the authorizations may be exceeded by 5 percent in 1980, and 10 percent in 1981 should unanticipated economic conditions occur that would increase program costs.

A second major part of S. 1309 is one which deserves careful attention. This component contains what are notably some of the strongest measures ever proposed by the House Agriculture Committee to reduce fraud and error in the food stamp program. I certainly share the concerns of the Members of this House for the elimination of wastefulness in the implementation of critical intergovernmental programs. I believe everyone is all too familiar with my stand on unnecessary and wasteful defense spending, to name another area of concern. However, in this instance, my primary concern is that the "tightening up" of the food stamp program's administrative mechanisms to prevent abuse will clear the way for greater participation in the program by those who truly need its benefits the most. I am certain that the Members of this body have carefully reviewed the new antifraud, error, and abuse provisions that are contained in S. 1309. While I believe that there are countless other programs—inside and outside the Federal sector—which warrant administrative and abuse reforms more so than the

food stamp program, let me just state that the provisions contained in S. 1309 should remain untampered.

The third major component of S. 1309 demonstrates that the anticipated implementation of the bill's antifraud provisions will not be designed to deny food stamp benefits to those who are in dire need of them. These provisions expand food stamp benefits to certain households which have been heretofore excluded from the program. In addition, such critical provisions as the one which states that energy assistance payments or allowances made under any Federal, State, or local law shall be excluded from income in calculating eligibility and benefits, certainly deserve our support.

Let me also urge my colleagues to reject attempts to incorporate any provisions into S. 1309 which would call for the reduction of a family's food stamp benefits if a free or reduced school lunch is served to their children. Specifically, such attempts, as we saw last week contained in the Gramm-Holt substitute to the first concurrent budget resolution for fiscal year 1981, are aimed at the elimination of duplicative benefits for a household. Certainly, as I mentioned earlier, we are all concerned about ridding the vital food stamp program of waste, fraud, and duplication. However, it must be realized that the Federal school lunch program was designed by Congress as a supplement, and not a substitute for children's nutritional needs. We must also face the fact that our children cannot be penalized for the mismanagement, poor administration, and admittedly the abuse and fraud involved in the food stamp program implementation. Cutting into the household benefits based on a family's participation in the supplemental school lunch program is not getting to the root of administrative problems—it is making our children pay for Federal, State, local, and in some cases, parental mistakes. The existing provisions contained in S. 1309 and not the incorporation of an amendment which involves a supplemental school lunch program, should serve as the basis for fraud reduction efforts in the food stamp program.

The measure before us today by no means represents a panacea with respect to the needed reforms in the food stamp program's administration. On the other side, we still may not view this legislation as facilitating the program's complete responsiveness to all needy families. However, no one should deny the need for S. 1309's provisions. The food stamp program is presently dependent on the passage of a supplemental appropriation for its continued operation. The program is certainly in need of the reform mechanisms contained in S. 1309. Last, and most importantly, the food stamp benefits undoubtedly need to be expanded to include such individuals as women and children residing in shelters for battered women. S. 1309 expands the benefits to include these individuals and others who are deserving. The Food Stamp Act Amendments of 1980 should be adopted, and I urge its passage without crippling amendments.

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

Mr. FOLEY. I yield to the distinguished gentleman from New Jersey, the chairman of the Judiciary Committee.

Mr. RODINO. Mr. Chairman, I rise to urge that we move as expeditiously as possible to approve S. 1309, the Food Stamp Act Amendments of 1980.

We all know that this vital program is facing an ominous deadline—by May 15 action must be completed on the first concurrent resolution on the budget, the authorizing bill now before us, and a supplemental appropriation bill providing the necessary additional funds for this fiscal year. Otherwise the Department of Agriculture will be legally obligated to order suspension of the program on June 1.

The prospect of suspension of all food stamp benefits is absolutely appalling. Currently 21.4 million Americans receive food stamps—approximately 10 percent of our population. In my own congressional district, the city of Newark alone has 90,000 residents who depend on the food stamp program to meet their daily food needs.

Mr. Chairman, the people involved are our fellow citizens least able to sustain themselves without the vital assistance provided by the food stamp program. They are the elderly, the young, the disabled, the unemployed. Their average income is significantly less than half of the poverty level. Over half of our Nation's food stamp households have gross incomes of under \$3,600 a year.

Moreover, food stamp recipients are for the most part not able in any way to increase their incomes. Over 20 percent of all food stamp households are headed by persons over 60. The vast majority of adult food stamp participants are either working full-time but at wages so low as to require assistance, or else unable to work because of age, disability or the responsibility of taking care of prehigh school age children or incapacitated adults.

We cannot abandon these least fortunate in our society, even temporarily, to privation, malnutrition, and the threat of starvation. Inflation is not their fault. Unemployment is not their fault. Our miscalculations on food stamp program costs are not their fault. They cannot help growing older or suffering the ravages of disability and accident.

There are families now with absolutely no net income left after deductions who have only food stamps with which to buy food. Many members of our armed services have been forced to rely upon food stamps to feed their families. Mothers across the country are struggling to care for their children on the small sum of 57 cents per person with which to buy every ingredient of every meal.

I was very moved by a letter I received from an attorney working with the Rutgers Legal Aid Clinic who is deeply concerned that we will cast aside our poor. He described most eloquently one of his cases:

A man, age 59, and his wife came to me the other day to seek counsel with regards to obtaining Social Security Disability benefits. The man had worked as a truck driver for most of his life and recently underwent an operation for cancer of the lung. One lung was removed. The man wished to return to

work but his doctor said there was no way he could do so.

At the point when he came to see me the man and his wife had exhausted their temporary disability benefits and had no resources left upon which to draw. They had applied to Welfare for the first time in their lives and, after waiting three weeks, had not yet been properly processed through the system so that they could receive a check. During this time though they did receive food stamps. Were it not for the food stamps this couple would not only be penniless but might well be starving. Further, both the man and his wife were already under great physical and emotional stress.

Mr. Chairman, under the circumstances confronting us, I maintain that all of us in Congress have a heavy responsibility to our fellow citizens in need. We are all guardians of the health, safety—and indeed survival—of the men, women, and children who depend on food stamps for existence.

We must put aside all matters of partisanship, and speedily resolve all disagreements of consequence, while foregoing the leisure of extended debate on insignificant issues, to enact as soon as possible this measure and the other two legislative matters essential to avoid any disruption in the food stamp program.

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

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

□ 1830

Mr. RATCHFORD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we are all aware of the severe crisis now facing the food stamp program. Unless the Congress acts very quickly, food stamp benefits in all States will stop on June 1, and the consequences—in human terms—will be devastating.

Our highest priority following passage of the budget resolution must be an increase in the spending cap on the food stamp program to permit continuation of benefits this summer. The Food Stamp Act Amendments of 1980, as reported by the House Agriculture Committee, would take this essential step, lifting the spending ceilings from the current \$6.2 billion to the \$8.7 billion which will be required to fund the program this year.

Without question, there are other issues in this legislation for the House to consider—including attempts to tighten up administration of the food stamp program to eliminate waste and fraud. Yet we cannot allow a lengthy debate to hide the urgency of congressional action on the spending cap within the next few weeks. The program is basically sound, and the benefits are desperately needed by the poor and the elderly—the extension of the program represents a responsibility that a compassionate society cannot ignore.

Knowing of the importance of congressional action to lift the spending cap, I strongly urge rapid enactment of the Food Stamp Act Amendments of 1980. Assuming that a supplemental appropriation for the food stamp program will be brought to the floor in the very near future, I remain hopeful that the Congress will prevent any disruption of food stamp benefits in the months ahead.

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

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

Mr. GLICKMAN. Mr. Chairman, I, too, of course, support this bill. I support the chairman's remarks and would like to make two quick comments.

First of all, we have in this bill acted very reasonably and responsibly because we have not totally eliminated the cap which existed beforehand, but we have raised the cap and added a cushion to provide enough flexibility so that if unemployment goes up or food price inflation continues to go up we will provide that cushion so that poor people will not have to worry about having their benefits cut off.

Second, I would urge this House to reject amendments which may sound good on their face but would so unnecessarily complicate the program that there would be no way that we could get an authorization bill passed by May 15, and the benefits into both the hands and mouths of needy people. If we want to honor our commitment on food stamps, we will pass the bill as recommended by the chairman of the committee.

There has been considerable debate in Congress on the merits of the funding ceiling or cap on food stamp program expenditures. Unlike most other social programs, like medicare, which operate on an entitlement basis and permit open-ended spending, the food stamp program has been subject to a cap on its annual authorization since 1977. Spending levels for the succeeding fiscal years were established at that time.

When the ceiling was enacted, it was anticipated that its presence would improve spending control and financial responsibility in the food stamp program. One factor not taken into account was a skyrocketing rate of inflation that particularly impacted retail food prices. In 1977 when the cap figures were developed, the Congressional Budget Office (CBO) estimated that food prices would increase 3 to 4 percent a year. In fact, food prices went up 22 percent between 1977 and 1979, and are presently projected to have gone up 46 percent between 1977 and 1981.

Accordingly, an increase in the ceiling was approved last year to permit funding for the remainder of fiscal year 1979 and we are here again today to approve an increase for the rest of this year and 1981 as well. Failure to approve such an increase by the May 15 deadline will cause the program to be shut down on June 1. Such action will be disastrous to many needy Americans who rely on food stamps to supplement their daily nutritional requirements. The people hurt will be those who can least afford it. Sixty percent of those participating in the program are the very old and very young—those with the least ability to change their economic situations. Over half of the households receiving food stamps have gross incomes under \$3,600 a year.

Opponents of the cap believe that its absence would eliminate these last minute rushes for increases. I feel differently and oppose its removal. A cap permits us to maintain adequate fiscal oversight

over the program while assisting low-income Americans. The cap is more necessary than ever to keep the program within spending limits. It is significant in prodding us to review eligibility criteria and program operations. In this belief I offered an amendment in committee which is included in the bill before us to increase the 1980 cap to \$8.7 billion and the 1981 cap to \$9.7 billion. To account for unanticipated changes in the economy which have caused these 11th hour pushes to raise the ceiling, my provision includes an authorization cushion which would permit an increase over the cap of 5 percent in 1980 and 10 percent in 1981. These cushions would only be allowed when certain economic conditions occur such as severe unemployment or a significantly higher inflation rate. Congress would have to continue to approve any increase over the cushion amounts.

The funding levels in the provision are based on USDA estimates for program costs for 1980 and 1981. I am hopeful that these amounts will be adequate. Nevertheless, the cushion is particularly crucial at this juncture because we are dealing with more variables than ever before. First, the CBO, by assuming a more pessimistic picture for the economy, has projected food stamp expenditures above the Department's figures. Second, the administration has included in its estimate a \$200 million savings from a reduced error rate in fiscal year 1981. In my judgment, it may be unrealistic to assume such sizable savings so rapidly. Third, since the economy has taken a downturn since approval of the provision, unemployment has been increasing. Each one-half of 1 percent increase in unemployment adds between \$250 and \$270 million in costs to the program.

I do not want to expose food stamp recipients to the hardship of reduced benefits during these inflation-stricken times. We have a moral obligation to insure that needy Americans can meet their nutritional requirements. It also makes more sense than responding to inadequate nutrition after the fact through higher medical costs. At the same time there is an obligation for us to carefully scrutinize budget expenditures, especially those that are increasing dramatically. The cushion approach sets a realistic goal for food stamp expenditures, while allowing needed flexibility. By retaining the fiscal guidelines imposed by the cap, the program stays in the authorization process where it belongs. This guarantees what was always most meaningful about the cap—adequate congressional oversight.

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

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

Mr. BAUMAN. Mr. Chairman, I would just like to respond briefly to the comments made by the gentleman from Kansas (Mr. GLICKMAN), with whom I sometimes agree. One thing, however, that has really burned me up in this whole debate about food stamps is the

argument the gentleman just made. Every time we bring this bill up at the very last minute, when there is a crisis, we are told not to accept any more amendments because people are going to go hungry.

I think this bill is one of the most important we face and every amendment ought to be addressed in a reasonable fashion with debate on the merits and rejected or passed, but we ought not to labor under the fabricated crisis of a deadline that is upon us. I wish the bill had been before us much earlier.

Mr. FOLEY. Let me just say that the Committee on Agriculture reported this bill some time ago. It would have been my desire to bring it to the floor at an earlier time. Frankly, with the necessity to adopt a third budget resolution for 1980, it seems to me that the House would first need to dispose of at least its tentative decisions with respect to the budget resolution for 1980 before a bill of this magnitude could appropriately be brought to the floor.

But I would agree with the gentleman, that these are not the best circumstances under which to bring a bill to the floor. I would also agree with him that as far as consideration of amendments are concerned every amendment ought to be and should be considered appropriately by the committee. In fact, with the exception of a rule affecting amendments on the Internal Revenue Code, which the gentleman from Vermont mentioned earlier, we have an open rule on this bill and all amendments will be in order that are germane.

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

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

Mr. GLICKMAN. I would like to comment to the gentleman from Maryland that I did not mean the amendments to be offered. I am sure all have been well thought out. I would say, unfortunately, both through the efforts of the Department of Agriculture and perhaps through our own scheduling, we are up to a crisis point in time, and I think that if we burden this bill with an extraordinary number of amendments we probably could not get it passed in time to prevent a cutoff of benefits.

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

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

Mr. AKAKA. Mr. Chairman, I rise in support of S. 1309. Since coming to the Congress, I have been actively involved in food stamp legislation on several occasions. Each time, we have done the best that we could to anticipate economic conditions which would allow us to forecast the need for food stamps. In 1977, when we set the caps for fiscal year 1980 and fiscal year 1981, no one could see the amazing rise in food prices.

When cap figures were developed for fiscal year 1980, it was estimated that food prices would rise at an average rate of 3 to 4 percent a year. Thus, the cap for expenditures was set at \$6.19 billion for fiscal year 1980. In reality, food prices went up 22 percent between 1977 and

1979 and are presently estimated to go up another 8 to 10 percent between 1979 and 1980.

Another major factor contributing to higher costs in the program is rising unemployment. When cap figures were developed in 1977, it was estimated that unemployment would be under 6 percent in fiscal year 1980. In fact, unemployment is now expected to average 6.7 percent in fiscal year 1980. Similar changes are anticipated to take place in fiscal year 1981, necessitating changes in the cap for that year.

Let me stress that these are changes that were not, and in all fairness, could not be anticipated when cap figures were drawn up in 1977. We cannot turn our backs on the many poor recipients who face a complete cutoff of benefits in June of this year. These are fair and necessary increases, and I urge my colleagues to support this legislation.

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

Mr. WAMPLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring this bill to the floor under something of a "funding crisis" atmosphere. Secretary of Agriculture Bergland has indicated that he must "suspend" benefits by June 1 unless Congress acts prior to May 15. Both program administrators and recipients alike are contacting Members of Congress appealing to prevent this June 1 cutoff. There can be no doubt that the funding situation is serious, and I am especially concerned that the impact of possible program termination upon the elderly and disabled, those least able to provide for themselves.

However, I do feel it necessary to point out that the Secretary's attribution of congressional liability for the funding crisis is not the assessment I would make of liability for this dilemma. There are several reasons for my conclusion.

First, the other body passed authorizing legislation in the summer of 1979, and the House Committee on Agriculture reported S. 1309, the fiscal 1980 and 1981 authorizing measure, on February 27, 1980. Action was not scheduled because of the administration's delay in submitting the President's revised budget; the expected January 21 budget did not arrive until January 28, and the revised budget arrived March 31, 1980. Such delay in turn delayed the Congress in proceeding with its budget process in a timely fashion. Moreover, there apparently was a decision made between the Speaker and the chairmen of the Rules and Budget Committees that no bills requiring budget waivers for fiscal years 1980 and 1981 would be taken up on the floor until after House action on the first and third budget resolutions.

Second, I feel it should be pointed out that the fact that program funding is short should not have come as any surprise on April 15, 1980; rather, USDA officials have known all along that the \$6.189 billion fiscal year 1980 appropriation is inadequate if food stamp allotments are to be fully funded. Further, the

Secretary has apparently chosen to ignore the authority given him by the Lugar amendment which is the language contained in section 18 of the 1977 act which allows him to make discretionary benefit reductions so that the value of the allotments issued would not exceed the appropriation.

I understand that Secretary Bergland has based his decision not to make any benefit reductions on his determination that the language of the House and Senate Appropriations Committee report accompanying the 1980 appropriations bills are expressions of congressional intent to fully fund the program at "current benefit levels." In my mind, even if one were to concede that these reports are expressions of congressional intent to continue the program, I do not believe it is clear that such language assumed that the Department should go ahead with January indexation of benefits which the Department did; or that the Department should not address in any way some measure for controlling this incredible growth rate.

Certainly, the Secretary's decision to fully fund the program until appropriations run out carries with it some risk unless he was given assurances by the Speaker and the majority leader of the other body that the House would come to the rescue in time.

Also, I think it important that attention be called to the "new ballgame" we are dealing with under the recently implemented 1977 Food Stamp Act legislation, which was adopted at the administration's strong urging. Traditionally, USDA has based food stamp estimates on two basic factors—projected food costs and unemployment figures. I do not consider that these predictors alone are reliable as forecasters for the new program because we are experiencing dramatic program growth and the cost at a time when food prices are actually declining and when unemployment has remained well within earlier projections. According to a Congressional Budget Office paper of April 22, 1980, to the Senate Budget Committee revising its January 1980 fiscal year 1980 and 1981 current policy food stamp projections, the suggestion is made that the program has demonstrated a phenomenal growth rate because of the income transfer imprimatur it has taken on with the elimination of the purchase requirement. The CBO paper reads:

While food prices have clearly stabilized during this period (first quarter, 1980), other basic necessities have experienced unprecedented increases—housing increased at a 19.5 percent rate, fuel oil at a 62.6 percent, gasoline at a 95.4 percent, transportation costs at a 33.6 percent, public transportation at a 26.3 percent, and medical care at a 16.9 percent.

Rapid price increases have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the nonsubsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for nonfood purchases. Hence, the propensity to participate in the program increases with

relatively high rates of inflation in non-food, but still basic items.

I certainly do not think we know all there is to know about the estimating methodology for the new program, but I do suggest that other factors are now at work driving up program growth. We need to recognize clearly that the substituted portion of the allotment is being spent on nonfood components of the market basket which are escalating in cost faster than the food component. This lure of the free, substituted income is bringing into the program more lower-middle-income people, and the impact of the numbers of people who will be lured to the program is difficult to measure because it is a behavioral decision.

Also, S. 1309, like all the other food stamp bills of recent memory, has a net impact of cost, not of savings. This is because eligibility is expanded even further under the bill than what current law provides.

What I am saying in short is that we cannot fault program estimators for shortfall projections. Certainly, I feel that CBO has given us their most complete and up-to-date information. Rather, what we do know is that the food stamp program with the elimination of the purchase requirement is a new ballgame. Further, we can say with certainty that the traditional program variables for growth estimation—that is, food prices and unemployment rates—simply are no longer the basic factors at play.

We do not even have a characteristic survey of participants under the new act which would be reflective of the changes of the 1977 act upon program recipients.

While I do not condone the somewhat contrived funding crisis, I do feel the best course of action is for the Congress to act promptly to resolve these problems and keep the food stamp program in operation.

Even though we are again operating under a "funding crisis" atmosphere, as we have on every occasion we have addressed food stamps since the implementation of the 1977 act, I do not think we should fail to address real reform measures. As we go about amending this bill, we should keep in mind that a large portion of the additional money we are being asked to authorize can really be traced to the truly disheartening economic situation. However, we should also keep in mind that the expansionist nature of the new act and its high gross income limit have more than a little to do with the increased need also. Members should ask themselves if they really believe a family of four with gross income in excess of \$17,000 should be eligible for food stamps. If not, then S. 1309 is the vehicle for reduction. I urge my colleagues to look at this bill in depth. Let us address the bill in an effective manner and not be stampeded into careless legislative action.

□ 1840

Mr. Chairman, at this time I yield 6 minutes to the distinguished gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, the Food Stamp Act Amendments of 1980 raises the authorization for fiscal year 1980 by an additional \$2.5 billion over the \$6.2

billion already appropriated, and for 1981 an additional \$3.5 billion over the \$6.2 billion authorized in the Food Stamp Act of 1977. Furthermore, the Committee on Agriculture has taken the step of adopting the Glickman amendment which authorizes an additional 5 percent for fiscal year 1980 and an additional 10 percent for fiscal year 1981 above these figures for unanticipated increases if the Secretary deems the extra percentage is necessary. According to the statement coming from the majority side of the aisle, S. 1309 would impose upon the food stamp program the toughest, the most extensive collection of provisions to deter error and punish abuse ever found in any nutrition program or any single piece of income-security legislation passed by Congress. Supposedly, the majority are pointing to the provisions for the computer crosschecking of earnings information, retrospective accounting, error rate sanctions, and the like. There is no doubt that some of these provisions would have an impact on fraud detection and error rate reduction, and there is especially noteworthy in this regard the incentive for States to acquire increased computerization to accommodate more meticulous crosschecks in the future. However, I think one should keep in mind that most earnings information is quite stale, as much as 2 years old before it is computerized, and, thus, it will not be a tool for eligibility determinations but only a tool for audits which occur much later.

Furthermore, the respective accounting provision has the name of reform, but it does not have any effective compliance dates for households to make income reports or dates for program cut-off if the households do not report in a timely manner. Thus, the households can be carried into infinity for all intents and purposes.

Another thing, Mr. Chairman, S. 1309 dramatically increases the number of deductions households may take, even though the standard deduction inserted in the 1977 Food Stamp Act was designed to provide households with a lump sum that allowed for several specific deductions. The reform of the 1977 Food Stamp Act was supposed to eliminate the itemized deductions and give each household a monthly standard deduction which represented the former itemized deductions.

Since the passage of the 1977 Food Stamp Act, the Congress has restored many of these deductions. This fact, coupled with the many income items which are excluded from the calculation process, is the reason that very high-income households can receive food stamps. For example, under this legislation, a family of four can have a gross income limit of well over \$17,000 and legitimately get food stamps.

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

Mr. SYMMS. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding. I know the gentleman would be concerned, as I would, if some action on our part would permit that. I am going to offer an amendment which will postpone any adjustment of the poverty

line this July, which will keep the eligibility at approximately the present level and not the allowed increases the gentleman is referring to. I hope I will have support on that.

Mr. SYMMS. I compliment the chairman for that correction.

The only way to reduce total program outlays and scale the program to the lowest income sector of our population is to address the income eligibility parameters, and this bill does not do so. I will be pleased if the chairman is going to address that problem. Of course, I think we must see, Mr. Chairman, that as long as we have 12 percent to 20 percent inflation rates, more and more families are going to continue to qualify for food stamps. I think that the concern of myself and many other Members of this body is that when one looks at the record and sees that in 1977 we spent \$5.5 billion on food stamps, we came in and reformed the program so that it would be corrected, and to find out that in fiscal year 1981 we are talking about nearly \$11 billion for food stamps is quite disconcerting, I think, not only to us but to the taxpayers of the United States who happen to be in an income category, say, from \$10,000 to \$15,000 a year with a family of four who are not taking advantage of the program and who continue to see this program grow and grow and grow.

□ 1740

I know I most certainly am distressed about the fact that the Secretary of Agriculture could have anticipated the problem that he was in. He had the parameters within the law when we passed it last year with the Lugar amendment which we also passed in the House which called for the other than pro rata as the way to space out the use of the food stamps so they could give those stamps to the most needy, so they would not run out at the end of the year but here we are up against the wall in a situation where the Secretary of Agriculture is saying if we do not get legislation right away then the blind and the most needy and the disadvantaged, the older senior citizens and so forth will be without food.

I think that it is important that we as a body recognize what has happened. I think it is also important that we do make substantial amendments on the floor of the House tomorrow.

The CHAIRMAN pro tempore (Mr. STEWART). The time of the gentleman has expired.

Mr. WAMPLER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Idaho.

Mr. SYMMS. In summary, I would simply say, Mr. Chairman, that I think the tragic part of this is that the major restricting reforms have not yet been made and I would encourage the Members of this body to restore the purchase requirements back to the food stamp program so that we will have two things happen with the program: First, we will assure that the people who receive the benefits of the program will be getting closer to, at least, an adequately nutritious diet and they will be allocating a bigger share of their dollars to food, and

couple that with the discipline that this brings to the program.

Mr. Chairman, the most figures that have been released by CBO, which I think are noteworthy for the committee, point out that the increased food price has increased the cost of the program by 37 percent, increased unemployment by 26 percent and increased participation by 35 percent as more and more people are coming into the program and the removal of the purchase requirement has made it much easier for people to get on the program and opening up the floodgates of numbers of people participating so I hope we would look favorably upon that amendment.

Mr. Chairman, I also will be offering an amendment to strike the Glickman cushion from the bill because I do believe that the Glickman amendment most certainly is an invitation to those people in the administration, whether they be from my party or from the majority party, to go ahead and spend extra money because you have always that 10 percent cushion you can fall back on, so then they go out and advertise the programs more, and these are some of the problems with which this Congress must come to grips.

Furthermore, Mr. Chairman, I would say in passage of the budget that passed today, I would like to be able to close on an optimistic note.

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

Mr. WAMPLER. Mr. Chairman, I yield to the gentleman 1 additional minute.

Mr. SYMMS. Mr. Chairman, I might like to close on a more optimistic note to say that maybe we will get the economy turned around and have less demand on this type of program but I have to say with the passage of the budget that passed the Congress today where taxes are being raised on the working producing Americans, I see no hope that we are not going to drive the economy further into a corner and I think this is a most frustrating situation that the Congress is faced with and I would hope we would make those reforms here on the floor of the House that need to be made, and I understand there are some 18 amendments that will be offered by the minority which I do support.

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

Mr. SYMMS. I yield to the gentleman from California.

Mr. SHUMWAY. Mr. Chairman, I have a number of serious misgivings concerning S. 1309, as reported by the House Agriculture Committee.

I need not remind my colleagues that this is the second time in this Congress that we have found the need to debate the food stamp program. Earlier in this session, we passed the Food Stamp Act Amendments of 1979. Now we are told by the administration to quickly pass another authorization bill so food stamp benefits will not stop on June 1. It would be interesting to learn why the need for increased expenditures was not addressed in the 1979 debate. Rather than look at the issues in great detail, the food stamp bill must be expedited in an effort to keep the program financially afloat.

The authorized ceiling under current law is \$6.2 billion for both fiscal year 1980 and 1981. We are only 8 months into this fiscal year, and already the Food and Nutrition Service tells us they are out of money. The latest figures available from CBO indicate \$9.2 billion will be needed to complete this year. A shortfall of \$3 billion is projected—an amount roughly equal to 50 percent of the current authorization level. What kind of management would overlook a deficit of \$3 billion?

I realize that food prices have increased, unemployment is up, and participation levels are at an alltime high, but I still fail to comprehend such a gross underestimation. The Carter administration would have us believe that Congress has been waffling on the food stamp issue. In yesterday's Washington Post, the President was quoted as saying, "We've got a battle on our hands," referring, of course, to the bill we are discussing today. However, I strongly believe that the administration is attempting to put Congress on the defensive in an effort to sidestep the need to explain this dramatic increase in spending or to review the effectiveness of the food stamp program. I am wary of this campaign rhetoric, and am also skeptical of the administration's efforts to manage the program in an efficient and accountable manner.

Therefore, I strongly urge my colleagues to give serious consideration to the amendments which are to be offered to this legislation. Members from both sides of the aisle have done extensive research and preparation for their proposed amendments. I am convinced that the thrust of their efforts is not to reduce benefits but rather to tighten administrative procedures and to reduce overhead costs, thereby strengthening the program's ability to serve the Nation's truly needy.

As participation in the food stamp level climbs to 21.5 million people, 1 out of every 10 Americans is obtaining food stamps. I find it very difficult to believe that 10 percent of the population is in such dire straits.

The original food stamp program initiated in 1964 was designed to assist the destitute and indigent who could not otherwise feed themselves. The 1964 program could be considered a "last resort" and a well-intentioned hand up. However, we have permitted the program to degenerate into little more than a handout. Eligibility criteria have been altered several times so that now students are eligible for food stamps, as is a family of four whose gross income is no more than \$17,928.

In other words, the program is moving away from its original intent of feeding the truly needy and is now following the course of becoming a general welfare program. This entails significant increases: Participation has tripled since 1970, and the cost for the program will have nearly doubled in the 4-year period ending in 1981. Estimates for 1981 are expected to exceed \$10 billion, a figure which exceeds the total cost of the food stamp program during the first 11 years of its existence.

Something is inherently remiss in a Government program which grows so much in so short a period of time. It is not the ability of the Congress to continue providing benefits which is at issue here, but rather, the administration of the program which must be addressed. We are not necessarily here to cut the benefits offered, but rather to make food stamp administrators more careful of how they handle the taxpayers' money. Again, I urge my colleagues to consider the amendments which will be offered to tighten the administration process.

I would like to address my remarks to another aspect of the program. When Congress passed the 1977 act and rewrote the entire food stamp program, it abolished the purchase requirement. More than any other change made in 1977, elimination of the purchase requirement has been the impetus for the dramatic rise in participation. Champions of food stamps would have us believe that this phenomenon is due in large part to escalating food prices. However, a close examination of the record indicates otherwise.

The Congressional Budget Office states that food prices for the first quarter of 1980 grew at an annual rate of only 2.0 percent. Although food prices have stabilized, other necessities have increased significantly: housing, 19.5 percent; fuel oil, 62.6 percent; public transportation, 26.3 percent; and health care, 16.9 percent.

However, during the same 3-month period when food prices climbed only 2 percent, the food stamp rolls climbed from 20.7 million in January to an estimated 22 million in March—an increase of nearly 10 percent. It does not require an expert to conclude that low- and moderate-income families are using the food stamp program as "free money" in an effort to shift their incomes so as to maintain their ability to continue purchasing unsubsidized commodities. I do not believe that this was the thrust of the original food stamp act, and I further contend that food stamps should be used for the purchase of food, and not the indirect purchase of nonessential commodities.

Mr. Chairman, there are many flaws in this program which demand correction and the attention of this body. I urge my colleagues not to be swayed by emotional pleas, and I strongly believe that the time has come to strengthen this program administratively so that it can fulfill its role in being an effective means of feeding our needy citizens.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, I rise in strong support of S. 1309, the Food Stamp Act Amendments of 1980.

I do so primarily because of the overwhelming need to raise the benefits cap, and to do so in as short a time as possible. As I am sure my colleagues are aware, if we do not pass this bill by May 15, the food stamp program will be suspended June 1.

This suspension simply cannot be permitted to occur. More than 19 million



Americans receive benefits from the food stamp program, benefits which are critical to families and individuals wishing to protect themselves against hunger and malnutrition. These protections in turn help provide safeguards against illness and against severe social and economic displacement. It is easy to see that the food stamp program indirectly provides benefits far beyond that of meeting basic nutritional needs.

And few will deny that the food stamp program fulfills its prime purpose better than any other current social program designed to help the poor of this country. As the Agriculture Committee pointed out, a 1967 Field Foundation study discovered malnutrition-related diseases throughout this country. A similar study 12 years later found those diseases largely eradicated. There were no longer large numbers of swollen, stunted, listless children with sores, slow healing wounds, and other symptoms of malnutrition. In that period, infant mortality declined 33 percent. The study concluded that the changes resulted mostly from the introduction of the food stamp program, and the committee concurred in the further statement that "the food stamp program does more to lengthen and strengthen the lives of disadvantaged Americans than any other noncategorical social program" and is "the most valuable health dollar spent by the Federal Government."

The importance of the food stamp program cannot be denied. It must be funded at a level that keeps it viable and guarantees benefits to all who need them. The fiscal year 1980 and 1981 benefit caps of \$6.2 billion were established on the basis of economic forecasts made in 1977. Economists in that year could not foresee the economic buffeting that this Nation would be undergoing now. Adherence to these overoptimistic forecasts will devastate the food stamp program and its participants. I, for one, do not want to tell the disadvantaged of this country that they have a choice of no benefits for 3½ months this year or, as an alternative, assistance comprising 4 cents a meal.

I do not want to have to explain to members of households subsisting on less than \$10 a day next year why for 4 months this Congress has decided that they will get no help meeting basic human requirements.

Such people will not, and indeed should not, accept such statements from me or any other member of our Government. In any modern society, there will inevitably be a significant population living in poverty. Many of the individuals in this class are unemployable or hold full-time jobs which still do not pay enough to allow a wage earner to rise above the poverty level. These people cannot be blamed for their need, or be expected to listen to excuses. Neither can they be blamed for food price increases. Inflation did that, at the same time that it was causing their relative economic position to decrease further. The poor cannot be forced to shoulder responsibility for rising unemployment. In fact the very Government which may be terminating assistance in a few weeks is largely to blame for that.

All of these factors—need, inflation and unemployment—have served to ac-

celerate food stamp outlays much faster than could have been foreseen in 1977. They have placed more households below the eligibility line by gradual changes in economic factors, and thrown others below that line by forcing them out of productive employment. Now, an unprecedented and unforeseeable number of citizens of this Nation qualify for food stamps and desperately need the assistance which they provide. It is incumbent upon this body to compensate for its overly ambitious planning, and raise the fiscal year 1980 cap to \$8.7 billion and the fiscal year 1981 cap to \$9.7 billion.

It is also essential that we protect the poor of this Nation against similar shortsightedness by retaining the cushion for the cap. We are seeing now what harm an artificial lid can create, at the same time that economic trends in this country are amply demonstrating the massive problems in even short-term economic and spending forecasts. We must allow for errors, and provide a cushioning allowance significant enough to guarantee that all needy individuals will continue to receive necessary assistance should this Congress again have improperly predicted the future.

Uninterrupted provision of services of the food stamp program, the most effective and important social welfare program which we have, is imperative. We cannot deny critical benefits and penalize the needy of this country because our crystal ball failed us 3 years ago. I urge my colleagues in the House to vote for S. 1309, the Food Stamp Act Amendments of 1980, and against all amendments which would serve to deny assistance to those in need.

Mr. FOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I rise in strong support of this legislation and with the hope that every effort will be made that we can pass this legislation and pass the other necessary legislation in order that we can meet the deadline established by the Secretary of Agriculture in order that the food stamp program will continue in June.

It is my understanding that the Secretary has stated that on the 15th of May he will be notifying the States that unless the legislation is completed, not just this legislation but appropriations and all other legislative parts of this program that have to be completed by both Houses, unless all these steps are completed by the 24th of May he will then notify the States that the program will not continue as of June 1. In other words it will terminate as of June 1.

Now, Mr. Chairman, as I have indicated, it is my hope that every Member will feel the urgency and will act in both bodies and in conference in time to move this out. However, there certainly is the possibility that this will not happen. I am going to be offering an amendment, Mr. Chairman, and I am joined in this amendment by the gentleman from Illinois (Mr. SIMON), the gentleman from Alabama (Mr. BUCHANAN), and the gentleman from Vermont (Mr. JEFFORDS) in stating the following:

My amendment would merely say that

in the event, by the 24th of May, we have not enacted all of the necessary legislation in order to enable the program to continue on June 1, that the Congress will state that at such time as the necessary legislation is enacted, it will reimburse any of the States that, under the terms of the Food Stamp Act, continue the program as of the 1st of June.

Now there has been some concern that this amendment could possibly take the cutting edge off the need to act immediately in the Congress. I do not really think that is the case because I think we all recognize the urgency of the entire situation.

Now, Mr. Chairman, yesterday I notified all 50 Governors of the amendment that I am introducing so that they in turn will be looking at their own situation in their States to see what action, if they are going to take the action, must be done, legislatively or with additional controls that they may need in order that, as of June 1, the program can be carried by the individual States.

This amendment obviously does not commit any State to do anything but what it says, again, Mr. Chairman, if the States do take that action and if this amendment is passed, as I hope it would be, that the States would be reimbursed for just the month of June. This is a one month reimbursement we would offer when the appropriate legislation has been enacted by the House and the Senate and signed into law.

Now, it is just that simple and it is my hope that we will find this to be a noncontroversial amendment and one that can be accepted to protect the over 21 million people who are now relying on the food stamp program.

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

□ 1900

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of the Food Stamp Amendments of 1980, S. 1309, a bill which would enable the Department of Agriculture to continue providing food stamp benefits during this period of economic distress to 21 million American citizens, including 1.8 in Puerto Rico, who are the neediest of our poor people.

As Resident Commissioner from Puerto Rico, since coming to Congress in 1977 to represent the people of Puerto Rico and your more than 3.3 million fellow U.S. citizens who reside there, I am called upon frequently to speak for the interests of my constituents on a variety of issues.

And, in a time of considerable support for a balanced budget, it is natural that some concern has been expressed over the past 3 years—in the media and in Congress—about the high level of participation of Puerto Rico in the food stamp program.

As of April 7, 1980, 1.8 million Puerto Ricans, slightly more than 500,000 families, participate in the program, a program which provides them access to an adequate nutritional diet.

Let me be quite frank in saying to all of you here today, that the food stamp

program—in Puerto Rico and in this Nation—is a living proof of the compassion and goodwill of the U.S. Congress that the needy of this country, that the less fortunate in our society, that the impoverished amongst us have, at the minimum, a chance to feed their families.

Although originally passed in 1964, the food stamp program was not extended to Puerto Rico by Congress until 1972 and was not implemented until 1974.

For 10 years, poor Puerto Ricans—despite the fact that we fight in defense of this country and pay very high taxes to our own government—were denied the benefits of this program.

For 10 years, we in Puerto Rico saw applied a dual standard of citizenship, one that still denies us equal participation in some of the Federal welfare programs such as the supplemental security income (SSI) program and the AFDC program. And the denial of these benefits—which count as received income—has resulted in the fact that more than half of our population is on food stamps and, due to the crisis the program is presently confronted with, will face a possible disruption of these benefits unless the Congress acts to resolve the situation we are in.

In the recession of 1974–76, the island was heavily impacted by inflation and by increasing unemployment, yet the U.S. food stamp program provided immeasurable benefits, not only to the needy families participating in the program, but also to the food retailers and to the mainland based providers of staples that ship foodstuffs to our island.

Puerto Rico imports more than 90 percent of our food and these imports provided jobs in California, Louisiana, and New York—in every State of the Union and the food stamp program—presently operating at a monthly estimated level of \$70 million—enables our citizens to purchase these products.

Even though we have a high number of food stamp participants, the simple fact remains that Puerto Rico is fourth in the Nation in the total number of poor people, with over half of the population qualifying for food stamps, and official unemployment hovering at 17 percent.

Puerto Rico has over 3.3 million U.S. citizens, ranking 25th in the Nation on the basis of population but for those who claim that our island is already well taken care of by Federal aid programs, let me point out that according to 1978 Census Bureau data, Puerto Rico received \$344 in Federal aid per capita which is the U.S. median. Twenty-four States and the District of Columbia received more Federal aid per capita than Puerto Rico. The District of Columbia alone received \$1,639 per capita in Federal aid in 1978.

Our loss of Federal aid since we do not receive SSI benefits, as I mentioned before, stands at a figure of \$370 million and under the medicaid program, we are limited to a \$30 million ceiling, or \$120 million less than we would receive under equal treatment.

Mr. Chairman, I want to express my personal appreciation to the many dedicated members of the House Agriculture Committee who have worked hard, and

for months, to continue the food stamp program and to raise the spending cap which would allow the continuation of the program at the present level through the remainder of the present fiscal year.

The committee has taken prudent and sound measures which will decrease fraud and error, to provide for changes in eligibility to target the benefits to the most needy, and to raise the cap to insure that the Federal Government will meet the commitment to those persons who must rely on this assistance.

I urge your strong support of this legislation and hope that the Congress will move swiftly to provide the needed additional funds for the program.

A denial or disruption of these invaluable benefits for the poor would, I believe, be a slap in the face to the most needy in our society, discriminating one class of citizen harshly and needlessly.

I hope the Congress will act favorably on S. 1309.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Chairman, under the 5-minute rule, I will be offering an amendment which will end the duplication and overlap between the food stamp program on one hand and the free school lunch program on the other. Food stamp benefits are calculated on the assumption that all family members receive three meals per day at home, and that is what the food stamp is to go for. However, for some 53 percent of the households that receive food stamps, there are some 6.8 million youngsters who also qualify and eat free school lunches at school. As a result of this overlap and duplication, American taxpayers are, in effect, subsidizing four meals instead of three.

There are two ways to end the duplication. One is to cut out the school lunch program, and the other is to cut back food stamps proportionately. I believe the school lunch program is a good program. I believe the children who are under that program have an opportunity to receive a very nutritious meal. I might say that standards for a meal in the school free lunch program are higher than the benefits a person receives for food stamps.

Members also know that the money is going to an actual meal itself that is there, available for an individual youngster. When we give food stamps to a family, of course, there is no control over how that family might expend and utilize the food stamps for individual members or for particular meals.

So, this is the purpose of the amendment. According to the Congressional Budget Office, the minimum amount of savings involved would be at least \$500 million for 1981. I think that is a significant amount of money to save.

My amendment is not an amendment to degrade the food stamp program. It is an attempt to create more credibility with this program, to keep it so that it can continue for those truly needy people in this country. But, when taxpayers are seeing an amount of money that is being spent in Washington on various programs, and seeing the escalating price of the food stamp program to almost \$11 billion for next year, it is imperative for

all of us—proponents, opponents, those who feel that the food stamp system can be adjusted—to look for ways, meaningful ways, positive ways, to make it more acceptable. I suggest that one way to minimize the impact on the recipients, and one which will as I said before, estimatedly save a half billion dollars for next year, is to cut out this duplication and surplus under the two programs that are now in existence.

Mr. Chairman, I thank the gentleman from Virginia for yielding me this time.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, the fact that food stamp benefits are scheduled to be cut off June 1, barring any immediate intervention by Congress, should come as no surprise, especially to the administration. The Department of Agriculture has known for a long time that the \$6,189 billion fiscal year 1980 appropriation would be inadequate if food stamp allotments were fully funded.

USDA Secretary Bergland notified Chairman FOLEY of the House Agriculture Committee in his monthly report on April 15 that the food stamp program is operating at an expenditure level of over \$9 billion. Mr. Bergland advised that May 15 is the latest date the USDA can take action to spare millions of the poor, elderly, and disabled from suspension of food stamp assistance. The letter also implied that such program suspension would be largely attributable to the lack of "timely congressional disposition of the food stamp funding situation."

I beg to differ. Despite efforts to bring needed authorizations to the House floor for consideration, the administration and certain Members of Congress have continually dragged their feet in attempts to respond to the problem. Congress must now legislate in an artificially created "crisis" because, in large part, of President Carter's delay in forwarding his budget recommendations both for fiscal years 1980 and 1981. Acting Secretary Williams was forwarding recommendations on food stamp funding revisions for the House budget resolutions as late as March 4. Furthermore, the Speaker and other majority leaders have collaborated in an agreement to delay action on food stamp authorization until after action on the first and third budget resolutions.

Apparently, the administration and key congressional leaders have opted to let the situation turn into a "crisis," let the money run out, and blame the Congress—or at least those Members of Congress who have reservations about the continued billion dollar add-ons.

I urge my colleagues not to let this "emergency" that has been created preclude true reforms and attempts to bring under control a problem some would dismiss as "uncontrollable." Let us not allow emergency authorization to be stampeded through the House with little protest, bypassing congressional oversight, as apparently some would have it. Congress must exercise oversight over a program that has been plagued by problems for years.

The cost of the food stamp program has jumped from \$5.5 billion in fiscal year 1978 to a projected \$10.7 billion in

fiscal year 1981, despite so-called reforms promised by its administrators as a result of the Food Stamp Act of 1977. Error rates in the program due to overpayments and fraud are still running at 12 percent—which translates into \$1 billion per year. Audit reports of USDA's Office of Inspector General indicates that error rates in certain audited States of as high as 40 percent, in the income reporting area, went unheeded.

Now, as USDA has moved up its 1980 projection to almost \$10 billion from its earlier prediction of \$6.189 billion, it has cited unexpected fast-rising food prices and unemployment rates as the culprits. No mention was made of the high rate of misspent funds or the fact that USDA has engaged in such an expansion program that participation in some States has tripled.

Traditionally, USDA has based food stamp estimates on two basic factors—projected food costs and unemployment factors. But a look at this criteria shows that January estimates assured that the unemployment rate would average 6.3 percent in the second quarter—the actual figure was 6.1 percent. Not only has unemployment remained well within projections, but food prices have remained stable.

Noting these facts, the Congressional Budget Paper suggests that such phenomenal program growth has occurred to a large degree because of the elimination of the purchase requirement and contends that the food stamp program has become a direct income transfer program—with recipients substituting food purchases with nonfood items.

Although the program cries out for reform to curb soaring costs—and to target benefits to the lowest range of society—proposals to provide discipline for this indulgently operated Federal program have not enjoyed notable success.

Amendments that would improve the food stamp program, for example, to recoup excess benefits from relatively "wealthy" recipients, have been offered and rejected by a nonyielding majority.

During consideration of S. 1309, we will have a chance to make needed funds available for the remainder of the fiscal year and return the food stamp program to its rightful concept of a nutrition-adequate diet guarantee as opposed to simply free income. We can, if we are willing to take the time and expend the energy, do both.

To give this matter less than our full and undivided attention and study would be unfair to the millions of truly needy Americans and a criminal offense to the taxpayers who must foot the bill.

□ 1910

Mr. RICHMOND. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I first wish to thank the distinguished chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND), and also his associates on both sides and the chairman of the overall committee for doing what I think is as good a job as could be done under the circumstances.

I am not familiar with the ins and

outs of the tangled history, as to who is to blame or why the administration or the Secretary of Agriculture would come out with very strong statements recently about the Congress being the bottleneck. All I know is what I see back home.

I have a very intimate personal relationship with this program. I think I am about the only Member still in the House who was a coauthor of the original legislation we entertained here. In 1964 we were beginning the program as a pilot program.

In view of the remarks that my good friends, the distinguished gentleman from Iowa (Mr. GRASSLEY), made a few minutes ago, I must say that he is a lot younger than I am, and I am going to remind him of a few points here because of my age and his relative youth.

The Honorable Leonor Sullivan from Missouri, who was then the chairman of the Subcommittee on Consumer Affairs—and I was one of the ranking members of that subcommittee at that time—had fought very much for this program. I recall this history for the benefit of my colleague, the gentleman from Iowa. We had labored for a number of years under the surplus commodity food distribution type of program, and since I have always been blessed with a very intimate association with my district and every component in that district, social, economic, and political, I can tell the Members that there is no way to compare the humanity and the improvement that the Congress and our country manifested when we switched from the surplus commodity food program to the food stamps.

I still have tremendous faith in this program. I think it has worked by and large, at least in my jurisdictional and as a whole in my home State of Texas. I must say that Texas is a very strict State in the catalog or list of States with respect to "welfare." It does not rank very high. As a matter of fact, it ranks in the upper thirties, if I remember, or maybe even in the forties. It is very tough and strict. Maybe that is the way it should be. I am not disputing that. I would say that compared to the State of New York, Texas is very, very strict in its allowances and in all of the spectrum of relief programs.

In food stamps, there has not been any one major type of scandal in the State of Texas, either in or out of my district. As a result of what I see, I note only that the abject need is very general. I am sure that I can say, with no fear of rebuttal, that the overwhelming, preponderant number of people that I know who are on food stamps—and some of them have been for quite a number of months, some of them have been temporarily—have been cases that I would not dispute for a minute. Every single Member of this House, whether he was for or against the food stamp program, would admit that those cases were legitimate, and that certainly these particular individuals or families were worthy recipients of the benefits of the program.

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

Mr. GONZALEZ. I am delighted to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to say, No. 1, that I concur with what the gentleman is saying in support of this program, and I commend him for the work he has done on it for many years.

I do, though, simply want to make reference to New York, because the gentleman did refer to New York and the question of how they have carried out the food stamp program. I do want to say, because I have made a point of meeting with people and going to some of the areas that are handling food stamps in the city of New York particularly, that they do try—and I know the gentleman did not mean to infer otherwise—very hard to enforce and carry out the full implications of the law.

Mr. GONZALEZ. No, I did not mean to infer that they do not.

Mr. PEYSER. The numbers we are dealing with, of course, in the city do increase the element of occasional fraud, if you will, or people trying to beat the system. But the people who are working with that program are really doing the best they can and in most cases are being very effective. I know the gentleman did not mean to infer that it was a loose operation there.

Mr. GONZALEZ. No, no. Mr. Chairman, I am delighted and grateful to my colleague, the gentleman from New York (Mr. PEYSER), for pointing this out, because I was thinking of coming back to that point, for I feared there would be some misconstruction or some improper interpretation of the comparison since I specifically singled out New York.

The truth is that one reason I have New York in mind is that since I can remember New York has always been in the forefront and in the advance in the Nation with humane programs and very, very successful programs in every range of social endeavor. When I was chief probation officer many years ago in my county, it was to New York that we looked for leadership.

Nothing has pained me more than to read that precisely in this area of New York they have had to confront what I consider to be shameful and very serious cutbacks. With such things, for example, as a free college admission or open college admission to any working student in New York, it pained me personally to see that cut out during the recent financial crisis in New York.

I want to point out that what I say is backed up by what I have done. I am one of those few Members from Texas who voted for the New York financial bill, and I am delighted that it did pass. Mr. Chairman, what I said was intended to leave with the Members the impression that I was making a favorable comparison to Texas, because in reality I am critical of my home State for not being more humane.

Mr. PEYSER. Mr. Chairman, if the gentleman will yield further, I do appreciate that. I do know of the gentleman's support for the city and its program, and that is really why I wanted to clarify what I knew the gentleman meant. I appreciate it, and the city of New York appreciates what the gentleman has done for it as well.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman. In turn, I say that

mentally I had intended to come back to this subject.

Mr. Chairman, to conclude what I do have to say, I think the work has been done, and anything I add cannot sufficiently express my gratitude to the committee members, because I have long sweated this problem out. However, I think it is important to say that there are very serious misunderstandings or myths about this program and related welfare programs.

The myth is that this is constantly referred to as a program that is intended exclusively or predominantly to benefit "minorities." The truth is that it benefits the poor, who are now still in abundance in our country.

We are going into a reverse trend; we are going into the second reconstruction at this point in our country. The poor are the first to fall, and they are the least able to defend themselves.

The great overwhelming majority of the poor are not really ethnically minorities. They belong to the majority group, if we want to look at it ethnically, which I detest, because I do not like that kind of degradation.

We are either all Americans or we are not. As I have said repeatedly, we are either all children of God or we are stepchildren. But the fact is still the same, and under the pressure of financial exigencies, with all of these programs, there are still Members in this House who have fought against them every inch of the way and are taking advantage of a financial crisis to do away with them.

Mr. Chairman, I hope that we do not do that in this case.

Mr. WAMPLER. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Vermont (Mr. JEFFORDS).

□ 1920

Mr. JEFFORDS. Mr. Chairman, first I would like to say that I do support the legislation. But I would like to first take a few minutes to alert Members to the amendment which I will be offering tomorrow which will be referred to as the recoupment amendment. I do this because there has been considerable misinformation or misunderstanding about the amendment, due to the fact that a previous one has been offered and a lot of studies have been done.

I would like to go over the purpose of this amendment first. The intent of the food stamp program is to give assistance to people at the poverty level after certain deductions. But for various reasons, the way the program works out, if you take a look back and take a look at some of the people who did receive benefits, you will find that about 7 percent of the households, or about 1.4 million people in households were well above that level; in fact, above 1.75 times the poverty level.

So the purpose of this amendment is to say, "Hey, people below that level, many of them are not even entitled to food stamps." So let us take a look back and say, "OK, if for some temporary reason you need some help, we will consider the help to you, but we will consider it as a loan and we will ask you to pay that loan back 50 cents on the dollar when you earn over and above this threshold level."

It is not different from some programs

we have with respect to college students. We give grants to some, loans to others, small businesses, and a lot of other programs. It merely says, "Fine, if you need a loan temporarily, we will give it to you, but you have to pay it back."

It is not novel in the law either. In fact, the Internal Revenue Service, in section 6305, has a similar program for absent fathers in recouping money that they owe the Government. It is also not dissimilar from the policy established recently by the Committee on Ways and Means on unemployment compensation. When it exceeds certain levels, it will be required to be taxed. Nor is this a proposition which is novel to the Members here. It was originally introduced by Congressman Andrew Young back in 1974 in his food stamp bill. In 1977 a study was ordered on this. It was extensively studied. As a result of that study, many of the problems which were in the original proposition I introduced in 1977 had been removed. The administrative burdens have been reduced very substantially. In fact, it is a good amendment right now.

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

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

Mr. GRADISON. Is it not true, I ask the gentleman, that at an earlier stage this same concept had the support of the Carter administration?

Mr. JEFFORDS. That is correct. At one point it had the support of the Carter administration, and at one point this concept was taken by the chairman of the Ways and Means Committee, and it may even still be in there, in the welfare reform bill. So this is not a novel concept. This is a good concept. It is one that has had a lot of thought to it. It could bring back a substantial amount of money. It is interesting to note, depending upon whether the administration is for it or who is for it or against it and the kind of estimates we get, the lowest estimate we have now is that it will net—this is after administrative costs and other costs—\$56 million, and it could result in up to \$700 million coming back into the treasury to help relieve the cap which is presently being very severely pushed.

Also, in addition to that, it will for the first time give us a real computer check of people who are in the food stamp program, because we will be able to have the Internal Revenue Service checking the figures that are told to the welfare office versus those that are told to Uncle Sam on the tax returns. So in that respect, it will help reduce fraud and abuse very substantially.

I think it is an excellent amendment, one which should be given serious consideration of the Members, and I would urge their approval of it.

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

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

Mr. GRADISON. I thank the gentleman for yielding.

Mr. Chairman, I want to take this time to compliment the gentleman from Vermont for his work on this amendment. As the gentleman knows, we worked together in an attempt to draft an amend-

ment which might gain the support of the Ways and Means Committee. It was not possible during the brief time available to that committee during this sequential referral process for that committee to look into this matter in any detail at all. Unfortunately, the Rules Committee did not draft a rule that would make it possible for this House to act on a specific amendment to the Internal Revenue code along the lines of what the Ways and Means Committee had been asked to consider.

Therefore, I want to especially compliment the gentleman for revising his amendment in a manner which will make it possible for this House to consider the very important proposition that for those whose incomes are well above the poverty threshold, some recoupment of the benefits previously received should be expected by the taxpayers.

Mr. JEFFORDS. I thank the gentleman.

Mr. Chairman, I would also point out that this has bipartisan support. It has the support of the gentleman from Florida (Mr. GIBBONS) on the majority side of the Ways and Means Committee, and the gentleman from Georgia (Mr. MATHIS) on the majority side of the Agriculture Committee.

I just want to say in conclusion that this amendment is really to get after the people who really cause the problems for the food stamp program. These are the people who are in the food stamp lines who everyone knows have incomes well and above what they may have or what people should have, at least with their understanding of the program. So I hope that with this amendment we can re-establish some confidence in the integrity of the food stamp program.

Mr. FOLEY. Mr. Chairman, before the gentleman from Vermont (Mr. JEFFORDS) leaves the well, I yield myself 1 minute.

Mr. Chairman, I just want to say that, of the members of the Committee on Agriculture on both sides of the aisle who worked very hard on this bill, none has worked harder than the gentleman from Vermont (Mr. JEFFORDS).

I am going to be in the unfortunate position tomorrow of opposing his amendment, but I do so in the conscious belief that he has made extraordinary contributions to the food stamp legislation through his service on the committee and he has shown throughout that time of service a compassion and concern for those who are in true need in the United States. It does the gentleman and our committee great credit.

Mr. JEFFORDS. I appreciate those very kind words from my chairman.

Mr. WAMPLER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would like to take just a minute or 2 to address an issue which has been a source of annoyance to my constituents and to me. I am speaking about USDA scare tactics and campaign to generate mail on this food stamp bill. They have never liked the cap since it was placed on there on the will of the House, and they have done very little about it, as far as that is concerned, except to figure out a way to get around it.

It was on April 28 that the Secretary

of Agriculture announced that he would cut off food stamp payments on June 1 if we do not act on food stamp legislation by May 15. That is all well and good if that is what the Carter administration wants. But they have known, the administration has known, for over 4 months they were going to run out of money by the first of June, and they have not done a thing about it until it gets down to this point of crisis. That is what makes me so disgusted with them. They put a cap on there and they had the tools in this bill to back it up, to handle it so that they could have taken the ones who are least eligible and backed them up and still have taken care of those in need. But, no, they want to cry it all up. But I am really concerned about the administration being so anxious to prove legislation and increase funding for the food stamp program at the same time that President Carter has been so adamantly opposed to any increases in the outlays of farm programs. That is well known to every member of our committee. I am very disappointed there are only two members of the majority side of the Committee on Agriculture present at this time. In recent weeks, the Committee on Agriculture has passed several bills to increase price loan support levels and other items to require a paid diversion to try to get us back in balance after the embargo, and the administration expressed strong opposition to each of these measures. Today we did pass one, and I think, thanks to our good chairman, we are going to accept it, at least I hope so, Mr. Chairman, even though I would like to have made it a little stronger, with a little more benefit.

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

Mr. SEBELIUS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I want to say, also, that the gentleman from Kansas (Mr. SEBELIUS) has rendered distinguished service. The gentleman is, unfortunately, leaving the committee and the Congress this year.

The gentleman made a reference a moment ago that there were only two members of the Committee on Agriculture from the majority side on the floor at the moment. I think if we look around we will find there are only two members from the minority side of the committee on the floor right now.

Mr. SEBELIUS. By George, they did run out on me. I thank the chairman for bringing that to my mind. It only reflects on the fact that, when the Committee on Agriculture has a bill, they put us at the end of the day at the end of the week at the end of the month and let us talk so that they can get us out of the way but nobody has to remain to listen to it.

Mr. FOLEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, if we do not have a great majority of the Congress here on either side of the aisle, we certainly have Members who are concerned about this problem and are trying to face the issues. I think tomorrow, when all of our colleagues are here, there will be an opportunity to consider all of the amendments that will be offered. I am

sure the result will be a wise decision on the part of the Congress.

Mr. SEBELIUS. If the gentleman will yield, I certainly join the chairman in that remark, and I appreciate his other kind remarks.

I just want to go on record as stating my opposition to the administration's position which would apparently deprive our most important economic segment, which produces the food we are involved in here today. With that mentality I find little wonder why we are plagued with high inflation and a lot of other misguided things taking place.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. WALKER).

□ 1930

Mr. WALKER. I thank the distinguished gentleman for yielding me the time.

I rise with some concerns about S. 1309, because I think it represents a continuation of some of the problems that we have seen in the food stamp program over a period of years. The food stamp program's size and scope has increased substantially in the 17 years since it was created. The original program, enacted in 1964, had as its purpose a provision of nutritional assistance to those who were in real need of such assistance. However, since 1964, the cost of the program has increased by over 30,000 percent and has doubled since 1977. The number of people receiving benefits in the program has risen by almost 5,000 percent since the program began, and this year the estimates are over 20 million people will receive food stamps.

But the truly unfortunate consequence of this crushing expansion, besides its impact on the taxpayer, is the fact that the truly needy are not receiving an adequate amount of assistance, nor are they receiving the type of assistance that they require.

So therefore, Mr. Chairman, I intend at the appropriate time to offer an amendment in the form of a substitute to deal with some of the major problems that I see that have accrued within the program.

Problem No. 1: The State governments do not have the degree of responsibility or flexibility necessary to run efficient and effective programs.

Ever since 1970, when the Federal Government assumed total responsibility for setting benefit levels and determining eligibility, State administrators have been deprived of an essential element in efficient program administration, namely control over their own programs. Funding for the current program is 100-percent Federal.

Forced to comply with strict Federal standards, the States have lost a requisite degree of responsibility they need and have even been penalized for not complying with those standards whether they were applicable to their particular situation or not.

There have been numerous legislative efforts aimed at increasing State responsibility, but those have been minimal and really only apply to one portion of the program—fraud control. Conse-

quently, these efforts have fallen far short of the maximum degree of responsibility needed.

The solution to that particular problem, it seems to me, is to maximize State responsibility. Obviously, the solution is to increase the degree of responsibility in the form of a block grant program. This would maximize responsibility by giving the States a finite amount of money to run their individual programs. That is what this substitute would do. It would convert the food stamp program into a block grant system beginning on October 1, 1981. This would allow the States 1 year to set up their own programs.

Until that date, the funding for the current fiscal year would be increased to \$9 billion, a figure which is slightly higher than the figure in the committee bill, but a figure which I think represents the oncoming recession and represents the responsible level of funding given the standards that are going to be the growth in the months ahead.

Starting October 1, 1981, the fund block grant mechanism would be established. This would eliminate much administrative overhead and assure a more efficient program. The block grant maximizes the incentive for States to run tight programs so they could qualify for discretionary use of excess funds. States would be allowed to use the excess funds for increasing benefits in existing human service programs. It would do away with \$500 million that is now being spent at the Department of Agriculture to administer this program on the Federal level. This is a duplicative kind of administration simply because the States are already running the program, and we would simply give them the responsibility that entails that administrative control that they now have. Also, I think it applies to the agricultural interest across the country who have been increasingly concerned about the fact that the Agriculture Department is becoming less of an Agriculture Department and more of a welfare department. This would cut back on that responsibility and return the program in the Agriculture Department to its original intent, namely, to serve agriculture.

Problem No. 2 in the program: Uniform benefit levels are not reflective of variations in regional costs of living.

Along with giving the States a finite amount of money to run their own program, they must be given the authority to determine what the benefit level should be in their particular eligible population areas.

There are actually two problems with the current benefit level formula. Not only is the level of assistance often inadequate, but the type of assistance is inadequate as well.

What we would do is give the States the authority to determine benefit levels. What we would do is say that the States could determine the kind of benefit levels that apply to their particular situation.

In addition, we have found that 15 percent of the money, according to a study made in 1973, is used to purchase foods of fairly low nutritional value. What we are attempting to do in this program is to include within it a com-

ponent to allow the States to develop their own nutritional programs.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. WAMPLER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. WALKER. We are attempting to put in nutritional components that would speak to particular standards.

The third problem in the program, the federally mandated eligibility standards are too loose.

Even the most conservative estimates indicate at least 35 million people are eligible for food stamp benefits. Many other estimates say it is closer to 60 million people.

Despite that, the rate of participation is particularly disturbing. Approximately 21 million people will receive food stamps this year. A sizable percentage—the administration estimates it at 15 percent—are the beneficiaries of fraud, abuse, and error. There are simply too many people receiving benefits for the Federal Government to keep track of it.

So what we would propose in the block grant program is to give the States the authority to determine eligibility. By so doing, we could eliminate much of the abuse that takes place.

In addition, the program would put in a workfare component which would give the State the option of establishing workfare in their States and thereby putting eligibility along with the workfare component. These are the main components of the substitute.

Basically, as I say, what it is attempting to do is create a block grant system which will increase eligibility or increase the eligibility tightness. It will put in a workfare component and also a nutritional component.

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

Mr. WALKER. I would be glad to yield to the distinguished chairman.

Mr. FOLEY. Does the gentleman have the endorsement of this program by some of the Governors?

Mr. WALKER. We are attempting right now to talk to the National Governors Association. We have talked to many State officials in the past who have indicated a very definite degree of willingness to support such a program, but I do not have those specific endorsements at this time.

Mr. FOLEY. I wonder if the gentleman could tell me if it is his view that the States that presently administer the program and have error rates would not have error rates if they administered the program under his substitute amendment? Is it not true that the present program is actually administered by the States?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. FOLEY. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. WALKER. I thank the chairman for yielding the time for an answer.

Absolutely the States do administer the program right now, which is the reason why we think the \$500 million of administrative cost at the Federal

level is somewhat duplicative. Yes, we think under this program it would eliminate a lot of error and abuse in those States, because they would get to keep any excess funds where they drop down the amount of spending as a result of eliminating fraud and abuse, so there would be an incentive for them to do it. There is no incentive under the present program. We are creating an incentive to eliminate that.

Mr. FOLEY. In the bill as reported by the committee, there is an incentive built into lower error rates by providing additional money for the States' cost of administration. That is in the bill.

Mr. WALKER. I thank the gentleman for that explanation. I am aware of that, but the important thing about this particular provision is the fact that what it does is give the States a chance to use it in other programs as well, in human services programs, so they would have far more discretionary use of the money.

Mr. WAMPLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, the food stamp program is surely one Federal program which cries for fundamental reform.

The participation levels and cost of the program have skyrocketed in recent years. Participation in March 1980, was 21.7 million—1 in every 10 Americans. Another 10 million Americans are eligible for food stamps under the liberal eligibility guidelines of current law.

The fiscal year 1980 level of spending for the food stamp program approved by the Congress last year was \$6.2 billion. The Carter administration has already requested an additional \$2.5 billion which is authorized in this bill.

In its March revisions, the administration conceded that an additional \$100 million—above the \$2.5 billion—would be needed to complete the fiscal year.

However, the Congressional Budget Office's latest estimate is that an additional \$497 million above the \$2.5 billion authorized in this bill will be needed in order to finance the program through the fiscal year ending September 30, 1980.

These additional costs represent a 50-percent increase over the appropriations voted by the Congress just 1 year ago.

Additionally, for fiscal year 1981, the Congressional Budget Office now estimates a figure of \$10.7 billion, \$1 billion above the administration's projected figure used in the just-passed budget resolution.

Obviously, we are going to have a repeat on the familiar administration tune of underestimating the cost of the food stamp program for fiscal year 1981.

The most recent increases in costs because of additional recipients—a jump from 20.2 million in December 1979 to 21.7 million in March 1980—cannot be attributed to either higher food prices or increased unemployment.

The Congressional Budget Office reports that for the first quarter of 1980 both figures remained constant.

Rather, it seems that low and lower-middle income families respond to high rates of inflation in much the same way as higher income families—that is, they seek ways to stretch their incomes.

The CBO hypothesizes the reason for the increases—

These rapid price increases [in basic non-food necessities] have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in non-food, but still basic items. (April 22, 1980, memorandum from Congressional Budget Office to Senate Budget Committee.)

Mr. Chairman, it should be emphasized that there is no reason why the \$6.2 billion appropriation for this program should run out under the crisis atmosphere which prevails today.

The administration has known since last summer that there would be insufficient funds to continue the program unless action was taken to reduce the hundreds of millions of dollars of misspending due to abuse, fraud, and overissuance of food stamps to the undeserving.

The Congress passed legislation last year which specified that when the Secretary determined that funds would be insufficient to complete the fiscal year, he should begin to implement contingency planning for benefit reductions with special consideration for the elderly, physically or mentally handicapped or otherwise disabled.

Yet the Secretary of Agriculture has ignored this law and relied instead on appropriations conference report language which he felt gave him leeway to continue the program at full steam.

Congress should not be pushed into a crisis atmosphere on food stamp legislation. This, too, is a rerun of the past. The administration is always pressuring Congress for immediate appropriations without wanting to allow consideration of substantive reforms which would reduce program costs.

With food stamp spending running 50 percent above authorized appropriations, however, it should be obvious that significant consideration must be given to proposals to reduce these costs and more effectively target benefits to those most in need.

For instance, Mr. Chairman, one of the most obvious abuses of the current food stamp program is that families with incomes substantially above the poverty line are eligible for food stamps.

Because eligibility is currently determined by net income after subtracting a number of deductions, 4-person households with incomes well over the food stamp poverty line of \$8,222 can receive food stamps under current law.

For instance, a family of four could conceivably be earning as much as \$12,000 to \$13,000 yearly and still be eligible for food stamps.

Indeed, the Department of Agriculture's latest statistics indicate that 13 percent of all food stamp households had gross incomes above the poverty line.

When the bill is read for amendment, I intend to offer an amendment to restrict eligibility to households with gross income below the poverty line, plus a provision allowing a 15-percent higher gross income limit for those families who are working.

This latter provision will serve as a work incentive for families to work their way out of poverty.

This reform measure is essential to making this program serve the truly needy without unduly assisting those families with gross incomes above poverty at a great expense to the American taxpayer.

Mr. Chairman, I would like to insert at this point in the RECORD several charts which demonstrate the rapid growth of the food stamp program, both in costs and participation, as well as information indicating the gross income levels which households could receive between July and December 1980 and still be eligible for food stamps.

#### Recent monthly food stamp participation levels

[Number of persons, in millions, participating]

October 1978	15.3
November 1978	15.4
December 1978	15.9
January 1979	17.4
February 1979	18.0
March 1979	18.5
April 1979	18.6
May 1979	18.4
June 1979	18.3
July 1979	18.4
August 1979	19.0
September 1979	19.3
October 1979	19.4
November 1979	19.6
December 1979	20.2
March 1980	21.7

Source: Food and Nutrition Service.

#### Annual food stamp appropriations

1965	\$35,600,000
1970	577,000,000
1971	1,578,000,000
1972	1,866,800,000
1973	2,212,900,000
1974	2,838,900,000
1975	4,693,900,000
1976	5,691,800,000
1977	5,550,000,000
1978	6,100,000,000
1979	6,800,000,000
1980	<sup>1</sup> 9,200,000,000

<sup>1</sup> Estimated.

#### MAXIMUM EFFECTIVE GROSS INCOME ELIGIBILITY (UNDER EXISTING LAW) PERIOD OF JULY TO DECEMBER 1980

Family size	Net income cutoff <sup>1</sup>	Maximum gross income <sup>2</sup>
1	\$4,172	\$8,063
2	5,522	9,753
3	6,872	11,440
4	8,222	13,128
5	9,572	14,815
6	10,922	16,502
7	13,622	19,877
8 and over	+1,350	+4,538

<sup>1</sup> OMB poverty level with special food stamp escalator.  
<sup>2</sup> Assumes working household eligible for 20 percent earned income credit, \$80 standard deduction, \$110 dependent care/excess shelter deduction. (Does not assume deductions for payments above \$35 for medical expenses which are available for elderly, blind and disabled.)

Note: Figures verified by Congressional Budget Office.

#### MAXIMUM EFFECTIVE GROSS INCOME ELIGIBILITY (UNDER S. 1309 AS REPORTED FROM HOUSE AGRICULTURE) PERIOD OF JULY TO DECEMBER 1980

Family size	Net income cutoff <sup>1</sup>	Maximum gross income <sup>2</sup>
1	\$4,172	\$8,063
2	5,522	12,153
3	6,872	13,840
4	8,222	15,528
5	9,572	17,215
6	10,922	18,902
7	13,622	22,277
8 and over	+1,350	+6,938

<sup>1</sup> OMB poverty level with special food stamp escalator.  
<sup>2</sup> Assumes working household eligible for 20 percent earned income credit, \$80 standard deduction, \$160 dependent care deduction; \$110 excess shelter deduction. (Does not assume deductions for payments above \$10 medical expenses which are available for elderly, blind and disabled under S. 1309 as reported by House Agriculture Committee.)

Note: Figures verified by Congressional Budget Office.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Chairman, the food stamp program is on the brink of a funding crisis that could be devastating to millions of poor Americans. Unless Congress authorizes and appropriates additional funds by May 15, just 1 week from tomorrow, the Secretary of Agriculture must legally order the States to suspend the program on June 1. As responsible public officials, we must avert such a disaster.

I am sure that you and many other of our colleagues are asking what has caused this funding crisis? The food stamp program is in need of additional funding primarily because the economy has not behaved as was predicted in 1977 when the current spending ceilings were set.

The fiscal year 1980 and fiscal year 1981 caps or ceilings, established in 1977, are \$6,188 billion and \$6,236 billion, respectively. At that time CBO estimated food prices would go up 3 to 4 percent a year. In reality, food prices increased 22 percent between 1977 and 1979 and are predicted to increase to 46 percent between 1977 and 1981. This additional inflation in food costs, over the 1977 estimates, is projected to add \$1.4 billion to the costs of the program for fiscal year 1980 and add \$2 billion for fiscal year 1981.

In 1977, CBO also estimated the unemployment rate to be under 6 percent for fiscal year 1980 and fiscal year 1981. In fact, unemployment is now projected to rise to 7.2 percent in fiscal year 1980 and 7.5 percent in fiscal year 1981. For each 1-percent increase in unemployment, 1.2 million people are added to the program.

Food price inflation and higher than expected unemployment rates account for 81 percent of the committee approved bill S. 1309 increases the caps to \$8.7 billion and \$9.7 billion for fiscal year 1980 and fiscal year 1981, respectively.

Because earlier economic forecasts have proven incorrect, S. 1309 also provides an additional 5 percent authorization margin for fiscal year 1980 and 10 percent for fiscal year 1981 should program costs exceed the new ceilings because of higher than expected food price inflation and unemployment.

Mr. Chairman, it is critical that S. 1309 be adopted by the House promptly. Congress can and must act swiftly to head off a disaster that will affect the health and well-being of millions of low-income Americans.

Thank you, Mr. Chairman.

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Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think we have come to the close of this general debate on the food stamp bill. Tomorrow we will be considering amendments to the bill and during that time the entire House will have an opportunity to pass its judgment.

In my own view it is critical that the House adopt S. 1309 and that we have a prompt reconciliation of our views with the other body and bring a conference report back to the House because, Mr. Chairman, there are today over 21 million people who receive the benefits of the food stamp program. As I said earlier, 60 percent of those 21 million are children under 18, the disabled, and elderly Americans. An overwhelming number, 60 percent, are households headed by women, and the vast majority of these are truly poor people. The average income is less than \$4,000 a year. Most of these people are poor or dependent upon this program to an extraordinary extent for the kind of adequate nutrition that can make the difference between a healthy child who is able to perform in school and who will later be able to productively engage in self-employment and self-support, or a person perhaps stunted for life by the ravages of malnutrition.

In 1967, Mr. Chairman, a foundation sponsored a program of reviewing the nutritional character of many hundreds of thousands of Americans throughout the country. That particular study, sponsored by the Field Foundation, found in Appalachia and other parts of the United States tragic evidence of the kind of nutritional diseases that were thought only to exist in Third World countries, diseases that were thought to be unknown in the United States. They also found evidence of severe privation as well as disease.

That led, in 1969, to one of the finest acts, in my judgment, of President Nixon's first term, which was the convening of a White House Conference on Hunger in America. It was the determination of the Nixon administration, under President Nixon's personal initiatives, that we would adopt programs that would make hunger in America no longer a reality, at least hunger no longer a reality because of an inability of any family to afford an adequate diet.

In 1977, 10 years after the original study, and in 1978, the Field Foundation returned to examine those same areas that had been examined 10 years before. They found to a remarkable extent a complete absence of any kind of nutritional diseases as had existed only a decade before. Their report I think is illustrative of some of the successes of these programs which need to be commented upon because there has been so much criticism of, in particular, the food stamp program.

The primary reason for the dramatic difference, for the 33-percent decline in infant mortality and greater than 50-percent reduction additionally in infant deaths from diarrhea, influenza, pneumonia, and immaturity, all directly related to malnutrition, was the existence of and intervention of the food stamp program. They stated categorically that the food stamp program does more to lengthen and strengthen the lives of the disabled and disadvantaged Americans than any other noncategorical social program and is the most valuable health dollar spent by the Federal Government.

This program has had its problems. The Committee on Agriculture has sought over the years to improve the operation of the program and it has come before the Congress for reauthorization.

The bill we bring to the Congress today and will tomorrow contains some of the most extensive provisions ever written in any bill to eliminate fraud, abuse, and error. I hope with the amendments, which I and other Members will offer, we will be able to shape a more effective program. But it is critical that we act as soon as possible because I do not think any Member of this Congress and certainly none of this House would believe that the appropriate way to modify the food stamp program, whatever their criticisms, is just to lead to a categorical ending of the program for all recipients on the 1st of June without any warning, without any opportunity for private undertakings to fill in for the tremendous impact that such a cut would have on the millions of poor in the United States. I repeat, there are 13 million of them who are children under 18, disabled, and elderly Americans.

So, Mr. Chairman, I hope as we consider the amendments tomorrow we will also consider the need to act responsibly in continuing this program for those millions and millions of Americans who increasingly rely on it and who are justly and properly receiving its benefits.

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

Mr. WAMPLER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore. Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

S. 1309

*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 "Food Stamp Act Amendments of 1980".*

Mr. FOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the Chair, Mr. STEWART, Chairman pro tempore of the Committee

of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, had come to no resolution thereon.

#### PRESIDENT JUDGE JAMES C. CRUMLISH

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

Mr. LEDERER. Mr. Speaker, the cause of justice has been advanced by the swearing in of a distinguished Philadelphia, Judge James C. Crumlish, Jr., as president judge of the Commonwealth Court of Pennsylvania. This key appellate court, which is only a decade old, has established itself as a leader in judicial administrative innovation and has issued landmark opinions in such important and evolving legal areas as land use, governmental regulation, constitutional and environmental law.

Judge Crumlish was sworn in as president judge on April 8 by Supreme Court Chief Justice Michael J. Eagan. I take particular delight in inserting in the CONGRESSIONAL RECORD comments that were made at President Judge Crumlish's induction by John M. Elliott, a senior litigating partner in the prestigious Philadelphia law firm of Dilworth, Paxson, Kalish & Levy. My family and I have known Judge Crumlish's family for the past 50 years. Mr. Elliott's remarks capture the essence of the varied and challenging careers of this highly qualified Philadelphia.

The Crumlish family has contributed significantly to civic and charitable causes in Pennsylvania. President Judge Crumlish's father, James C. Crumlish, Sr., was himself the distinguished president judge of the Philadelphia judiciary which included such legal giants as Curtis Bok, Louis Leventhal, and Gerald Flood. I extend my very best wishes to President Judge Crumlish his lovely and accomplished wife Rosemary, who serves as a member of the prestigious Philadelphia Art Commission, and their family. The remarks follow:

#### REMARKS OF JOHN M. ELLIOTT

Emerson said that "All institutions are but the lengthened shadow of a single man." Recently, a distinguished President Judge was suddenly and tragically taken from us. Today, another eminent Jurist assumes the significant burdens of leading this great Court which has in a short decade established itself as a national leader in both judicial administrative innovation and as a meaningful contributor to the development of the substantive law of this commonwealth in such vital and evolving areas as the environment, land use, constitutional matters, and governmental regulations.

President Judge James C. Crumlish, Jr., loves Pennsylvania and the law deeply. While he has already served this Commonwealth unstintingly, Jim Crumlish's elevation to President Judge of this distinguished Court enhances his opportunity for further effective public service.

President Judge Crumlish's incisive mind and vital spirit will place disputes in proper

context and seek guidance for the future through a patient analysis of the present and a wise reading of the past.

Fortunately, the acorn doesn't fall far from the oak. Jim Crumlish's humane qualities of mind and spirit were not produced in a vacuum. Like his father, the late respected James C. Crumlish, Sr., of Common Pleas No. 7, President Judge Crumlish draws strength from the eternal values of family, church, community and service to his fellow man.

Perhaps the spirit which has already nourished Jim and Rosemary Crumlish through a challenging variety of careers—as private attorney; decorated World War II officer; Philadelphia's highest ranking law enforcement official; and Judge of the highly respected Commonwealth Court is best captured in a 1957 speech by President John F. Kennedy who observed:

"All of us of Irish descent are bound together by the ties that come from a common experience; experience which exists in memories and in legend, but which is real enough to those who possess it. And thus whether we live in Cork or in Boston, in Philadelphia or in New York, we are all members of a great family which is linked together by that strongest of chains—a common past. It is strange to think that the wellspring from which this great fraternal empire has sprung is but a small island in the far Atlantic with a population only a fraction of the size of Pennsylvania. But this is the source, and it is the green and misty island to the east that we honor here tonight—honoring it particularly for its devotion to human liberty."

The Irish were not the only race to display extraordinary devotion to liberty, or the only people to struggle unceasingly for their national independence. But the special contribution of the Irish, and I believe—the emerald thread that runs throughout the tapestry of Jim Crumlish—has been the constancy, the character, the faith they displayed through centuries of oppression when they were denied even the most rudimentary religious and civil rights.

This "common experience" has imbued President Judge Crumlish with what Camus called a "sense of injustice"—an instinct to help, to heal, to cut through legal persiflage and reach the essence of the human issues inextricably woven into legal disputes.

Jim Crumlish possesses the classic Baconian qualities of a leader which were articulated by John Buchan in his immortal *Pilgrim's Way*:

"He is a full man from wide reading and much thought seasoned by experience; an exact man from his scrupulous logic; and a ready man from his native wit—and above all, he always manifests a friendly warmth which makes it good for a diversity of mankind to stand with him.

"He never dogmatizes; his sharp dialectic makes him a pricker of bubbles; he has the gift of felicitous and apt phrase; his humor—though irony and satire are among his formidable weapons—is for the most part tolerant, with a sophisticated humanity about it. Most importantly, he has an acute sense of proportion and a disdain for pretense and posturing."

In today's world of rapid change and challenge, these values of abilities are sorely needed. Today is a happy and tonic day for Pennsylvania.

President Judge Crumlish, we all wish you and your distinguished colleagues continued success.

#### CALIFORNIA FAMILY CHOICE INITIATIVE OFFERS HOPE FOR PARENTS EVERYWHERE

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



minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, every now and then the beneficiaries of giant bureaucracies let their guard down for a brief but revealing moment and disclose the motives behind their activities. Such an episode came last spring when the Association of California School Administrators commented on a referendum proposal for "family choice" in education which two Berkeley law professors hope to make the proposition 13 of 1980. In a special report to their members, the school administrators said:

"Parent choice" proceeds from the belief that the purpose of education is to provide individual students with an education. In fact, educating the individual is but a means to the true end of education, which is to create a viable social order to which individuals contribute and by which they are sustained. "Family choice" is, therefore, basically selfish and anti-social in that it focuses on the "wants" of a single family rather than the needs of society.

Mr. Speaker, I wish the educrats of Washington—the Pat HARRISES and Joe CALIFANOS and Mary BERRYS—would be as candid as this when they appear before our committees to talk about Federal education policy. If they would simply admit that the main interest of big government is in social and political manipulation, not in individual academic excellence, we could save ourselves a lot of time and trouble. When well-meaning congressional liberals vote for bigger and flashier education programs, I think it is in the hope that they will be helping kids to become more competent in verbal and mathematical skills, better informed about literature and history, more able to think and act for themselves. But for educrats like the California school administrators, these goals are secondary to their coercive ideological agenda. The very word "education" has a different meaning for the school establishment than for the rest of us.

Given their premises, the California authorities are right to fear the "family choice" proposal. Authored by Berkeley professors John COONS and Stephen SUGARMAN, the family choice initiative would cut through the Gordian knot of bureaucratic monopoly to entrust basic decisionmaking to people whose intimate knowledge and long-term commitment to children no public agency can ever rival: parents. It has the daring simplicity of all real reforms: subsidizing individuals instead of institutions.

The Coons-Sugarman plan would provide State-financed scholarship certificates to families with school-age children. These families could then "spend" their certificates at whatever schools they might choose: public or private, religious or secular, specialized or conventional. I have long been a supporter of this type of educational voucher or parental choice system. By creating a competitive market in education, this system would guarantee increased responsiveness, variety, and efficiency. For the first time in the history of California's public schools, every teacher would have the morale-bracing satisfaction of knowing that every child in his class was there as a result of positive choice rather than

geographic accident. For the first time, parents and children would know that they could seek a school more suitable to their particular needs without having to move to a new—and probably more expensive—neighborhood.

Opponents of family choice claim that such educational decisions are too important and too complicated to be left to anyone but professionals. But surely these decisions are not any more complex than decisions about health care; and yet we allow patients—even if they are subsidized through Medicare or Medicaid—to choose their own doctors and hospitals. When we allow people to retain this basic control over their own and their children's bodies, why should we insist that the State control their minds?

In the long run, the Coons-Sugarman plan would mesh beautifully with Federal legislation to abolish the dozens of categorical education programs administered from Washington and to replace them with block grants for the States to spend as they see fit. For example, a State could use its Federal education money to finance extra-value certificates for the parents of handicapped or disadvantaged children. I introduced such legislation last year in the form of a substitute amendment to the reauthorization of the Elementary and Secondary Education Act. The Coons-Sugarman initiative fortifies my confidence that this kind of radical decentralization is the wave of the future, not just in California, but across the Nation.

#### CURTAILMENT OF GOVERNMENT SPENDING PRACTICES NECESSARY

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

Mr. ADDABBO. Mr. Speaker, I have sat through this debate on the budget bill with a growing sense of dread. I understand the fears of the Members that Government spending practices need to be curtailed so that we do not contribute to the very inflation we are trying to end. I understand as well the attraction of a balanced budget because a balanced budget is at least a symbol that the Government is acting to stem deficit spending. I understand as well the calls for a strong national defense. International events have confused and frightened our citizens over the last year or so, and in periods of uncertainty, it is better to be well defended against potential enemies than not to be.

But I am convinced we are making serious mistakes here on this floor, all in the name of prudence. I am convinced that when we begin to ignore the legitimate needs of our people, as many are doing with almost every vote that has been taken in recent weeks, then this Congress is out of touch with the American people and is out of touch with the needs of this Nation.

As we talk about the values of a balanced budget, we see unemployment edging ever closer to double digits once more. The construction industry, the

automobile industry, the tourist industry, the steel industry—I could go on and on, but the point is that in depressed industries, people are being laid off and there is no real expectation that they will be back to work soon. These are not welfare cheats that some in this House like to talk about so much; these are hard-working American families with mortgages to pay, children to feed and no money coming in. Are we in this Congress going to ignore the plight of these people?

We have senior citizens, the ill, the disabled, the handicapped people in this country who cannot fend for themselves in a time of rising costs. Do we ignore these legitimate needs? We have millions of children in schools around the Nation who require a decent education so that they someday will have the knowledge that will allow them to become taxpayers. Do we shortchange the schools and doom a goodly percentage of children to a second-class life? We have hospitals in trouble all across the country because it costs them more to treat patients than Federal programs reimburse them. Do we want them to stop treating illness? Should they blithely carry on to bankruptcy?

We have told city and State governments that we want Americans to use mass transit facilities, but we cut back on Federal dollars for mass transit programs in the very areas where the problem is most acute. We collect Federal tax dollars from all of the 50 States with a vengeance and turn around and provide most of the Federal spending to a handful of States, begrudging money that must be spent in the others. The Northeast and Midwest States number among them States that are near extremis, and in the name of budget cutting we end State revenue sharing.

We tell cities we want them to spend money prudently, yet we urge them to adopt programs that spend more local dollars than Federal dollars. Now, we are on the verge of ending the Federal participation in these programs.

We know that on the streets of this Nation, drug abuse is a growing problem. Our answer to that is to cut back on Federal Customs Service inspectors whose presence tends to stem the supply of illicit narcotics to our shores.

I could go on and on, but I see no reason to do so. The problems of this country are apparent to all of us. Inflation is a problem. So is unemployment. So is industrial capacity and the ability of our businesses to compete equally with foreign firms. We are overregulated in areas and underregulated in others. Our Federal programs sometimes work and sometimes they are senseless and ought to be ended.

But what scares me most of all is that we in the Congress are not moving forcefully to meet these challenges. We are responding to fear and mob passion, and we are putting ourselves into a bind where we simply will not have the capability to do what needs to be done in the months ahead to help our people when they cannot help themselves. We are placing our emphasis on a balance sheet rather than on human needs, and it is

my belief that our foolishness will have to be paid for with very real human suffering. I believe that a year from now—or sooner—we are going to have to undo all of the damage we are doing presently to domestic programs. By then, for so many of our citizens, it is going to be too late.

#### ABUSE OF THE FUEL ASSISTANCE PROGRAM

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

Mr. STANGELAND. Mr. Speaker, during the last few days we have discussed the need for reducing the growth in Federal spending and balancing the Federal budget and, ultimately, cutting the taxes of every working American. It can be done, but we have to weed out the waste and abuses that are currently taking place in the bureaucratic arm of the Federal Government.

I recently learned of a situation in the Seventh District of Minnesota, which I find appalling and distasteful, and I think it points out that changes must be made in governmental operation if we are to balance the budget and begin working for the people instead of against them.

The problem I discovered is with the fuel assistance program. One subsidized housing unit in my district currently is receiving rental subsidy from the Department of Housing and Urban Development. What this means is that the people who reside in this apartment building only pay 25 percent of their income as rent to live there and the Federal Government picks up the remaining portion of the rental price, including what is tacked on for the cost of utilities. In this type of rental subsidy unit, the price the renter pays remains 25 percent of his or her income, regardless of the overall rental charged by the owner. In other words, the owner can raise the price, but the charge to the renter would stay the same unless their income increases.

Now, I find the crisis assistance program is soliciting applications from residents of this subsidy unit for the fuel assistance program so as to pay for the increase in fuel prices accrued. This, my friends, is preposterous and blatantly in violation of the intent of this Congress in providing fuel assistance. These renters are already being subsidized for the increase in fuel costs because they participate in this HUD program and the crisis assistance program, on top of what they already receive, is trying to hand out additional funds which could be used by other people who truly need fuel assistance. It appears these CAP agencies are trying to give excessive money away—money that was not needed because of a comparatively mild winter.

In this instance, the CAP organization wrote an \$11,000 check to the apartment owner and, in turn, he wrote checks to the renters because he had already received compensation from HUD for increased fuel prices.

This is truly a waste of taxpayer dollars and the inefficiency of the operation of this program is robbing from the truly needy by throwing away funds which could be used constructively. If we have to find ways to spend the money, then the program must be restructured. We cannot operate a government which permits and continues to allow this wasteful Government spending.

Congress unwillingness, as was demonstrated Tuesday in the vote on the Latta amendment, to control unnecessary spending such as this is deplorable and I think we owe the taxpayers of this Nation an apology. They struggle to make a dollar just to survive and pay their taxes and all we do is squander what is turned into the Treasury.

Congress must assume an oversight role and take the necessary initiatives to insure that Federal programs are operated as intended and that the people who are supposed to benefit actually receive what is coming to them.

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#### A BALANCED BUDGET ONLY ON PAPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. GRADISON) is recognized for 30 minutes.

Mr. GRADISON. Mr. Speaker, today the House approved what has been widely billed as a balanced budget for next year after rejecting a number of alternatives—each of them said to be balanced as well. I am disturbed by the possibility that the public may conclude that the budget will indeed be balanced. There is room for considerable modesty by us all in claiming that the Congress has changed its ways and now has brought the United States into the promised land of balanced budgets.

Much as we need a balanced budget—and need it now—it seems doubtful indeed that the budget will be balanced in light of the severe recession now underway and the resulting rise in unemployment.

As an example the U.S. Chamber of Commerce now estimates the budget for next year—instead of being balanced—will instead be \$43 billion in deficit. No doubt other estimates will follow in the weeks and months ahead. My impression is that the business and financial markets will not be surprised by a deficit next year, much as they hope it will be held to a minimum.

But the general public could be in for a rude shock if the President and Congress—running for reelection—claim victory in the battle for a balanced budget, and then it turns out that a deficit in the tens of billions of dollars is the actual result. This could easily cause yet another loss of confidence in the Government and further questioning of the trustworthiness of elected officials. And it could easily reignite inflation by giving the public the impression that the Congress—while talking about budget restraint—is not really doing anything about it.

Basically we have balanced the budget on paper—but on paper only. The budget

assumes far better economic conditions than appear likely. The budget assumes that Congress will increase revenues and cut spending in ways which at best are hope—not reality—at this time. And the budget assumes that the Congress and the President will not indulge in a last-minute pre-election spending binge.

Mr. Speaker, I ask that the new budget estimates of the U.S. Chamber of Commerce appear at this point in the RECORD.

HOUSE DATA ON BUDGET "TOTALLY IRRELEVANT," CHAMBER ECONOMIST SAYS, PREDICTING REAL GNP DECLINE IN 1981

[Graphs not printed in the RECORD]

WASHINGTON, April 30.—The leading indicators index for March released today declined for the seventh time in the last nine months, affirming that a recession is underway, said Dr. Richard W. Rahn, vice president and chief economist of the U.S. Chamber of Commerce. He continued:

"Today's ongoing House floor debate about a high tax, high spending, balanced budget (House Concurrent Resolution 307, the 'Glaime' bill) has been made totally irrelevant as the economy slides rapidly into recession. The Budget Committee bill proposing a \$96 billion increase in taxes is based upon now totally unrealistic economic assumptions, but House Budget Committee members seem unaware of this."

The Committee's bill (H. Res. 307) assumes that unemployment will be at 7.3 percent in the last quarter of 1980 and will average 7.5 percent in 1981. According to the U.S. Chamber's latest forecast, unemployment will be at 7.8 percent at the end of this year and will average 9 percent through 1981. The Budget Committee's bill assumes that 1981 real Gross National Product (GNP) will be 1.1 percent higher than in 1980; the Chamber now forecasts that real GNP will decline 0.1 percent in the same period. The H. Res. 307 Committee report assumes a "mild recession in 1980, followed by a modest recovery in 1981." A more realistic forecast calls for a deeper recession, the Chamber contends.

This new information on the economy implies that while the House debates a First Concurrent Resolution with a \$2 billion surplus for Fiscal 1981, it is more reasonable to expect a \$42 billion deficit for that period, prompting the Chamber economist to conclude:

"It is clear that we are facing a deep recession which will do little to mitigate inflationary pressures. Therefore, it is time for the Congress and the Administration to make major changes in fiscal policy which will get to the heart of our inflation problem by removing the impediments to economic growth. To reduce the suffering which will result from the recession and to begin the renewal of economic growth, federal spending growth needs to be cut and a major tax cut needs to be enacted in order to spur employment, saving and investment."

#### THE IMPOSSIBILITY OF A BALANCED BUDGET FOR FY 1981

As the U.S. economy moves into the bottom of recession in 1981, unemployment will continue to rise and will peak around 9 percent.

GNP for 1981 will show no growth in real terms and will be at about the same level as 1980.

As a result, government expenditure and the deficit will be greater by FY 1981 than FY 1980. No balanced budget will be possible.

#### BUDGETING FOR ECONOMIC GROWTH

It's budget resolution time again on Capitol Hill, with the budget committees and legislators laying out an economic blueprint for the coming year. We hope they can pay some attention to the ideas now percolat-

ing through the economics profession, which was especially notable at an important conference last weekend at Harvard University.

We express this hope without much faith, for as House debate opens on a budget resolution a familiar ritual seems to be developing. The Budget Committee is promising a balanced budget for FY 1981, based largely on a growth in tax revenues of almost \$100 billion. And even this balance is not likely to outlast the First Budget Resolution.

To see why, consider the fate of the 1980 budget. The Second Budget Resolution for FY 1980 was passed last autumn to govern the fiscal year from October 1979 to October 1980. Yet here we are seven months into the fiscal year, and the House is busy at work on third and fourth budget resolutions for 1980. The third resolution, known as the revision of the budget, ups spending more than \$19 billion, raising the official deficit to \$38.2 billion. The fourth resolution, known as the Gialmo amendment, kicks in another \$4.6 billion and raises the deficit to \$42.8 billion. After the House gets through packing the spending into the 1980 budget, it will then balance the budget for the First Budget Resolution FY 1981.

House Republicans, foreseeing the inevitable growth in spending over the year, want to start from a lower level. And they want a cut in tax rates to protect real income from the rising tax burden. Their substitute budget resolution increases defense spending by \$4.5 billion, holds the growth in overall spending \$14 billion below the Budget Committee version, allows for both accelerated depreciation and a 10 percent cut in personal income tax rates and still balances the budget.

Without getting into specifics, the general direction sketched by the Republican substitute corresponds to the thinking of the conference on American competitiveness sponsored by Harvard, the Senate Subcommittee on International Trade led by Senators Ribicoff and Roth, and the New York Stock Exchange. American competitiveness and productivity, ran the consensus, can only be restored by basing economic policy in the 1980s on supply-side economies.

The participants—an influential group of congressional, business, labor and academic leaders—felt that a tax cut targeted on the supply side of the economy and effective in 1981 is not inconsistent with a balanced budget. The conference's task force on productivity, employment and standard of living, chaired by Rep. Jim Jones, felt that the need to encourage investment is so pressing that "a tax cut should take precedence over a balanced budget," which is a way of saying that if Congress doesn't want a deficit it can cut spending.

Overall the conference recommended aggregate tax reductions over the 1981-83 period of about \$100 billion in gross revenues (without feedbacks) split evenly between individual and business reductions. Steve Entin of the Joint Economic Committee staff pointed out that even a cut of this size was peanuts compared to an approximate \$340 billion growth in tax revenues projected over the same period.

Senator Ribicoff told the conference that "increasing productivity is good for every segment of society"—thus casting aside divisive debate about who benefits from tax cuts.

Senator Lloyd Bentsen made it clear that it is our competitors who benefit from the high and rising U.S. tax burden. As a result of bad tax policy, "We are asking the American worker to do tomorrow's job with yesterday's tools." Pulled down by lagging productivity, we are becoming "an also-ran in the race for economic opportunity."

Otto Eckstein of Data Resources, Inc. reported that growth in the personal income tax burden had driven 2 million people out of the work force and that the lack of a supply-side policy during the last 8 years had increased the core rate of inflation. Martin Feldstein of the National Bureau of Economic Research said that the tax burden on non-financial corporate income was one-third higher today than during the 1960s.

As Dean Henry Rosovsky told the conference, becoming less competitive is the symptom of a serious national disease. If recognized and treated in time, it can be cured. This week the House could take the first steps toward a cure by pushing to reduce the

growth in the tax burden, in terms of both government spending and tax rates. The House can put American productivity on the road to recovery by adopting the substitute to the Budget Committee's First Budget Resolution for FY 1981. As the conference demonstrated, there's ample support for the treatment.

#### U.S. CHAMBER FORECAST

Outlook.—Recession will develop faster than either Administration forecasts or our baseline forecast made in January, and it will be deeper than most major forecasting services are predicting. The quickening pace of the recession reflects our judgment that the small business sector faces much worse economic conditions than are currently showing up in government statistics. Second, our Consumer Opinion Survey for May, 1980, shows a substantial weakening of intentions to buy right now compared with a year ago. As a result of these two factors, unemployment will accelerate in the second quarter to 6.9 percent and to 7.5 percent in the third quarter. For 1980 unemployment will average 7.1 percent. For 1981 it will average 9 percent.

#### KEY ASSUMPTIONS ON FISCAL POLICY (UNIFIED BUDGET)

Spending.—A budget figure of \$612 billion is assumed for FY 1981. This corresponds closely to the administration's revised budgetary proposal and also to H. Con. Res. 307. Because of the recession, however, actual expenditures are forecast to be \$651 billion for FY 1981. This reflects added transfer payments, the so-called "automatic stabilizers", as well as added fiscal stimulus applied throughout FY 1981. Receipts are forecast to be \$608 billion during the same period, so that our expectation is for a \$43 billion deficit for FY 1981.

Receipts.—A July 1981 tax cut is assumed in our forecast. The \$30 billion cut is divided between individual income tax reductions (\$18 billion) and a variety of tax cuts for business (\$12 billion). Windfall profits taxes and the Administration's oil import tariff are also incorporated.

#### U.S. ECONOMIC OUTLOOK, 1979-82

[Percent change or billions of dollars]

	Quarters									Years			
	Actual		Forecast							Actual	Forecast		
	1979:4	1980:1	1980:2	1980:3	1980:4	1981:1	1981:2	1981:3	1981:4	1979	1980	1981	1982
Gross national product:													
Current dollar GNP	2,457	2,520	2,551	2,575	2,625	2,686	2,765	2,876	3,000	2,369	2,568	2,832	3,262
Percent change	10.5	10.7	5.0	3.8	7.9	9.7	12.3	17.1	18.3	11.3	8.4	10.3	15.2
Real GNP	2.0	1.1	-5.1	-6.3	-2.4	-0.6	2.1	6.5	7.2	2.3	-1.1	-0.1	5.3
Final sales	3.6	1.5	-5.5	-5.2	-1.5	-1.0	1.7	6.1	5.7	2.7	-0.3	-0.2	4.6
Consumption	4.1	1.6	-4.4	-4.5	-1.0	-2.7	0.6	4.6	5.6	2.6	0.1	-0.7	4.5
Residential investment	-4.9	-19.8	-56.6	-40.5	-15.7	31.4	49.5	53.0	45.7	-5.7	-25.3	6.9	31.5
Business fixed investment	-0.5	1.3	-3.9	-8.5	-9.6	-7.3	-10.3	6.2	1.9	6.2	-1.0	-6.2	4.0
Equipment	-6.0	0.3	-4.6	-6.4	-4.2	-4.1	-1.3	0.4	2.1	4.7	-2.1	-3.0	3.6
Structures	12.2	2.8	-2.3	-12.4	-19.9	-13.6	-27.7	20.7	1.4	9.6	1.4	-12.5	4.8
Exports	7.1	13.5	1.0	-1.6	-2.0	-0.5	5.5	6.5	6.3	10.1	6.9	1.6	6.1
Imports	8.1	13.7	-9.3	-5.8	-2.2	-2.2	-0.8	1.6	7.3	4.4	2.3	-1.9	6.4
Government purchases	6.0	5.4	-2.0	-1.3	3.3	3.4	3.3	2.9	2.0	0.4	2.0	2.3	0.6
Federal	16.1	16.3	-1.9	0.6	12.8	5.3	7.5	6.4	3.3	0.9	6.1	6.0	-0.3
State-local	0.9	-0.7	-1.9	-2.5	-2.1	2.3	0.7	0.7	1.2	0.2	-0.3	0.0	1.1
Inventory change (billions of dollars)	6	5	4	-4	-11	-8	-5	-2	9	18	-2	-1	22
Merchandise trade balance (billions of dollars)	-28	-42	-37	-35	-36	-37	-38	-38	-43	-25	-38	-39	-57
Industrial production	-0.3	-0.2	-9.4	-10.7	-5.3	-2.0	2.7	10.1	12.9	4.1	-3.5	-1.1	9.6
Capacity utilization rates:													
Manufacturing	84.6	83.7	81.1	78.0	76.3	75.4	75.4	76.9	79.0	85.7	79.8	76.7	82.5
Primary processing	86.4	84.5	81.0	77.0	74.5	73.7	73.6	75.9	78.8	87.8	79.3	75.5	83.6
Materials industries	86.3	85.2	81.3	76.9	74.3	73.0	72.7	74.5	77.4	87.2	79.4	74.4	82.0
New car sales	9.8	10.7	9.4	9.6	9.6	9.7	9.7	9.8	10.1	10.7	9.8	9.8	10.6
Domestic	7.5	7.9	6.9	7.0	6.9	7.0	7.1	7.2	7.5	8.4	7.2	7.2	7.9
Imports	2.3	2.8	2.5	2.6	2.7	2.7	2.7	2.6	2.6	2.3	2.7	2.6	2.8
Housing starts	1.6	1.3	0.9	0.9	1.0	1.3	1.4	1.6	1.8	1.7	1.0	1.5	2.0
Employment, wages and prices:													
Employment	1.8	0.6	-1.7	-1.0	0.1	-2.3	0.1	1.4	3.4	2.7	0.4	-0.4	2.4
New jobs (millions)	1.7	0.6	-1.7	-1.0	0.1	-2.2	0.1	1.3	3.3	2.0	-0.5	0.6	2.7
Unemployment	5.9	6.1	6.9	7.5	7.8	8.7	9.1	9.2	8.9	5.8	7.1	9.0	8.6
Average hourly earnings	8.5	9.5	9.2	9.3	9.5	9.9	9.8	9.7	9.7	8.1	9.0	9.7	9.9
Compensation	9.1	10.2	9.9	9.5	9.9	12.7	10.7	10.7	10.5	9.0	9.5	10.8	10.6
Productivity	0.3	-0.7	-5.3	-4.6	-1.6	-1.6	0.2	2.8	3.1	-1.1	-2.2	-1.0	2.2
Unit labor costs	8.5	11.3	16.0	14.8	11.7	14.3	10.4	7.8	7.1	10.2	12.0	11.9	8.2

U.S. ECONOMIC OUTLOOK, 1979-82—Continued

[Percent change or billions of dollars]

	Quarters									Years			
	Actual		Forecast							Actual		Forecast	
	1979:4	1980:1	1980:2	1980:3	1980:4	1981:1	1981:2	1981:3	1981:4	1979	1980	1981	1982
<b>Employment, wages, and prices—Continued</b>													
Real disposable income.....	1.1	0.6	-3.3	-2.5	-2.7	-2.2	1.4	8.3	4.2	2.3	-0.8	-0.1	3.8
Per capita (\$80).....	8,182	8,182	8,094	8,023	7,350	7,887	7,897	8,036	8,100	8,198	8,062	7,980	8,206
Consumer credit extended:													
Nominal percent change.....	-14.7	7.6	-12.1	-0.8	11.8	-1.4	8.9	16.6	22.6	8.0	-1.0	5.9	16.3
Real percent change.....	-22.3	-4.3	-22.1	-11.2	1.1	-10.8	-1.2	6.1	11.8	-0.7	-10.9	-4.4	6.2
Consumer prices.....	13.6	16.6	17.7	13.9	9.3	9.3	9.9	9.8	10.0	11.3	14.8	10.6	10.1
GNP deflator.....	8.3	9.5	10.7	10.7	10.6	10.3	9.9	9.9	10.4	8.9	9.6	10.3	9.4
Producer prices.....	16.7	17.3	17.4	14.6	14.3	14.1	13.6	13.5	13.8	12.5	16.2	14.2	12.8
Fuels—Related products.....	53.5	54.3	44.2	34.4	29.6	26.2	27.6	28.8	28.5	26.6	48.4	29.5	22.7
Farm products.....	5.2	-15.4	5.9	2.9	8.2	8.9	5.7	4.7	9.1	13.5	0.2	6.7	10.1
<b>Business profits and interest rates:</b>													
Before tax profits.....	243	260	243	225	214	207	211	230	253	237	236	225	277
Corporate tax liability.....	96	103	97	89	85	82	84	92	101	93	94	90	102
After tax profits.....	147	157	147	135	129	125	127	139	152	144	142	136	175
Inventory valuation adjustment.....	-47	-64	-64	-61	-57	-56	-56	-57	-60	-42	-61	-57	-57
Capital consumption allowance.....	-20	-22	-23	-23	-25	-26	-28	-30	-32	-17	-23	-29	-26
Profits from current production.....	80	71	60	51	47	43	44	52	60	86	57	50	92
Adjusted for inflation (\$80 B).....	86	74	61	51	45	40	40	46	53	95	58	45	76
Percent change.....	-31.7	-44.9	-55.0	-51.8	-35.6	-37.8	-4.2	79.7	71.2	-5.0	-39.2	-22.5	69.3
Per unit of output (percent of GNP).....	3.5	2.9	2.4	2.0	1.7	1.5	1.4	1.6	1.8	4.0	2.3	1.6	2.3
Profit margins before tax.....	9.9	10.3	9.6	8.7	8.1	7.7	7.6	8.0	8.5	10.1	9.2	7.9	8.5
Profit margins after tax.....	6.0	6.2	5.8	5.2	4.9	4.6	4.6	4.8	5.1	6.1	5.5	4.8	5.4
Savings rate (percent).....	3.5	3.4	3.6	4.1	3.8	3.9	4.1	5.0	4.7	4.5	3.7	4.4	3.9
Monetary base.....	8.9	8.1	3.1	0.6	3.6	1.1	4.7	6.0	8.6	8.2	6.2	3.4	8.1
Money supply (M1).....	5.0	3.9	2.1	0.8	1.9	-0.9	-1.4	4.2	5.9	5.2	4.3	1.0	5.0
M1 plus time deposits.....	9.2	5.7	4.2	0.2	1.8	1.0	1.6	5.1	5.0	8.0	6.1	2.1	6.1
AAA corporate bonds (percent).....	10.5	12.1	12.8	12.2	11.7	10.9	10.6	10.4	10.2	9.6	12.2	10.5	10.3
Mortgage rate—New homes (percent).....	12.1	13.6	15.0	14.3	13.8	13.4	13.0	12.7	12.7	11.2	14.1	12.9	13.0
Federal funds rate (percent).....	13.6	15.0	16.8	14.3	12.2	10.6	9.3	8.7	8.8	11.2	14.6	9.4	9.7
Prime rate (percent).....	15.1	16.3	19.1	16.6	14.1	12.8	12.0	11.1	11.0	12.7	16.5	11.7	11.5
<b>Government fiscal policy (billions of dollars):</b>													
Federal tax receipts.....	525	541	558	560	573	605	625	633	664	498	558	632	716
Federal expenditures.....	540	564	576	603	641	657	682	682	702	509	592	671	738
Surplus or deficit (NIA).....	-16	-23	-18	-43	-52	-36	-32	-49	-38	-11	-34	-39	-22
State/local tax receipts.....	369	376	379	384	389	398	408	421	436	355	382	416	470
State/local expenditures.....	343	351	358	365	372	384	395	405	414	330	362	400	443
Surplus or deficit (NIA).....	26	25	21	19	18	13	13	17	22	25	21	16	27
Total Government balance (NIA).....	10	2	3	-24	-35	-23	-19	-33	-17	13	-13	-23	5
Unified budget—Receipts <sup>1</sup> .....	38	40	140	140	143	151	156	158	166	165	358	609	-----
Unified budget—Outlays <sup>1</sup> .....	46	48	144	151	156	160	164	171	175	155	388	652	-----
Unified Federal surplus <sup>1</sup> .....	-8	-7	-4	-11	-13	-9	-8	-13	-10	-10	-30	-43	-----

<sup>1</sup> Annual figures are fiscal year numbers.

Source: U.S. Chamber of Commerce, Forecast Center.

Mr. Speaker, I now yield to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. I appreciate the gentleman's yielding, and I want to commend him for this effort.

It is unfortunate that so soon on the heels of passing this first balanced budget resolution in the history of the entire budget process, we have to be taking out this special order to call attention to the fact that the results we will see from both prediction and experience over the next year are likely to differ dramatically from the expectations that were generated here today, but I have to conclude that despite all the hard work and good faith-effort that was made in the last 10 weeks, we have fallen far short of the task.

We were told many times during the debate this week and last week that we have a \$2.5 billion surplus program targeted for next year, and that beyond that we have a \$10 or \$11 billion cushion in the form of the oil import fee that has not yet been committed. But I would suggest this afternoon that if we analyze the economic reports and the evidence that has accumulated in the last 2 or 3 weeks, we will realize that all of that is entirely illusory. The economy is deteriorating so rapidly that many of the forecasts on which the committee deliberations of March were based, and on which the discussions this week were based, are going to prove to be far off the mark. I think we will find that within a month

when new estimates are made as to what the real revenue levels are and what the real outlay levels are, implied in the policies in this budget on both the tax side and the spending side, in light of new forecasts of economic performance next year, that we are going to see a very large deficit looming before us once again.

It seems to me that we can expect nothing less than the spending of \$625 billion or \$630 billion next year, not \$612 billion as many of the automatic stabilizers, so-called, kick in. I think we have to recognize that the revenue figures in this budget are highly illusory. Some of the legislative revenue changes will not materialize, thank goodness, but much of the revenue generated by an assumed level of economic activity and employment will not appear as well.

The other point that I think needs to be made today is that if it is true that the numbers that we have before us are entirely illusory and that this budget is far from balanced, what was the real purpose of the exercise that we went through today and in previous days? I would like to suggest for the record, if nothing else, what we have succeeded in doing today is not passing a meaningful policy for next year that can offer some hope of restoring prosperity and restoring opportunity for the American people. Fiscal policy will be formulated over the summer and the fall. It will be in response to far different conditions.

What we have done here in terms of

both numbers and policies is irrelevant for 1981. But what we have done is ratify a policy for 1980 that has been disastrous because by including the third resolution in the final bill that we passed today and in upping the spending ceiling once again and permitting the total overrun during fiscal year 1980 to reach the staggering sum of \$40 billion over what we planned and budgeted last spring at this very time for fiscal year 1980, by permitting the deficit to widen enormously from a level of the midtwenties to more than \$45 billion this year, this Congress in a sense has acquiesced and has adopted policies which are the primary cause of the recession that is causing so much distress in the country today and will probably get worse in the months ahead. So the important thing that we have done here is not to adopt a constructive, helpful, hopeful policy for 1981; the important thing that we have done is ratify a disastrous policy for 1980.

It suggests to me that we have a way to go before this budget process can become a meaningful instrument or tool to bring about an economic program for this country that will tap the resources, that will tap the capacity of our economy to once again experience the kind of prosperity and opportunity that the American people want.

But more importantly than anything else, we have set a terrible precedent here. Not only have we misled the public, but we have misled ourselves by think-

ing that a paper balance of the budgetary resolution, achieved almost entirely by increasing revenues and raising the tax-rate burden on the economy, constitutes a viable fiscal policy and the fulfillment of a constructive objective. It does not, and that is what we have done here today. It has been sadly deficient.

So I again want to express my support for the basic points that the gentleman has been raising and suggest that within a very short period of time, perhaps a few days or even weeks, we will find that this balanced budget resolution, which will receive properly bold headlines tomorrow, will have been as shortlived as the WIN buttons that appeared in September 1974. What we have to do now is start again and see whether we can formulate some policies that really address the real needs of our country and the conditions that we actually face in the economy today.

I appreciate the gentleman's yielding.

Mr. GRADISON. I appreciate the gentleman's comments. Certainly the experience in dealing with this budget suggests that we need to review budget policy in much longer terms than just a year in time and, indeed, that many of the economic difficulties that we are facing today are the result of distortions built into the economy which were a direct result and a result that could have been anticipated from the fiscal policies carried out by this Government in recent years.

Certainly the extravagant Federal borrowing for both on-budget and off-budget items has resulted in great pressure on the financial markets during the peak of the boom and has raised interest rates, and it has certainly been a direct cause of a great deal of the unemployment and suffering facing people in the housing and auto industries, among others. It is a pity in view of this experience which is so recent, indeed, which is causing pain to many of our citizens at this very time, that we are not taking a longer and more realistic view of our proper role in setting sound fiscal policies for the years ahead.

Mr. Speaker, I now yield to the gentleman from Georgia (Mr. GINGRICH).

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Mr. GINGRICH. I want to commend my colleague from Ohio for holding this particular special order. Approximately 6 months from now we will be at judgment day in terms of the national elections and I think it will make interesting reading in late October and early November to come back and read today's RECORD and look at the promises of the majority and the things that were said about the budget and the things that are being said in this special order, and look at the reality of the situation we will then be in.

I wanted to draw out a couple of specific examples of why I feel that the debate today and over the last 2 weeks has really done a great disservice to this country.

In a free society, words are terribly important because they are the only measure people have of what to expect. When words are deliberately misused or

are used in ways which lead people to expect things that will not happen, they degrade and decay the whole process of trust which is the basis of our society.

There has been a great deal of talk about a balanced budget which is frankly nonsense. This budget is not going to be balanced. I know of no one who in private thinks it is. It is in fact a paper promise.

Let me give a few examples of why it is not going to be balanced. The eight-tenths of 1-percent rise in joblessness during April was the largest 1-month rise since January 1975. As a specific facet of the decline in the economy, the economists for the National Association of Homebuilders projected a 1-million-unit drop in housing starts will mean a loss of \$125 million in economic activity, 1.6 million jobs, \$27.5 billion in wages, and anywhere from \$11 to \$14 billion in taxes at the Federal, State, and local levels.

The current projections are that only half as many houses will be started in 1980 as were started in 1978.

In one State, Wyoming, in the forest products industry alone there is 70 percent unemployment already and we have not felt the bottom.

The Christian Science Monitor on May 5 said:

Americans appear to have lost their chance of balancing the budget for the first time in 12 years, although President Carter still pays lip service to that concept. With unemployment rising swiftly and recession deepening over the land, Federal tax revenues will shrink and spending will grow.

It would have been comforting had this House been honest and straightforward and said, "Yes, we know what the recession is going to do, we know that in fact the budget is not going to be balanced, we know that in fact we face real problems."

Forbes, on May 12 said and I quote:

The recession of 1973-75 was the worst economic slump since World War II. A couple of important numbers published in mid-April support the view that the recession now under way is likely to be deeper and more prolonged than the last one.

Forbes goes on at a later point to say:

A slump in the production of business equipment has consistently preceded a decline in a much broader sector of the economy—spending on new plant and equipment.

In other words, the multipliers are starting, the dominoes are beginning to fall and as each industry decays it then carries other industries with it.

Business Week on May 5 said:

Given the speed with which the recession is developing, President Carter's new policy of economic restraint, announced on March 14 is already in jeopardy. It may well rival former President Ford's Whip Inflation Now program as the shortest-lived economic policy in memory. If the current downturn is on a track parallel to that of the last time around, the jobless rate could be approaching 8 percent sometime this summer—well above the projections of the administration.

Now, the point I would make is that these are not irresponsible partisan statements, there are not casual political comments. The best outside observers in this country fully expect a severe re-

cession, a deep contraction, increasing unemployment and it is in fact a direct result of Government policy.

My last quote is Van Doorn Ooms, the Chief Economist of the Office of Management and Budget who said:

We have been forecasting a recession's development since last July, and it is rather nice to be finally getting it.

I suspect that there are a lot of people who are getting laid off, who are getting unemployment or who are getting bankrupt who would not necessarily agree with "it is rather nice to be finally getting it."

The thing I would like to say to my colleague, and the reason I think this special order is so important, we are talking about more than jobs, we are talking about more than inflation, we are talking about more than just a need to turn the tide and begin programs and policies that will lead to real prosperity, to real growth, to new factories, to new development.

We are also, I think, faced with the most severe undetermining of political credibility since the beginning of the depression. The American people are being told daily that help is on the way and yet the truth is that this budget does not offer help, it does not offer hope, it will in fact by massively raising government tax revenues increase the government's share of the economy, increase the depth of the recession, increase the amount of unemployment, increase the pain in the cutting of real take home pay.

Mr. Speaker, I want to close by thanking my colleague for giving us the chance to look at the real situation as opposed to the sort of fantasies that were bandied about during the debate.

Mr. GRADISON. Mr. Speaker, I certainly want to thank the gentleman for measure of the bankruptcy of the ideas of economic growth that have been sold to the American public in recent years. We were told that the only way to deal effectively with inflation is to bring on the suffering of a recession into which we are now entering. There are clearly better ways and I am not at all clearly convinced that the budget debate and the budget policies that resulted in final action today in the House on the House version of the budget resolution indicate the wise course for us to follow in trying to bring about reasonable economic growth and reasonable stable prices in the long run.

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

ADDRESS OF CONGRESSMAN JOHN BRADEMÁS, "THE 1980 MEETING ON THE ARTS," METROPOLITAN MUSEUM OF ART

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

● Mr. FORD of Michigan. Mr. Speaker, the Committee on Education and Labor earlier this week completed work on the House of Representatives legislation continuing the authorizations of the National Endowment for the Arts,

National Endowment for the Humanities and Institute of Museum Services as well as amending the Arts and Artifacts Indemnity Act.

These measures, Mr. Speaker, constitute the major Federal programs in support of cultural activities in our country, and I am hopeful that the full House will mirror the overwhelming bipartisan support each of these programs received in our committee.

Prior to this committee action, the Subcommittee on Postsecondary Education conducted 8 days of hearings on these programs in Washington and throughout the country. In the course of these hearings, we heard about many of the exciting activities taking place around the country as well as about the problems facing those who support the arts and other cultural activities.

Our colleague on the committee and the distinguished majority whip, the Honorable JOHN BRADEMAs of Indiana, addressed many of these issues in his keynote address, "Times Go By Turns," delivered before "The 1980 Meeting on the Arts," a convocation held on April 20 and 21 at the Metropolitan Museum of Art in New York City.

Mr. BRADEMAs was introduced on that occasion by Douglas Dillon, chairman of the board of the Metropolitan Museum.

Mr. Speaker, I insert at this point in the RECORD the remarks of Mr. Dillon and Mr. BRADEMAs.

INTRODUCTION OF REPRESENTATIVE JOHN BRADEMAs BY DOUGLAS DILLON AT 1980 MEETING ON THE ARTS, METROPOLITAN MUSEUM—APRIL 21, 1980

It is a great pleasure for me to welcome this distinguished group here to the Metropolitan. We are delighted to serve as hosts to this 1980 Meeting on the Arts. I am sure that all of us will gain from the experience of these two days and will leave here better able to cope with the problems that are facing the Arts in the Eighties. I want to particularly thank Barbaralee Diamonstein for her efforts in arranging this remarkable meeting. We are all much in her debt.

My pleasant task this morning, which I feel honored to have been chosen for, is to introduce our keynote speaker, a man who needs no introduction to any culturally oriented audience.

I have known John Brademas and counted him as a friend for over twenty years, ever since his first term in Congress. He had earlier graduated Magna Cum Laude from Harvard where he was elected to Phi Beta Kappa and had also received a PhD in Social Studies from Oxford where he was a Rhodes Scholar.

John Brademas came to Congress as a young man of 33 whose educational record and service as an Executive Assistant to Adlai Stevenson promised great things. He has more than lived up to that promise. He has won the respect and admiration of his colleagues in the House of Representatives where he serves as Majority Whip, the third ranking position in the Majority Leadership. As such he has broad influence and power which extends over all areas of Congressional activity.

But we welcome him here today particularly for his role in promoting Federal recognition of, and support for, the Arts and Humanities in all their forms. He was the chief sponsor in the House of the Arts, Humanities, and Cultural Affairs Act which set up the two National Endowments, of the Arts and Artifacts Indemnity Act and of the Museum

Services Act which set up the Institute of Museum Services. In short, he, along with Senator Pell in the Senate, is primarily responsible for all the legislation of the past 15 or 20 years giving recognition to the importance of the Arts.

But John Brademas is not one to rest on his oars. Despite his current heavy legislative responsibilities, his door is always open to anyone with a problem involving cultural policy. We are all of us fortunate that we have John Brademas in Washington for he is one of very few members of Congress who, in addition to his district, serves the whole nation as his constituency. It is typical of him that he responded favorably to Barbaralee's invitation to come here and address us today. I am proud to introduce to you my good friend, John Brademas of Indiana.

#### TIMES GO BY TURNS

(Keynote address of Congressman JOHN BRADEMAs)

I am honored and pleased to have been invited to be with you this morning for this "1980 Meeting on the Arts."

I should like at the outset to pay special thanks to my good friends Douglas Dillon and Barbaralee Diamonstein.

Without the remarkable energies and talents of Barbaralee in helping organize this impressive event, I know it would not have been possible.

She—together with the American Council on the Arts, the Aspen Institute and the Ladies Home Journal—deserves the appreciation of all of us.

Douglas Dillon, meanwhile, has been through another ho-hum month at the Met . . . what with the unveiling of the new "André Meyer Galleries" of 19th century European art and the opening of the splendid Chinese bronze exhibition (which I visited last week). Few citizens of this city do so much to enrich its life—the lives of all who visit the Metropolitan Museum of Art—as does Douglas Dillon.

May I say that I am pleased also to see here another good friend who heads another great museum in this city, Mrs. Blanche Rockefeller.

I am glad, too, as I always am, to return to New York, this great ganglion of a city. And what more appropriate reason could there be for a visit than to undertake an examination of the future of the arts in America?

And, Barbaralee, I must tell you how impressed I am that you have gathered here for this purpose so distinguished and talented a group of people.

#### II. AT HOME WITH THE ARTS

Now, you may be wondering, in the midst of this celebration, really, of artistic endeavor in America, "Why do we listen to a politician from the plains of Indiana?"

I can neither sing nor dance nor play an instrument. When it comes to acting, however, few Congressmen or Senators will make so sweeping a denial of talent!

For nearly twenty-two years, however, as a member of the Committee on Education and Labor of the United States House of Representatives, I have been intimately involved in helping write laws that provide Federal support to the National Endowment for the Arts and to the National Endowment for the Humanities, support for museums and libraries, for schools and colleges and universities.

Much of my service in public life, therefore, has been devoted to the effort that brings us together here today: strengthening the place of the arts in the life of our country.

So, I feel at home with you.

#### III. A MOMENT OF IMPORTANCE

As we meet this morning, the talk all over the city is of money: "Who's going to get what?" "Where will it come from?" "Who's going to pay for it (whatever 'it' is)?"

Whether it's the subway strike or the cab-fare hike, money in New York City these days is hard to find and, perhaps for that reason, easy to talk about.

I can assure you that in Washington we're talking about money too. For in recent months, there has swept through the Nation's Capital a determination to balance the Federal budget for the 1981 fiscal year . . . in response to a perceived desire on the part of the American people that Congress "do something" to try to bring inflation under control.

Whether balancing the budget will have that effect is not altogether clear, but what is, in my judgment, evident is that Congress will this year insist on a balanced budget.

And so there is little question either that, for those who have grown accustomed to an expanding Federal presence, there is a new mood in Washington: And the appropriate phrase to describe it is neither "Breaking Away" nor "Starting over" nor "Being There". It is "Making Do".

Now I remind you that 1980 marks the 15th anniversary of the legislation that created the National Endowment for the Arts and the National Endowment for the Humanities, probably the single most important measure ever enacted in this country in support of the life of the mind and of the imagination.

And I must tell you, too, that even now, this very week, we who sit on the Education and Labor Committee of the House of Representatives will be deep into consideration of proposals to continue the life of the two endowments for five more years as well as to extend two other major pieces of arts legislation, the Museum Services Act and the Arts and Artifacts Indemnity Act.

#### IV. TRENDS AND COUNTERTRENDS

Let me tell you a little of what my colleagues and I who serve on the subcommittee with jurisdiction over this legislation have been doing. But before I do so, let me take just one moment to pay particular tribute to the work of three of these colleagues: The distinguished chairman of the subcommittee, William Ford of Michigan; the ranking Republican on the subcommittee, John Buchanan of Alabama; and another talented young Republican, Jim Jeffords of Vermont, along with Sid Yates of Illinois, who faithfully oversees these matters for the Appropriations Committee. Of course, I need hardly remind an audience in New York of the active support for the arts of my good friend from New York, Congressman Mario Biaggi, Peter Peyser and Ted Weiss, as well as Congressman Frank Thompson of New Jersey. And, of course, I must salute Senator Claiborne Pell of Rhode Island and your own Jacob Javits as well. As you can see, arts support in Congress is strictly a bipartisan affair!

In any event, in recent months our subcommittee has been conducting hearings, in Washington and throughout the country, to examine the "state of the arts", so to speak, and to assess the impact, at the local level, of Federal support of the arts.

We visited Detroit and San Francisco and Cedar Rapids and New York—and, you will not be surprised to hear, had a day of testimony from more than a dozen witnesses from Indiana as well.

What did we find? What is the state of the arts today?

If we are to judge from what we heard during our hearings, the answer is vigorous, nay, vibrant. We listened to nearly one hundred people in all—artists and actors, educators and community arts organizers, jazzmo-

bile directors and museum administrators, dancers and opera singers.

We covered an extraordinary range of activities, and we only skimmed the surface! I have little doubt, however, that what we found in these very different cities is true, in greater or lesser degree, in other communities as well.

#### GROWING APPETITE

For America's appetite for the arts is growing and shows no signs of being sated. Consider these numbers:

In 1966, the Arts Endowment estimated that there were only a handful of professional, non-profit performing arts organizations in the country, including 53 professional symphonies, 27 opera companies, 12 resident theatres, 10 resident dance companies and 27 touring dance companies. There were only 7 state arts agencies in the United States.

What is the situation today?

We find 144 professional symphonies (as compared to 58 in 1966), 65 fully professional opera companies, 70 large and 200 small theatre companies, and 300 dance companies! Every state in the union now has a full-time state arts agency, and the states now appropriate a total of nearly \$90 million a year for the arts, compared to \$4 million in 1965.

These figures reflect an interest in, and exposure to, the arts unlike anything we have seen before in this country. And I find it particularly gratifying, and a positive sign for the future, that much of this new attention to the arts is to be found among young people.

In considering the future of the arts in America, we must consider the marvels of technology as well. For increasingly sophisticated equipment has had much to do with creating larger—and increasingly sophisticated—audiences.

Who knows how far this process will extend? My good friend Doug Davis, in fact, heralds the start of a new "arts age" built on scientific advances already made or soon to be at hand. And he may be right. We have, after all, moved in little more than a century from daguerotypes and lead-type printing presses to "Live From the Met" and satellite transmission of full-color motion pictures with Dolby sound. And the pace accelerates!

#### FEDERAL ROLE

We heard then, in our hearings, about new technologies and local arts activities and the creation of new arts lovers among the young. But what we heard about most consistently, as a part of this flourishing arts scene I have been describing for you, was the crucial importance of Federal support for the arts.

Witnesses spoke not solely of Washington's role as a source of direct financial assistance to cultural institutions, but also of the other valuable functions the Federal Government performed:

As a catalyst for State and local government support of the arts;

As a lever—through the highly successful challenge grant programs of the two endowments—to encourage increased support by individuals and by business and industry; and

As a sounding board for generating greater public awareness of the arts. Indeed, our hearings served that purpose themselves, as witness the extensive coverage given our recent day at the Juilliard School by both the Times and the Daily News.

In sum, then, we found a Nation with a thriving arts scene, an understanding of the need to support these activities and an appreciation of the role the Federal Government has played in enhancing this support.

#### TROUBLED AS WELL

Having said all that, however, I am obliged to paint the other half of the picture. And that half is not nearly so bright. For if the

state of the arts can be described as "vibrant", it can, with equal justification, be described as troubled.

Here are some of the factors I have in mind as we consider the climate in which we must now make decisions about the arts:

First, inflation and the spiraling cost of energy have placed an unexpected squeeze on the operating budgets of cultural institutions large and small;

Second, growing tensions between the United States and the Soviet Union have increased pressure for military, rather than domestic, spending;

Third, resistance, at the Federal, State, and local levels, to bond issues and new taxes has infected the balanced budget movement with a strong case of "Proposition 13 fever." I shall have more to say about this in a moment;

Fourth, cutbacks in arts education programs in our schools have grown out of—and, in my view, distorted—the so-called "back-to-basics" movement in education; and

Fifth, the feeling is present in many quarters that the arts are an add-on, to be supported only if money is left over after the "important" matters are dealt with. Not surprisingly, people holding this view rarely find any money left over.

#### DISTURBING "COUNTERTRENDS"

These negative signs—"countertrends," if you will—are disturbing to all of us here today. As one who must somehow ride the various cross-currents of politics and policy in this and other areas, I can tell you such countertrends make life particularly difficult.

Much of politics consists of reading and responding to the public mood, yet the public is of several, contradicting moods:

On the one hand, increased leisure time and the search for new and exciting ways to fill it give the arts a larger and larger role in the lives of most Americans. Yet the Calvinist ethic lives on, and for some, leisure time is still a luxury.

On the one hand, political support for the arts has expanded almost exponentially in recent years. In the House of Representatives, Members who neither knew nor cared much about the arts are now pressing for even greater Federal support for them.

John Buchanan of Alabama—who, as I said, is the ranking Republican on our subcommittee—has been pleased to tell our witnesses how he "got religion" on the arts and how proud he was of the designation, several years ago, of Birmingham, Alabama, as an "All-American City"—based on its improved race relations and its burgeoning arts community. Yet, on the other hand, the political vitality of the balanced budget movement, and its likely impact on our cultural institutions, and our schools and colleges and universities, cannot be ignored.

On the one hand, we see vastly increased travel abroad by Americans, and great attention paid to exhibits like King Tut or Dresden or the Chinese bronzes, which illuminate another culture. Yet foreign language studies and international affairs courses have been slashed or eliminated altogether by school boards and college administrators throughout the country.

On the one hand, we see—as we did over and over again in California—an expectation of further defeats on referenda to cut state taxes and vital state services. Yet many of these same people also anticipated that Washington—which, needless to say, has problems enough of its own—would come to the rescue with increased Federal funding. I was constrained to warn these witnesses that, if the people of California were intent on committing hara-kiri, Washington would not stanch the bleeding.

In matters of government spending, we discovered in our hearings that the American people have been speaking with discordant voices.

And an uncertain public makes charting a course for arts policy in the eighties equally uncertain.

#### V. NEW STRATEGIES FOR NEW TIMES

How are we to respond to the kinds of conditions I have outlined, those of you who support the arts in your communities and states, and those of us who help set Federal policy in support of the arts?

Well, we certainly do not respond by throwing up our hands and leaving the field to others less inclined to struggle on behalf of the arts. The stakes are too high.

But the altered world I have described for you requires new ground rules and, therefore, new strategies to deal with them.

Let me suggest, from my perspective as a legislative champion of the arts, several such strategies; and bear in mind here that I shall try to be instructive rather than exhaustive.

The first strategy is realism. We must understand that the good old days of constantly rising budgets are gone. Nor is this the time to be writing major new programs in support of the arts, or for many other programs either, for that matter. We are in a time of cutback and trim.

I recently spent two weeks taking part in a process as painful as any I have experienced in my twenty-two years in the House. For eight straight days—morning and evening, weekday and weekend—leaders of the House and Senate met with the President's top economic advisers to try to devise a balanced budget for the coming fiscal year.

I say "painful" because the pressure was really on to reduce expenditures for programs I have long supported, programs which, in terms of needs to be met, are already underfunded. I can tell you that we were able to hold the line against sharp cuts in money for the Arts and Humanities Endowments and the Institute of Museum Services. On the other hand, I should be less than candid if I promised you vastly increased funding for these programs—the time is not right.

I should point out, too, that the congressional budget-making process has several steps, of which the meetings I have described were just one. Our subcommittee will set authorization levels for NEA, NEH, and IMS, "marking up" the bill, we call it—the amendment stage. And I suspect that we shall be somewhat more generous than our colleagues on the Senate authorizing committee were able to be.

Both the House and the Senate must, of course, vote on the bills recommended by their respective committees, and a final compromise bill must be approved.

But then, the House and Senate Appropriations Committees will have their say!

To reiterate, the process is not a simple one. And, with inflation figured in, we can be excused for comparing ourselves to Alice, forced to run as hard as she could simply to stay in one place.

#### USE EXISTING RESOURCES

All the more reason, then, in following this strategy of realism, to make the best possible use of existing resources, of whatever size, and to develop new resources as well, a subject I want to explore in greater detail in a moment.

Now, having extolled the virtues of pragmatism and lowered expectations, I may surprise you with my second suggested strategy: Advocacy. You should be more active than ever before in fighting for support of the arts, and you should press your effort at all levels of government—local, State and Federal.

As part of this fight, you must change people's minds as to what constitutes so-called "non-essential" Government spending. Support for arts education programs in our schools is a prime example, and an area where your efforts could make a major dif-

ference with important consequences for the future.

In the conflict between heightened consciousness and tightened pocketbooks, there are no clear winners. But I believe the "out-back-and-trim" and "back-to-basics" forces, in slashing arts education budgets, misdirect their energies. Nothing could be more basic than that our schools help develop complete human beings, children who can read and write, think and feel.

You must press this point—and the growing evidence that arts education pays significant dividends in helping children learn more traditional skills—on all those who help set school policy.

Let me suggest another focus for your advocacy: Those of us in public office. In his statement before the subcommittee, Theodore Bikel, of course, argued in favor of continued Federal support for the arts, but went on to say this:

"What distresses me somewhat is that we seem to be forced to make these basic arguments each time we come before you, as though it were perennially required for the arts to present a case in justification of their very existence within the framework of Government concern; that each time there are those who would dismiss us as frills and luxuries and that therefore, only the private sector should be properly concerned with our Nation's culture. I know that the members of this committee are far more enlightened and sophisticated than to need basic appraisals but the suspicion persists that we may have to resort to basics for the sake of others not so enlightened."

Bikel's generously exaggerated view of our sophistication aside, I believe he is right. But the "back to basics" of which he speaks should be seen as an opportunity as much as an obligation.

I know, for example, that in the House of Representatives, an entire new generation of men and women—well over half the membership—has come to Washington in just the past half-dozen years. Many of these Representatives have little awareness of the efforts that led to Federal support of the arts. I suspect the situation is much the same in State and local legislative bodies, and you should therefore seek these officials out and make your views known to them.

#### CREATIVE POLITICS

My third and final strategy is this: Creative politics. Those of you who support the arts must bring new players into the game and forge new and stronger alliances in pursuit of your goals. This is all the more important at a time when, as we have discussed, existing sources of funding are less bountiful.

Any examination of American history makes clear the value of such alliances. Let me suggest some of the moves I have in mind:

You must, for example, convince business leaders that "patron of the arts" is an appropriate, indeed, a desirable, role for them to play. While business support for the arts has been growing, corporations still have a long way to go. For years, average corporate giving to nonprofit institutions has remained at just one percent of pre-tax profits.

I read last month of Lawrence Wien's extraordinary efforts to add a spark to the corporate giving picture. As *The Times* reported, under a headline that termed him the "Lone Ranger of corporate philanthropy," Mr. Wien has bought 100 shares each of some 135 companies that reported profit increases, and he has filed shareholder proposals with more than 80 of them. In most cases he has asked that companies raise their annual level of giving to 2 percent.

Apparently, Mr. Wien has been somewhat successful. Although corporate management has consistently recommended against his proposals, a number of those companies have decided to increase their philanthropy.

Now, I am not suggesting that Lawrence Wien's strategy is a practical one for each of us. Quite clearly, such behavior takes a person of large vision—and larger checkbook!

But there are people here who do have some influence in the boardrooms of America, and that influence is a resource that ought not be overlooked.

#### FOUNDATION ASSISTANCE

In similar fashion, I believe that foundations, which for years had been a major component of arts support in this country, should be prevailed upon to resume their leadership. According to the comprehensive survey of "public and private support for the arts in New York City" published earlier this year by the cultural assistance center, total foundation giving—only 10 percent of which traditionally goes to the arts—from 1970 to 1978 grew from \$1.9 billion to \$2.2 billion, an increase of only 16 percent.

By contrast, during this same period, corporate giving rose 150 percent, from \$0.8 billion to \$2.0 billion, while individual giving increased 128 percent, from \$14.4 billion to \$32.8 billion.

The survey notes, by the way, that individuals thus gave fifteen times as much to all charitable organizations as either corporations or foundations and may constitute for arts organizations "a largely untapped resource".

In discussing creative politics, I do not mean to limit myself to new forms of direct financial support. It is just as important to encourage greater cooperation among organizations now working in the field so that existing resources might be more effectively utilized.

In that connection, the recent cooperative proposal of the National Assembly of State Arts Agencies and the National Association of Community Arts Agencies for a new NEA "state and local incentive program" is a positive development.

The purpose of the program would be threefold:

First, to assist State and local arts agencies in becoming better able to support the arts;

Second, to develop and encourage new levels of State and local government money to support the arts; and

Third, to encourage cooperative planning and preparing for the arts between and among local arts agencies, State arts agencies and the National Endowment for the Arts.

This proposal, and the cooperative effort required both to produce and implement it, seem to me extremely valuable.

#### DANGER OF FRAGMENTATION

One of the paramount dangers facing the arts today, many people feel, is fragmentation. The diversity that makes the arts so exciting to performer and observer alike makes coordinated effort difficult.

It was Voltaire who wrote, "All arts are brothers; each one is a light to the others." Two centuries later, we often seem to forget that fact. Claims for the prominence of one art form over another—or of one group or one community—can undermine what should be a common commitment to the arts as a whole.

That is why a conference of this kind is so important. Let me suggest, in fact, to Barbara Lee that "The 1980 Meeting on the Arts" not be a "one-time-only" event, but that she consider making it an annual occurrence—a gathering of the clans, if you will, to keep us in touch with one another on a more regular basis.

I have discussed creative politics in terms of new money and new levels of cooperation. But creative politics involves new constituencies as well, and for that, new awareness.

For example, I was stunned at the number of people we spoke to in California who recited a litany of disasters that would stem from the passage of "Proposition 9" later this

year—but who went on to say "and if it gets on the ballot, it will pass overwhelmingly."

These people may be right, although I understand that Proposition 9 is now running into strong opposition.

I believe, in fact, that, in California and elsewhere, as people come to recognize the potential impact of such measures, they are beginning to fight back.

For we are talking, not only about a few artists but of the millions of people who visit a museum, attend a concert, or see a play.

We are talking not only about school children but about their parents and teachers and school administrators as well.

We are talking not only about teenagers who will have fewer things to do but about local officials and neighborhood leaders who recognize that community art programs can offer a life rope to youngsters in trouble.

Together, all these people represent a constituency capable of changing many minds. You must make common purpose if you hope to influence policy in the difficult days ahead.

Politicians of all types, by nature and by necessity, want to be responsive to the people they represent; and it would be a great mistake for public officials at any level to underestimate the degree of public support that does exist for the arts. But it is the responsibility of you who are advocates for the arts intelligently, creatively, effectively to articulate that conviction to your representatives, elected and appointed.

#### VI. CONCLUSION

These, then, are only some suggestions I would offer as we enter a troubling but exciting decade. Much of what I have said may appear to be political in nature, but the matters we are considering at this "Meeting on the Arts" are largely matters of public policy and public perception. Insuring a vigorous and vital role for the arts in American life will require the building of coalitions and the mobilization of constituencies, both political tasks for which I suspect all of you are far better equipped than you might imagine.

"Times go by turns," wrote the poet Robert Southwell nearly 400 years ago, "and chances change by course/from foul to fair, from better hap to worse."

These are difficult times, to be sure, but armed with energy and good will and imagination, we can make our way to fair weather once again.

Thank you. ●

#### MCCC SOLAR CAMPUS IS PUTTING MISSCO ON INTERNATIONAL MAP

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

● Mr. ALEXANDER. Mr. Speaker, on April 25, 26, and 27, Energy Expo '80 was held on the campus of the all solar powered Mississippi County Community College in Blytheville, Ark. This first regional Mid-South energy exposition featured 12 public workshops, an energy film theater, and more than 70 energy-related exhibits and demonstrations.

The purpose of Energy Expo '80 was to demonstrate to people at the local level the highest state of art for energy conservation and alternative energy production. Attendance at this 3-day event exceeded 25,000 people, and from the enthusiasm of the attendees, exhibitors, and workshop participants, it was evident that Energy Expo '80 significantly expanded awareness of the energy and economic options available to break the



foreign oil habit and achieve energy self-sufficiency.

One of the collateral benefits of the Expo was to focus attention on Mississippi County Community College, popularly known as MC,<sup>3</sup> which is the world's largest total solar photovoltaic energy demonstration project. This particular facility attracted considerable attention from the 72 foreign visitors—senior government officials and university professors—that attended Energy Expo '80.

Concerning the Expo and Mississippi County Community College, an interesting article appeared in the *Osceola Times* which I offer for the consideration of all Members of Congress:

[From the *Osceola (Ark.) Times*, May 1, 1980]

**MCCC SOLAR CAMPUS IS PUTTING MISSCO ON INTERNATIONAL MAP**

(By Phil Mullen)

Energy Expo '80, held at the Mississippi County Community College last weekend, was an evident success as big crowds braved the wet and cold weather to stream through the huge tent and view the more than 50 exhibits and to attend the many workshops.

Two participants best illustrated the affair: Congressman Bill Alexander, the chief sponsor of Expo, and Mark Smoot, MCCC student, who came all the way from Denver, Colo. to study solar engineering.

Congressman Alexander, as he attended church at Calvary Episcopal on Sunday, was elated at the conferences, meetings and receptions which he had attended and which also welcomed energy experts and students not only from all over this country but also from 20 foreign countries.

Mr. Smoot is an example or how the Mississippi County Community College is nationally famous as the first "All Solar Campus" and which has been one of the pioneers in offering associate degrees in solar engineering.

The young man is not exactly a stranger here. He is married to the former Miss Pam Taylor, daughter of Mr. and Mrs. J. W. Taylor.

More than two years ago, Mr. Smoot began regarding the field of solar engineering as the opportunity of the future, "something like computers were 25 years ago," he said.

His in-laws, the Taylors of Osceola, Ark., mailed him a newspaper clipping about this new college and its all-solar campus. His wife was very agreeable to moving back home for a spell and so they did.

Mr. Smoot has been employed part time and had attended MCCC where he will graduate next month with a degree in Solar Engineering.

Mrs. Smoot, remembered here as a very pretty high school girl, is a registered nurse, graduating from St. Joseph's Hospital in 1974. She has been serving at Osceola Memorial Hospital the past two years. Her mother worked there before her.

The two met after Miss Pam Taylor had visited in Denver and liked it and just removed herself from Memphis to the mile high city.

Now they will return to Denver where Mr. Smoot will work and continue his education. He will pursue further engineering studies. This is a field, he says, "which is exciting in addition to offering a means of making a livelihood."

Authorities state that solar power will provide 20% of this nation's energy needs by the year 1990.

And Mississippi County Community College, of Blytheville, Ark., no doubt will remain as one of the outstanding educational institutions in this sunny field. ●

**A SALUTE TO REV. WILLIAM F. CROCKETT**

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

● Mr. STOKES. Mr. Speaker, on Sunday, April 27, 1980, I had the opportunity to share a momentous occasion with a very close friend. The occasion was the trial sermon of Rev. William F. Crockett which was delivered at the Shiloh Baptist Church at 5500 Scoville Ave. in Cleveland, Ohio. The senior pastor of the church is the distinguished and esteemed Dr. Alfred M. Waller.

Mr. Speaker, Reverend Crockett shared the intimate fact with me and other close friends that he has known for some time that God had called him to preach and that he had tried to avoid the call. A few weeks ago, he shared with me his decision to stop running from God's call and stated that he had made plans to enter the ministry and deliver his trial sermon.

Mr. Speaker, Reverend Crockett is a very able, talented, educated, and articulate individual. He has been actively involved in every facet of the community—in its civic, religious, social, and political activities. The evidence of his involvement in the community was demonstrated by the host of friends who joined him on this occasion in order to demonstrate, not only their respect and admiration, but their thorough support of his new role in life.

Reverend Crockett is a graduate of the Cleveland College of Western Reserve University and has a MBA degree from Baldwin-Wallace College in Berea, Ohio. Currently he is a student of theology at Ashland Theology Seminary.

In terms of his professional career, he is currently an employee of the CETA Administration, Human Resources for the city of Cleveland. He has also worked as an inspector for the board of elections, as an EEO Officer with the CETA program in Cleveland and as a supervisor with the Cuyahoga County Board of Elections. Additionally, he currently serves as the project director for the Carnegie Roundtable.

His fraternal affiliations include his position as the associate editor of the *Lamp* which is the official publication of the Prince Hall Masonic Grand Lodge of Ohio, deputy imperial convention director of the Ancient Egyptian Arabic Order Nobles of the Mystic Shrine and membership in the Prince Hall Masons and Shriners.

Therefore, as you can see, Mr. Speaker, Reverend Crockett is an extraordinary man who has given generously of his time and talents to many organizations and people. Now, this man has decided to do even more for people by dedicating his life to God and entering the ministry.

At this time, Mr. Speaker, I want to share Reverend Crockett's trial sermon entitled "Obeying the Command" with all of my colleagues whom I am sure join me in extending their heartiest congratulations to this new minister:

**OBEYING THE COMMAND**

I should like to invite your attention to two pages of Scriptures as recorded in the Living Bible.

In John 9:4 it is written, "All of us must quickly carry out the task assigned us by the one who sent me, for there is little time left before the night falls and all work comes to an end."

Hebrews 12:25 says, "So see to it that you obey him who is speaking to you. For if the people of Israel did not escape when they refused to listen to Moses the earthly messenger, how terrible our danger if we refuse to listen to God who speaks to us from Heaven."

For just a few minutes, I want to talk to you from the subject, "Obeying the Command".

Down through the ages, God has seen fit to speak to man at different times and in different ways. But whatever His means of communication—whether direct, through visions and dreams, or otherwise, it is man's best interest to listen and to respond when God speaks.

History and personal experience attest to the fact that reward and success are the fruits of obedience. Similarly, however, we are also made aware of the harsh and oftentimes frightening consequences of disobedience.

Although there are numerous examples of this balance of great Truth, briefly I'd like to discuss the roles of two Biblical figures who can be found at opposite ends.

When Abram was 99 years old, God appeared to him and said ". . . I am the Almighty God; walk before me and be thou perfect." God then issued to Abram specific instructions. He changed his name to "Abraham" and established with him a covenant, or contract. In effect He told Abraham that he was being assigned certain duties, and that he was required to carry them out exactly as he was instructed. God told him his wife's name was being changed from "Sara" to "Sarah", and although Sarah was then 90 years old, she was going to bear Abraham a son whose name was to be Isaac. Listen to me Abraham, this new name I've given you has special meaning, for you'll become the father of multitudes, of nations and kings. I am making you the owner of all the land of Caanan and it shall be yours forever. Prosperity and abundance shall be yours. You shall be my agent and the leader of the people.

They tell me that Abraham fell down on his face, laughed and said in his heart, "I'm already a hundred years old and Sarah is 90, how can she possibly bear me a son at this late date." Let me use my own imagination here. In his mind Abraham is questioning God, saying Lord, it is a matter of common knowledge that at our age the human reproductive organs have degenerated into a nonproductive state. The biological realities of humankind just don't permit Sarah and me to produce a son, and maybe, just maybe Lord, you meant to tell me something else.

Man has always wanted to apply his own understanding and logic to any situation that seems out of the ordinary, and Abraham was no different. What is it that causes us, with all our limitations and imperfections, to question our Creator who fashioned us out of the dust, as it were?

Abraham's strong faith and trust in God enabled him to put aside his own doubts and suspicions, and he did as he was instructed. And everything God said he would do, He did. That has always been and ever shall be the case with God.

Come with me now and contrast the prophet Jonah's response with Abraham's.

Jonah was a prophet of Israel, a citizen of Gathhepher in Gallilee. During the reign of Jeroboam, he had foretold Israel's recovery of Hamath. There came a time when God

instructed Jonah to go to the city of Neneveh, a city consumed with wickedness. Jonah was to speak out against their sinfulness and tell the people that God was most displeased. But Jonah did not want to go and boarded a ship at Joppa to run away to Tarshish. He paid for his ticket and "climbed down into the dark hold of the ship," there to hide from the Lord.

I wonder how many of us have at some point tried to hide from the Lord. I must personally plead guilty, but I tell you there just is no hiding place, for if there were, I would not be standing here in this capacity at this moment. Two and one-half years ago it was revealed to me that I should preach the gospel of Christ but that wasn't what I wanted. My own agenda was replete with things I wanted to do with the remaining years of my life, and while much on that agenda had to do with doing the Lord's work, it included a major flaw that could only be erased by complete obedience on my part. In the intervening months between 1977 and last month God spoke to me on four major occasions and each time, except the last one, I attempted to interpret something other than the message conveyed to me. Oh I made up my mind some time ago that one-tenth of what I earn doesn't belong to me, but to God. I understood and still practice visiting the sick, feeding the hungry and generally sharing with others a portion of that with which God has blessed me. But God kept on pricking my conscience, and I said I tell you what I'm going to do, Lord, I'll make a trade-off with you. I've been asked to serve as superintendent of the Sunday School and if the people want me, I'll do that job and that should satisfy Your demands on me. I'll give it everything I've got and maybe this tinge of guilt I feel at not doing exactly what you've told me to do, will somehow go away.

It does not work that way, my friends. It was sheer brainlessness on my part to think I could substitute my will for God's. Just like Jonah, who felt the Lord's wrath and experienced great agitation and disorder because of disobedience, I too have been exposed to the agonizing trauma of upheaval, disruption and even defeat.

And so I decided to search the Scriptures to counterbalance the results of doing my own thing, as opposed to doing what God told me to do. I discovered or rediscovered, that in the book of Numbers, Aaron and his sons received compensation for obedience in rendering service in the Tabernacle, and therefore must obey.

In *Psalms* the righteous are steered away from harm, success is the reward of the obedient, and although weeping may endure for a night, it is promised that joy comes in the morning. I must obey.

In *Proverbs* I'm told to trust in the Lord with all my heart and lean not to my own understanding; that the evil man gets rich for a moment but the obedient man's reward lasts forever. I've got to obey.

*Isaiah* promised that God will come in all his power and pass out rewards equal to what each of us has done. I have to obey.

*Matthew* tells me that the follower of Christ will be reviled, persecuted and lied about, but he said be happy about it because a tremendous reward awaits me; then Christ poses the question, "What profit is there if you gain the whole world—and lose eternal life. I tell you I've got to obey."

In *I Corinthians* Paul says "If I were volunteering my services of my own free will, then the Lord would give me a special reward; but that is not the situation, for God has picked me out and given me this sacred trust and I have no choice."

*Phillipians* reminds me "... I can do everything God asks me to with the help of

Christ who gives me the strength and power"; that it is the Lord Christ who is going to pay me, giving me my full portion. I must obey.

In *Hebrews* I'm instructed to keep my trust in the Lord alive, to keep on doing His will no matter what happens, if I want Him to do for me all that He has promised. I must obey.

*2 Peter* informs me that destruction lies in store for false teachers and those who live in evil pleasures day after day, pretending to be what they're not. I've just got to obey.

*Revelations* exposed to me the Glory of God and promised the return of Christ to reward all according to their deeds. I must obey.

In conclusion, I am grateful to God that with all my sinfulness, flaws and imperfections, He yet permits me to look heavenward and cry out, "Father."

I am therefore consumed by the desire to live out the remainder of my life in such a way that God can, with a smile of approval and satisfaction on His countenance, look down upon me and say my son, my son, my son.

God bless you. ●

#### PHILIP MAZZEI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to call the attention of my colleagues to a learned address delivered by Sister Margherita Marchione at the Conference on the Contribution of Italians to the United States before the Civil War held by the National Italian American Foundation in Washington, D.C., on April 18, 1980.

Sister Margherita is the Nation's leading scholar on the life of Philip Mazzei, the great American statesman who shared his political ideas with Thomas Jefferson as they worked together in the movement for this country's independence.

Sister Margherita, who heads the Salvatore Center for Mazzei Studies at Fairleigh Dickinson University, has authored a book on Mazzei. In a recent letter to her, the Honorable George M. White, Architect of the Capitol, wrote, in part:

Mazzei is no stranger to us at the Capitol, since it was he who assisted Benjamin H. Latrobe in 1806 in locating fine Italian sculptors for our building, then under construction. Your book on Mezzel would be a very welcome addition to our library, indeed.

I hope my colleagues will be as inspired as I am by such a report on the contributions and response of our forbears to the challenges and travail of our Nation during their period in our history.

Excerpts from Sister Margherita's address follow:

ADDRESS BY SISTER MARGHERITA MARCHIONE

I shall begin by reading a translation of Philip Mazzei's epitaph, written in Latin by his friend Giovanni Carmignani at whose request Mazzei wrote his Memoirs:

"To Philip Mazzei of Poggio a Caiano, a high-minded and most incorruptible man, the best of citizens even in evil times, who saw the ways of many peoples and cities. Granted citizenship in the United Colonies of North America, he carried out for them

a diplomatic mission in France and throughout Europe and wrote excellent commentaries on their bodies politic. He accepted a diplomatic mission in France from the most humane of Polish Kings, Stanislaus Poniatowski, who was one of his more intimate friends. Well deserving of both Monarchy and Republic, and felicitously reconciling differences, he won honors and favors for himself and friends. He died in Pisa on March 19, 1816, at the age of 86. Wherefore Antonia, his wife, and Elizabeth, his daughter, Gratefully placed this memorial."

The epitaph stands, as a resumé of Mazzei's life—the life of an interesting figure of the Enlightenment—which began on December 25, 1730, almost 250 years ago.

Today we honor Philip Mazzei, a Citizen of the World who lived in Florence, Italy, and was the Grand-Duke's friend.

In Smyrna, he was a surgeon. In London he was a merchant. In Paris he was Virginia's agent. In Warsaw he was advisor to King Stanislaus. In Albemarle County, Virginia, he was called "after Mr. Jefferson, the best leader in the county."

In 1771, Mazzei developed a plan to form an agricultural company for the purpose of introducing into the colonies the different cultures of Europe. It met with the approval of Thomas Adams and a group of Virginians. It did not take much convincing to get Mazzei involved. In fact, in 1773 he ended his stay in foggy London to move to sunny Virginia, where the climate, both physical and ideological, would be more congenial to him—a Tuscan and a Whig well-versed in the teachings of the French philosophies.

Soon Mazzei's fame spread among the gentlemen farmers of Virginia. Through Thomas Adams he was offered 5,000 acres by the Assembly, which he did not accept. He chose instead to go beyond the mountains where he hoped to find suitable land. On the way there, he and Adams were invited by Jefferson to rest at Monticello. Engaged in agricultural experimentation, Jefferson was delighted to talk shop with the sparkling visitor who had just arrived with men, plants and implements to transform Virginia agriculture.

Mazzei relates in his *Memoirs* that early the following day he and Jefferson made a tour of Monticello. He learned that the adjoining 400 acres belonged to a "poor farmer" who could not afford slaves. The cabin there would be large enough for Mazzei's farmers. Jefferson convinced his guest of the quality of Albemarle's rich, red clay soil and, to add force to his argument, he offered a gift of 2,000 acres to add to the 400. The men cleared the land and Jefferson supervised the building of a main house for Mazzei. Other buildings were added to his estate, *Colle*, which rose within sight of Jefferson's Monticello.

In Virginia, Mazzei lost no time in organizing a company for the purpose of raising and making wine, oil, silk. It was the first "Wine Company" in America. Thirty-one prominent colonial leaders (including Lord Dunmore, George Washington, Thomas Jefferson) subscribed paying 50 pounds sterling per share. Virginians were eager to participate in his schemes for producing new products and for encouraging viticulture. Years later, Benjamin Henry Latrobe wrote to Mazzei (6 March 1805): "The time is already approaching when our vines and our olives will spread your name and our gratitude over a great portion of our country."

Within a few months after his arrival, Mazzei not only became a naturalized citizen but, aware of the tensions between Great Britain and the Colonies, he lost no time in espousing the cause of the Colonies. His agricultural undertakings were gradually pushed into the background by events of military and political importance and, like

his friend Jefferson, he was totally involved in the movement for independence. They shared political ideas, and according to his *Memoirs*, Mazzei and Jefferson published a periodical sheet which was distributed by the gazettes. They agreed that Mazzei's writings should be anonymous and so his newspaper articles appeared under the pseudonym of "Furioso." In our search we have not found this pseudonym; instead we learned that Mazzei called himself "Citizen of the World." We located his "Observations of a citizen of the word to an American" which he transcribed for Count de Vergennes in 1781. The lengthy front-page article extended to page two of Dixon & Hunter's *Virginia Gazette*. It was published in the August 24, 1776 issue.

Perhaps Mazzei's greatest contribution to the cause of the American Revolution was as a propagandist. Not sharing the reluctance of other Americans to sever all ties with Great Britain, it was easier for him to advocate a complete break. His first defense of the American cause to European readers is dated February 12, 1774 in *Notizie del Mondo*. On June 10, 1775, (before Thomas Paine's writings) he wrote a similar piece for the *Gazzetta Universale*. In it Mazzei states that the Colonies are "united and are now so tightly bound together that the whole world cannot disunite them, and if but one is touched, all of them will react." He then speaks of Boston blockade, the work of the Committees of Correspondence, and the election of delegates to the General Congress. And in September 1776 he translated the Declaration of Independence for both those papers. Mazzei fought against the misunderstandings and deliberate misrepresentations disseminated by the European newspapers.

Mazzei's involvement in political affairs was constant. After the landing of the British at Hampton, he marched with the Independent Company of Albemarle County. When Lord Dunmore took refuge on the Powey man-of-war, the Assembly requested that he order the arms, which were left in the palace, to be removed to the public magazine. Lord Dunmore refused to comply. On June 24, 1775, a group of twenty-four Virginians including Philip Mazzei, successfully stole the arms. Not only was Philip Mazzei a member of the group, but he also contributed toward the expenses of this undertaking.

By 1776, Mazzei was an active presence in Albemarle County politics. While virtually none of his incoming correspondence survives, his letters to John Page and to Patrick Henry attest to his feelings at home with the Virginia leaders. Mazzei's "Instructions of the Freeholders of Albemarle County to their Delegates in Convention" is a concrete example of his desire to participate in the drafting of a constitution for the new state.

There is no doubt that this recently identified document-draft was written by Mazzei. Its importance was recognized in 1952 when Julian Boyd stated in an editorial note (*The Papers of Thomas Jefferson, Vol. 6*) that Jefferson's "own draft-constitution of 1783 was influenced by these views of the Albemarle inhabitants." Boyd printed the clerk's copy found among Jefferson's papers. He was not aware that the document was Mazzei's. Written in May 1776, Mazzei's words are prophetic when he speaks of "men now labouring under the oppression of Tyranny in other Countries who will fly to this free land." Apparently these "Instructions" were circulated (and/or printed) because we have, in Mazzei's hand, his answer to the objections that were made.

Permit me to observe: (1) No one took the time to investigate who might have written the "Instructions" found in the Library of Congress and whether that person might not have played a role in the drafting of the

Virginia Bill of Rights and the Virginia Constitution of 1776. (2) No one noted the 40-page draft among Mazzei's personal papers in Pisa, Italy. (3) No one noted that Mazzei's letters to John Page and to Patrick Henry, written before the Declaration of Independence, clearly refer to these "Instructions."

When the Colony of Virginia was in need of money and army supplies, Governor Patrick Henry, Jefferson and other Virginians agreed to send Mazzei as Virginia's agent to the Grand-Duke of Tuscany. Jefferson had already written to John Hancock (October 19, 1778): "He [Mazzei] has been a zealous whig from the beginning and I think may be relied on perfectly in point of integrity." Mazzei had impressed them with his knowledge of European sovereigns and his understanding of their ways.

When he finally arrived in Paris, via Ireland, in November, Benjamin Franklin greeted him cordially but, disapproving of missions by the separate states, withheld his credentials. Two years later, Mazzei received copies from Virginia. But it was too late. His mission to raise funds failed. A letter of recall from Governor Harrison reached him in Florence. Mazzei, anxious to explain his conduct, sailed for America and arrived at Hampton, Virginia, in November 1783.

With his return to Virginia, Mazzei became chief organizer of "The Constitutional Society," which was formed in 1784. Its purpose was to allow discussion of important political issues before legislative decisions were made and to preserve the "pure and sacred principles of liberty." The Society was made up of thirty-four important citizens of Virginia. Among them were: James Madison, James Monroe, Patrick Henry, John Marshall. This organization was an example of Mazzei's belief in the importance of ideas and the power of the written word. Nowhere was Mazzei's vision clearer than when he organized this group to discuss and defend the fundamental rights of the people. Mazzei's motion at the second meeting gave it its title, "The Constitutional Society." Although the Society met but few times, its formation displayed an eighteenth-century eagerness to unite for worthy purposes and was an example of the ferment of political thought in the post-revolutionary years.

Mazzei's devotion to his adopted country and his longing for America never diminished. Building upon his talents as a propagandist, he set out once more to counteract false representation of America. In 1788 he published his four-volume *History of the United States*. John Adams and Thomas Jefferson were very warm in their encouragement of Mazzei's project. They answered his queries, and Mazzei incorporated their answers. He also included Benjamin Franklin's "Information on those who would emigrate to America" and essays by Concorcet. The work went through two French editions and a German adaptation and it is a reminder of the links between American and French political thought in the year immediately preceding the French Revolution.

Always eager to form clubs for the discussion of contemporary political and social issues, Mazzei joined with others—Lafayette, Mirabeau, La Rochefoucauld—to found "The Club of 1789." He was also its secretary of foreign correspondence.

Mazzei's principal involvement with the French Revolution was as an observer and reporter. His participation in French affairs was related to his involvement with Polish affairs. He lived in Paris and functioned as an employee—first as unofficial agent and then as charge d'affaires—of King Stanislaus. Soon after reading Mazzei's *Recherches*, the King invited him to Warsaw, telling him that he looked forward to the opportunity of knowing him personally. Mazzei arrived there early in 1792, to be both friend and advisor. He wisely urged

Stanislaus not to issue paper money, and wrote *Reflections on the Nature of Money and Exchange*. Stanislaus was pleased. He had the pamphlet translated into Polish and printed immediately; in one week fourteen thousand copies were distributed. Later, it was translated into French and, when Mazzei retired to Pisa, the Italian version was printed. (Perhaps Mazzei's pamphlet will enlighten our leaders during this time of inflation!)

In 1802, at the age of 72, Mazzei traveled to Russia to claim his Polish pension and collect money which Count Potocki owed him. When he returned to Pisa, he resumed the cultivation of his own little garden, happy to be just plain *Pippo l'ortolano* as his friends called him (Phil the gardener). He continued to offer his services to his adopted country. His final gesture of friendship to the United States was the hiring of two Sculptors in 1805 for work in the national capitol, Washington, D.C. From Pisa, at the age of 75, Mazzei wrote to Latrobe:

"I am much obliged to the President and you for having procured me the opportunity of employing myself in the service of my dear adopted country, where I have never lost the hope of ending my old days." Mazzei set out for Rome, and hired Giovanni Andrei and Giuseppe Franzoni to bring their Italian artistic talents to the United States.

Mazzei's last years were devoted to his wife Antonia and to the education of Elisabetta. He spent his time gardening and writing his *Memoirs*—an interesting account of his life which includes many of the great people of his times.

Soon there will be a microfilm edition and Guide with over 2,500 documents, and an unabridged translation of Mazzei's *Memoirs*. If you would like to see the work in progress, come to the Salvatori Center for Mazzei Studies—the only place in the world where all existing Mazzei documents may be found.●

#### PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, I was absent yesterday on rollcalls 215 and 216 due to a commitment to deliver the commencement address to the graduating class of Brevard Community College in my district. Had I been present I would have voted "no" on the Latta substitute and "no" on the Rousselot substitute to the first budget resolution for fiscal 1981. I believe the adoption of either of those substitutes would have destroyed the carefully balanced budget resolution framed by the House Budget Committee and would have made it impossible to adopt a resolution providing for a balanced budget in the next fiscal year.●

#### SECRETARY SCHLESINGER OFFERS SOME WISE OBSERVATIONS ON THE FAILURE OF THE IRANIAN HOSTAGE RESCUE MISSION

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

● Mr. STRATTON. Mr. Speaker, in the past couple of weeks the American press, the American people, and the American Congress have all devoted a great deal of time and attention to a minute scrutiny of that ill-fated mission. These in-

quiries, of course, are designed for the most part to understand the mission and the reasons for its failure, so as to be better prepared in the not unlikely event that at some not, I hope, too distant time, we might wish to repeat that rescue effort with a greater measure of success.

In that connection, I believe that one of the finest and most broad-gauged assessments of the failed mission was presented by former Defense Secretary James Schlesinger in an article that appeared on the Op-Ed page of yesterday's New York Times. I believe that Mr. Schlesinger's analysis and recommendation's deserve the careful attention of every Member of this Congress.

The article referred to follows:

SOME LESSONS OF IRAN

(By James R. Schlesinger)

WASHINGTON.—President Carter's courageous decision to authorize the hostage rescue mission in Iran has drawn the public support deservedly given to Presidents during times of trouble. While the costs of failure unquestionably are high, the costs of apparent impotence and unwillingness to act could be even higher. A great power cannot retain influence when the conviction becomes widespread that it lacks the will to employ force to protect its interests.

Nonetheless, it is not too soon for some preliminary stock-taking, for this ill-fated mission calls into question a good many of our recent national habits and assumptions. A preliminary assessment suggests that the plan was too complex—had too many moving parts. Yet, it is hardly appropriate to blame the President, the military planners, the field commanders, reluctant allies, or bad luck. Rather it is time for careful diagnosis of longer-term influences. Much of the immediate problem is but a reflection of the larger national mood and of national self-indulgence of the last decade. As we "learn the lessons of Iran," to a large degree it will require the unlearning of the false lessons of Vietnam. Here, then, are some lessons of Iran.

Lesson No. 1. Any military operation will be a microcosm of the overall defense Establishment. Efforts should be and are made—through selection and training—to insulate specialized forces from the ills of the larger body. But no such effort can be wholly successful, particularly in the American military Establishment with its penchant for equality and antipathy to special treatment. Overall deficiencies in recruitment, training, maintenance, force structure, and budget support almost inevitably will be reflected in specific operations. The aborting of the mission points directly to questions of maintenance, equipment age and reliability, training and the status of our conventional and unconventional forces. Increasingly in the past decade, the military Establishment has been placed on short rations. The response of the military services has been to grimace, to salute their civilian overlords and march off bravely saying, "Can do, sir." Yet, operations and maintenance have been subjected to relentless budget-chopping. Flying hours have been reduced too much. Equipment is aging. The Navy has too few, overworked ships—too long at sea and too infrequently overhauled. In practice, the all-volunteer force has reduced the quality and the retention of personnel. Having decided to rely on the market, we do not meet the market test of comparability. Pay ceilings have led to the steady loss of technicians. The Navy, for example, is 20,000 petty officers short. How can these intractable problems fail to affect conditions on, say, the Nimitz?

If the United States intends to retain the military capability to fulfill its role as a superpower, it will have to cease caring last

for its military requirements, cease the standard budgetary games, and devote more than 4.5 percent of the gross national product to defense.

Lesson No. 2: The role of planning is to squeeze to the irreducible minimum the element of luck. Bad luck can destroy any operation, but careful planning will enhance the probability of success. Luck smiles on the prepared. Planners should strive to bring together tested forces and equipment—men and units that have worked together, and know from experience that their associates can be trusted. Sharing the glory (or blame) by parceling out an operation among all the services is a secondary consideration. Rehearsals should be faithful replicas of the planned mission. Maximum authority should be delegated to the field. Chances for success are reduced by building in too many decision points for political review. Once initiated, an operation should be aborted only for the gravest reasons—indeed, as any operation involving risk proceeds, caution and timidity become evermore beguiling to policy makers.

Lesson No. 3: Retention of successful tactics from the past requires an effective institutional memory. Mechanisms to prevent the loss of valuable experience can preclude falling into preventable errors. For example, the raid at Sontay prison in North Vietnam in 1970 was well-planned and brilliantly executed. The distances were substantial. The Air Force helicopters used were air-refuelable, and the crews had many hours of night flying and refueling experience. Air Force pilots have had extensive experience working with Army combat units and in delivering them to the combat zone. Experience and trust go together. In a complex operation, the chain is only as strong as the weakest link. Clearly the helicopter link could have been strengthened by drawing on proved equipment and on experience.

Lesson No. 4: Cooperative hosts may be essential. Both the Israelis at Entebbe and the West Germans at Mogadishu, Somalia (not to mention the role of Thai airfields in the Mayaguez affair) depended on the collaboration of friendly states or neighbors. The reluctance of nearby states to provide full support handicapped our Iranian operation. In its period of international pre-eminence, America failed to provide an adequate long-term base structure. The Middle East now seems divided between those allies with whom the United States does not want to be associated—and those allies that do not want to be openly associated with the United States. The natural reluctance is reinforced by a loss of American prestige—and of trust—since to be a third-world ally of the United States has recently appeared quite perilous. Such weaknesses can be cured only by a foreign policy perceived as strong and steadfast—and providing full support and protection to our associates.

In the depths of our post-Vietnam discontent, it was widely accepted that a reduced defense budget coupled with limited military capabilities would preclude our involvement abroad. It will not. It will only insure that unavoidable involvement occurs with reduced chance of success. If we are honest with ourselves, if from this failure we can demonstrate the capacity to learn, we may yet turn yesterday's setback into tomorrow's success. ●

IN MEMORY OF EIGHT BRAVE AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, last

night, May 6, an Air Force aircraft brought the bodies of eight gallant U.S. servicemen home to America. They had chosen their profession to serve their country in its defense in troubled times and in a troubled world. They had trained in special skills to react to any circumstance if America or Americans were threatened or endangered. Along with their comrades who undertook the valiant rescue attempt for the Americans held hostage in Iran, they had volunteered for what many had said, and many still say was impossible. Yet, even in the attempt, they found true success and great admiration in the eyes of America and the rest of the world.

As we have in the past for thousands who have fallen in defense of our Nation and thousands more wounded or disabled in that service, we as a government and as a people stand ready to honor that sacrifice and to acknowledge our debt to their families, the widows and children of these brave men. This is a firm and lasting commitment as mandated by the Congress, the Veterans Administration and a grateful Nation.

We welcome the fallen home. No dishonor afforded them at the hands of those who appoint themselves our enemies can ever mar their memory of our gratitude for their service, their goal or their sacrifice.

A national Memorial Service for the eight servicemen will be held at Arlington National Cemetery Memorial Amphitheater this Friday, May 9, 9 a.m. ●

THE CONNECTION BETWEEN PRODUCTIVITY AND INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, inflation is a relatively easy concept to understand, although some commentators are thoroughly confused about the sources of inflation. Productivity is a deceptively difficult concept to master, with the unfortunate result of general indifference to it in this country.

Due to the lack of interest in productivity, very little work has been done on this very important economic indicator. For example, conventional wisdom has long held that a 1-percent increase in productivity would reduce inflation by a corresponding 1 percent. That belief seemed logical for decades, as it possessed a certain amount of simplicity and balance. One of the first major economists to challenge that wisdom was Michael Evans, president of Evans Econometrics, who asserted that a 1-percent increase in productivity would produce a 2-percent decline in inflation. However, there was no concrete evidence for that assertion.

A recent report issued by the Joint Economic Committee has presented empirical evidence that Evans was a good deal closer to the truth than conventional wisdom. Utilizing the most modern and rather intricate econometrical formulae, the report found that there is a multiplier effect at work in the relationship between productivity and infla-

tion, which increases the reduction of inflation at a greater rate than previously understood. This new report should focus increasing attention on productivity as a key, if not the key, toward the effective control of the rate of inflation.

Corresponding to the greater attention on improvements in productivity has been increased and often new interest in supply-side economic policies. The only major drawback to supply-side economic policies has been the relative lack of forecasting experience, using these innovative policies. In order to help correct this deficiency, the Joint Economic Committee has been working with Dr. Otto Eckstein of DRI, in order to develop a full-scale and credible supply-side econometric model. Happily, that task has been completed, and the Congress has been presented with the first report which used that model.

That report, entitled "Tax Policy and Core Inflation," is particularly timely, in light of double-digit inflation and growing economic stagnation. The report concluded that the reduction of the core rate of inflation can only be accomplished through supply-side tax incentives to boost new investments and growing productivity, unless one wanted to risk a possible economic depression by sole reliance on traditional fiscal and monetary measures. I am pleased that the committee and Dr. Eckstein confined their study to legitimate supply-side tax policies, such as investment tax credits and accelerated depreciation, and avoided snake oil nostrums, such as across-the-board cuts in personal income taxes. The latter claim to be supply-side tax policies, but they are actually a bizarre reincarnation of some of Lord Keynes' contributions to economics.

Mr. Speaker, I want to take this opportunity to commend the distinguished Senator from Texas, Mr. BENTSEN, who has led the Joint Economic Committee into fertile fields of study. I look forward to future reports on productivity and supply-side economic policies from the committee. ●

#### YEAR END SPENDING CONTROL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today I am introducing the Year End Spending Control Act which would establish firm controls over wasteful yearend spending sprees by limiting agency spending to 20 percent during the last 2 months of the fiscal year.

My Subcommittee on Human Resources has conducted an intensive investigation and received testimony from a wide variety of groups, individuals and Government agencies concerning the problem of yearend spending. The subcommittee's probe has revealed that funds appropriated for specific programs are not being rationally obligated to achieve the congressionally intended objective. Rather, much of the funds are

being pushed out in the final weeks of the fiscal year on questionable contracts, grants, and other spending.

GAO investigations, done at my request, are documenting the fact that funds are being diverted from the purpose laid out by Congress, causing millions, perhaps billions, of dollars, to be wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. Federal agencies operate under a "use it or lose it" policy which reflects a fear that their budget will be cut the following year unless all funds are expended. Former Treasury Secretary Blumenthal has stated that yearend spending amounts to agencies "literally pushing money out the door with a wheelbarrow."

The administration has expressed concern about this wasteful yearend spending and has repeatedly issued directives to agencies in an effort to curb the abuses. Each summer since 1977, President Carter and OMB Director James McIntyre have urged agencies to avoid yearend spending sprees. Despite these directives, the yearend spending remains a major abuse. In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year \* \* \* 47.2 percent at HUD—\$16 billion, 41.7 percent at EPA—\$2.2 billion, 22.9 percent at HEW—\$14.3 billion, 30.3 percent at Commerce—\$907 million, 23.1 percent at Interior—\$1.3 billion, 22.1 percent at Postal Service—\$3.2 billion and 22.8 percent at DOT—\$1.4 billion. If these seven agencies had limited spending to 20 percent in the last 2 months of the fiscal year, they could have saved \$13 billion. I am convinced that a substantial portion of this amount could have been returned to the Treasury with minimal adverse effect on congressionally mandated programs.

In addition, I recently received a GAO study which I requested because of my concern that in-house capability was not being considered prior to contracts being let for consulting services. While the report showed the in-house capability was indeed not considered in many instances, it also noted that 54 percent of the consulting contracts examined were awarded during the final quarter of the fiscal year. In fact, 35 percent of those actions were initiated during the final 90 days. Senator PRYOR and I have been working closely on the widespread problem with consultant services and we hope to introduce legislation in this area later this month.

I have also requested a major GAO study specifically on yearend spending which is due to be completed in June. An interim report which I received from the GAO on May 1, documented further evidence of the serious problem of yearend spending at HUD. According to the GAO, HUD has been overstating its legal commitments at the end of a fiscal year and then canceling them later. This HUD procedure reflects the "use it or lose it" attitude of Federal agencies to commit any remaining funds at yearend so that Congress will not trim their budget the following year. It has also allowed HUD to create a multibillion surplus of

funding authority at a time when Congress is struggling to trim Federal expenditures and balance the budget.

Quite simply, the flurry of obligations at the end of the fiscal year is a very poor management practice. Increased yearend obligational activity places Government negotiations in a very poor bargaining position and results in contracts and grants being let and goods being purchased without adequate consideration. This "rush" to award contracts and grants seriously impairs the objectiveness as well as the thoroughness of the proposal evaluation process. In addition, I am particularly concerned that a large number of the contracts being let at the end of the year are sole-source to big firms ostensibly based on "unique qualifications" and "time exigency." This type of yearend giveaway effectively bars firms without the "connections" and is "wired" against small businesses, which do not have the "inside track."

Direct congressional action to halt the yearend spending sprees must be taken. The waste clearly has not been eliminated administratively. As a matter of fact, it appears that while OMB has been monitoring outlays, it has been ignoring obligation rates. It makes no sense to me for OMB to check funds already "spent" while ignoring the even more important task of monitoring funds which could be saved. As a result, the practice of obligating "use or lose" funds at the end of the fiscal year has continued unabated.

Last July, I introduced a comprehensive "economy in Government" bill (H.R. 4717) which would limit yearend spending and eliminate wasteful Federal contracting. Section 3 of H.R. 4717 parallels the yearend spending provision that has been included in the Department of Defense appropriation bill since 1953. During the past year, however, my subcommittee held numerous hearings on H.R. 4717 and GAO spent a considerable amount of time investigating the problem of yearend spending abuse. Many legitimate questions and concerns about the yearend spending provision of H.R. 4717 were raised by witnesses at these hearings and in discussions with my colleagues, OMB, GAO, and the Library of Congress. Therefore, I have been working closely with the GAO to improve this provision. The Year-End Spending Control Act which I am introducing today represents these efforts.

This bill—which deals only with yearend spending—would limit total agency spending in the last 2 months of the fiscal year to 20 percent, but it would use the existing apportionment process to administer the limitation. In addition, it would allow OMB to authorize legitimate exemptions to the 20-percent yearend limitation, but it would require OMB to report the exemption to Congress. Finally, any actions to satisfy the 20-percent limitation would be exempt from the reporting requirement of the Impoundment Control Act of 1974.

This language was endorsed by GAO in recent testimony before the Government Operations Committee:

We support the temporary use of a limitation on year-end spending as a means of conveying Congress' concern—not only with year-end spending itself—but with the need to strengthen the budget execution and procurement process.

It is easy to be shocked by waste and pay lipservice to its elimination. But if we are going to control wasteful year-end spending, legislative action is required. I urge my colleagues to cosponsor my bill and join the fight to control wasteful yearend spending. ●

□ 1800

**A TRIBUTE TO ANN HEBERT HOWELL, NATIONAL MULTIPLE SCLEROSIS MOTHER OF THE YEAR, ON THE OCCASION OF HER VISIT TODAY TO THE HOUSE**

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

Mr. LIVINGSTON. Mr. Speaker, I rise today to honor an outstanding lady, who we are fortunate to have visiting with us today.

Ann Hebert Howell was entertained at the White House by the President today as National Multiple Sclerosis Mother of the Year. The letter which won her this honor was written by her husband, Monroe Howell, and it is especially meaningful to Ann because it is symbolic of his love and devotion for her. I am submitting the letter for inclusion in the Record, Mr. Speaker, because it stands as a testimony to the personal triumph of a fine lady over one of life's most harsh adversities.

Ann Howell is my wife's lifelong personal friend, and she is truly a great lady. Despite her illness, she has become a nursing home administrator and serves as breadwinner for the family while her husband attends dental school. Ann is also a counselor to other victims of multiple sclerosis all around the country, and is active in the chamber of commerce and the PTA, in addition to caring for two children.

Ann was born and raised in Thibodaux, La., and lives there now, serving as administrator for the Louisiana Home for the Aged.

In honoring Ann as Mother of the Year we honor her, not only for her success as wife and mother, but for her courage and spirit as an exceptional human being.

Letter to the National Multiple Sclerosis Society:

On May 2, 1972 Ann Herbert Howell was a wife and mother of two children. She was loving, vibrant and a determined achiever. Today, she is a M.S. victim and these traits have been enhanced. In December, 1972, the M.S. was diagnosed and the New Orleans's physician's prognosis was tainted with doom and little hope. The steady deterioration was quick as she slipped from an unsteady gait, to a cane, to a wheel chair. The bright, vibrant personality was replaced by fear and frustration. She could not hold her children and they could not understand. And I, her husband, became oversolicitous and scared. I could offer no hope and little encourage-

ment. For six months we were a dismal family.

The summer of 1973 we sought other medical help in Houston, Texas. There she received new treatment and hope and her miraculous improvement was rapid. Ann returned from Houston with renewed determination to beat M.S. and rejoin the family. That winter she completed the Nursing Home Administration course at L.S.U. in Baton Rouge and became administrator for the Louisiana Home for the Aged in Thibodaux, La. Under her guidance, the nursing home has doubled in patient capacity, and "La Boss," as she is fondly referred to by her Cajun residents, has the reputation of running one of the best nursing homes in the state. Since Ann has learned to cope with her disability, she has developed a special sensitivity and capacity for understanding her residents, who respond to her with love, admiration, and respect. As a part of the business community, Ann joined the Chamber of Commerce where she serves as this year's president.

In 1973, Ann joined the Louisiana M.S. Society and was appointed to the board of directors. As a M.S. patient, she has sought to share her experiences and hope with other patients. Following stories of her struggles with M.S. in newspaper and magazine articles, other M.S. victims began calling her for hope and advice. Calls have been received from all over the state, the United States, Canada, Mexico and Puerto Rico. She's shared her experiences with these patients and tries to give them courage, hope and determination. Her advice to them is to be active, to be open with their disease and to stay involved with their families. With these patients she exchanges ideas on physical and mental therapy. Ann has needed courage to talk to many of these people who are discouraged and full of self-pity. Many times she hangs up the phone and cries because she shares the feelings of frustration and futility with these new friends. But she never refuses a call and will talk as long as they will listen and share their feelings.

As a husband, I have been by her side to witness Ann's ups and downs, her courage, her determination and her giving. Her case of M.S., too, continues to have its relapses and remissions, but she never quits. She will drive with one good eye to go to work or to deliver the children to piano lessons or scouts. She summons up the strength to attend meetings and to act as coordinator of the school auction. At times, when her therapy has caused her to become swollen with fluid and marred her physical beauty, she has braved the public eye to attend baseball games and school plays. When the course of M.S. has impaired the functions of her arms and legs, she has continued to provide home care for her family. Usually her family is the one that must insist that she take a break and rest.

At present she is successfully serving as family provider, father and mother. Two years ago I decided to change occupations and enter dental school. While I'm away in New Orleans during the week, home on weekends, Ann is at home, sending the children to school in the morning, taking them to afternoon activities, providing them with necessities, discipline, and love. On weekends she is a loving and supportive wife and companion. In short, she is our family's strength.

In times of trouble with the disease, she determinedly refuses to give in to M.S. Whether in remission, with a cane, or in a wheel chair, she is continuous. Ann will always be OUR Mother of the Year. This year, she merits recognition as National M.S. Mother of the Year.

MONROE HOWELL.

**PERSONAL EXPLANATION**

(Mr. LEDERER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. LEDERER. Mr. Speaker, I would like to take this time to ask that I may clarify an error in the CONGRESSIONAL RECORD of Wednesday, April 16, 1980. I asked that I be paired in the affirmative on both the Symms substitute on S. 2009 and on final passage. These votes were incorrectly recorded as negative pairs.

I appreciate this opportunity to clarify my vote for the Record.

**LEAVE OF ABSENCE**

By unanimous consent, leave of absence was granted as follows to:

Mr. KOGOVSEK (at the request of Mr. WRIGHT), for May 7 and 8, on account of representing the House of Representatives at the funeral of the late President Tito of Yugoslavia.

Mr. DANIELSON (at the request of Mr. WRIGHT), for May 7 and 8, on account of representing the House of Representatives at the funeral of the late President Tito of Yugoslavia.

**SPECIAL ORDERS GRANTED**

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRADISON) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.

Mr. ASHBROOK, for 30 minutes, today.

Mr. GRADISON, for 30 minutes, today.

(The following Members (at the request of Mr. CORRADA) to revise and extend their remarks and include extraneous material:)

Mr. FORD of Michigan, for 10 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mr. STOKES, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON, for 5 minutes, today.

Mr. STRATTON, for 10 minutes, today.

Mr. ROBERTS, for 5 minutes, today.

Mr. LAFALCE, for 15 minutes, today.

Mr. HARRIS, for 5 minutes, today.

**EXTENSION OF REMARKS**

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRADISON) and to include extraneous matter:)

Mr. MICHEL.

Mr. KEMP in two instances.

Mr. SYMMS in two instances.

Mr. BROWN of Ohio.

Mr. ASHBROOK in five instances.

Mr. O'BRIEN in two instances.

Mr. DANNEMEYER in two instances.

Mr. DOUGHERTY.

Mr. DANIEL B. CRANE in two instances.

Mr. DERWINSKI in two instances.

Mr. CONABLE in two instances.  
 Mr. GREEN.  
 Mr. HYDE.  
 Mr. ROYER.  
 Mr. BOB WILSON.  
 Mr. McCLOSKEY in two instances.  
 Mr. MOORE.  
 Mr. RUDD.  
 Mr. SHUSTER.

(The following Members (at the request of Mr. CORRADA) and to include extraneous matter:)

Mr. DODD in two instances.  
 Mr. PEASE.  
 Mr. DINGELL.  
 Mr. AuCOIN in two instances.  
 Mr. MATHIS.  
 Mr. HAMILTON in two instances.  
 Mr. ASPIN.  
 Mr. LONG of Maryland in two instances.  
 Mr. SOLARZ in two instances.  
 Mr. ROBINO in two instances.  
 Mr. WOLFF in two instances.  
 Mr. OBERSTAR.  
 Mr. CORMAN.  
 Mr. MURTHA.  
 Mr. HALL of Ohio in three instances.  
 Mr. SKELETON.  
 Mr. LaFALCE.  
 Mr. KAZEN.  
 Mr. RATCHFORD.  
 Mr. FAUNTROY.  
 Mr. LEHMAN.  
 Mr. CORRADA.  
 Mr. OTTINGER.  
 Mr. FOLEY.  
 Mr. RANGEL.  
 Mr. DASCHLE.

#### ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 126. An act to permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.

#### ADJOURNMENT

Mr. CORRADA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Thursday, May 8, 1980, at 11 a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows: [Omitted from the Record of May 6, 1980]

4304. A letter from the President of the United States, transmitting amendments to the requests for supplemental appropriations for fiscal year 1980 and appropriation language for fiscal year 1981 for the Department of Labor (H. Doc. No. 96-308); to the Committee on Appropriations and ordered to be printed.

4305. A letter from the Secretary of the Army, transmitting notice of the Army's intention to transfer certain obsolete chemical agent identification sets from various locations to the Rocky Mountain Arsenal, Colo.,

pursuant to section 409(b)(4) of Public Law 91-121; to the Committee on Armed Services.

4306. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting a proposed interpretation of Indian preference in federally assisted school construction projects, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4307. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Bureau of Engraving and Printing fund for fiscal year 1979, pursuant to section 6 of the act of August 4, 1950, as amended (88 Stat. 1964) (GGD-80-47, May 5, 1980); to the Committee on Government Operations.

4308. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4309. A letter from the Secretary, Postal Rate Commission, transmitting the annual report of the Commission on its implementation of the Privacy Act, pursuant to 5 U.S.C. 552a(p); to the Committee on Government Operations.

4310. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting proposed final regulations implementing phase II of the incremental pricing program for natural gas, pursuant to section 202(c) of Public Law 95-621; to the Committee on Interstate and Foreign Commerce.

4311. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriation situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery; to the Committee on Veterans' Affairs.

4312. A letter from the Comptroller General of the United States, transmitting a report on U.S. efforts to educate and train the poor in developing countries (ID-80-18, May 5, 1980); jointly, to the Committees on Government Operations and Foreign Affairs.

[Submitted May 7, 1980]

4313. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for involuntary retirement of permanent Regular officers designated for limited duty in the Navy or Marine Corps consistent with that provided other permanent Regular officers; to the Committee on Armed Services.

4314. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency acquired no real or personal property during the quarter ended March 31, 1980, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

4315. A letter from the District of Columbia Auditor, transmitting copies of various reports of his Office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

4316. A letter from the Secretary of the Council of the District of Columbia, transmitting a copy of Council Resolution 3-322, to approve the transfer of jurisdiction of certain areas from the District of Columbia to the National Park Service for park purposes (S.O. 79-213) (Ward 3); to the Committee on the District of Columbia.

4317. A letter from the Secretary of Health and Human Services, transmitting notice of a further delay in the submission of the comprehensive plan from the Advisory Board on Child Abuse and Neglect to maximize

coordination of child abuse and neglect prevention and treatment activities, required by section 6(b) of Public Law 93-247, as amended; to the Committee on Education and Labor.

4318. A letter from the Acting Assistant Secretary of State for International Organization Affairs, transmitting copies of reports issued by the United Nations Joint Inspection Unit during the second half of 1979, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4319. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4320. A letter from the Chairman, National Credit Union Administration Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4321. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of a minimum royalty payment totaling \$15,000 to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

4322. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of 1 year's rental totaling \$17,280 on an Outer Continental Shelf lease to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

4323. A letter from the Secretary of Health and Human Services, transmitting the annual report of the Director of the national cancer program for fiscal year 1979 and the annual plan for the program for fiscal years 1981-85, pursuant to section 404(a)(9) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4324. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

4325. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting proposed regulations to exempt industrial users to phase 1 of the incremental pricing program required by section 201 of the Natural Gas Policy Act of 1978 from the upper two tiers of the three-tier price ceiling mechanism contained in the regulations implementing phase 1, pursuant to section 206(d) of the act; to the Committee on Interstate and Foreign Commerce.

4326. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting proposed regulations to extend the interim exemption from incremental pricing for agricultural uses of natural gas, pursuant to section 206(d) of Public Law 95-621; to the Committee on Interstate and Foreign Commerce.

4327. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according to certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4328. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1982; to the Committee on Ways and Means.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on a thorough critique of certification of transport category aircraft by the Federal Aviation Administration (Rept. No. 96-924). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6395. A bill to amend the Consumer Product Safety Act to modify certain postemployment restrictions applicable to officers and employees of the Consumer Product Safety Commission (Rept. No. 96-925). Referred to the Committee of the Whole House on the State of the Union.

### REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. BOLAND: Permanent Select Committee on Intelligence. H.R. 7152. A bill to authorize appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes; referred to the Committee on Armed Services for a period ending not later than May 16, 1980, for consideration of such provisions of the bill as fall within its jurisdiction under clause 1(c), rule X (Rept. No. 96-926, pt. 1). Ordered to be printed.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON (for himself and Mr. FRENZEL):

H.R. 7281. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1981; to the Committee on House Administration.

By Mr. CONYERS:

H.R. 7282. A bill to establish a Federal Oil and Gas Development Corporation to provide for the exploration for and extraction of oil and gas located on and under Federal land; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. ASHBROOK:

H.R. 7283. A bill to amend chapter 81 of title 5, United States Code, to provide for annual cost-of-living adjustments of compensation under the Federal Employees' Compensation Act, as amended; to the Committee on Education and Labor.

By Mr. BRODHEAD:

H.R. 7284. A bill to deny entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act in the case of certain disabled individuals currently entitled to health benefits under the civilian health and medical program of the uniformed services (Champus); to the Committee on Ways and Means.

By Mr. DINGELL (for himself and Mr. WAXMAN):

H.R. 7285. A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the antibiotic drugs which may be used in subtherapeutic doses in animal feed; to the Committee on Interstate and Foreign Commerce.

By Mr. GAYDOS (for himself, Mr. MOORHEAD of Pennsylvania, Mr. WALGREEN, Mr. MURPHY of Pennsylvania, Mr. ATKINSON, and Mr. BAILEY):

H.R. 7286. A bill to extend deadlines in the Clean Air Act applicable to stationary sources, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 7287. A bill to establish controls on year-end expenditure practices of Federal agencies; to the Committee on Government Operations.

By Mr. LAFALCE (for himself, Mr. STEED, Mr. CORMAN, Mr. ADDABO, Mr. ST GERMAIN, Mr. MITCHELL of Maryland, Mr. BEDELL, Mr. RICHMOND, Mr. BALDUS, Mr. NOLAN, Mr. NOWAK, Mr. IRELAND, Mr. KILDEE, Mr. EVANS of Georgia, Mr. BARNARD, Mr. LEACH of Louisiana, Mr. HALL of Ohio, Mrs. SPELLMAN, Mr. BEREUTER, Mr. CONTE, and Mr. BROOMFIELD):

H.R. 7288. A bill to amend the Small Business Act to improve procurement opportunities for small business concerns; to the Committee on Small Business.

By Mr. LAFALCE (for himself, Mr. SMITH of Iowa, Mr. STEED, Mr. CORMAN, Mr. ADDABO, Mr. ST GERMAIN, Mr. MITCHELL of Maryland, Mr. BEDELL, Mr. RICHMOND, Mr. BALDUS, Mr. NOLAN, Mr. NOWAK, Mr. KILDEE, Mr. EVANS of Georgia, Mr. BARNARD, Mr. LEACH of Louisiana, Mr. HALL of Ohio, Mrs. SPELLMAN, Mr. CONTE, and Mr. BEREUTER):

H.R. 7289. A bill to amend the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee debentures issued by certain State or local development companies; to the Committee on Small Business.

By Mr. LEDERER (for himself and Mr. MURPHY of Pennsylvania):

H.R. 7290. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of reserves for surface mining land reclamation and for the deduction of amounts added to such reserves; to the Committee on Ways and Means.

By Mr. MATHIS:

H.R. 7291. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 7292. A bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. NEAL:

H.R. 7293. A bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 7294. A bill to amend section 673b of title 10, United States Code, to increase from 50,000 to 100,000 the number of members of the Selected Reserve who may be ordered to active duty other than during a war or national emergency; to the Committee on Armed Services.

H.R. 7295. A bill to amend title 10, United States Code, to authorize the Secretary concerned to determine the period of time to be allowed between the time a reservist is ordered to active duty and the time the reservist enters upon active duty; to the Committee on Armed Services.

By Mr. RINALDO:

H.R. 7296. A bill to amend section 4067 of

the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself, Mr. STEED, Mr. CORMAN, Mr. ADDABO, Mr. ST GERMAIN, Mr. MITCHELL of Maryland, Mr. LAFALCE, Mr. BEDELL, Mr. RICHMOND, Mr. BALDUS, Mr. NOLAN, Mr. NOWAK, Mr. IRELAND, Mr. KILDEE, Mr. EVANS of Georgia, Mr. BARNARD, Mr. LEACH of Louisiana, Mr. HALL of Ohio, Mrs. SPELLMAN, Mr. CONTE, and Mr. BEREUTER):

H.R. 7297. A bill to amend the Small Business Investment Act of 1958 to provide for the investment of temporarily unneeded funds, to modify the authority of the Small Business Administration regarding financing, and to statutorily establish the eligibility of Asian Pacific Americans to participate in programs under section 8(a) of the Small Business Act; to the Committee on Small Business.

By Mr. SMITH of Iowa (for himself, Mr. STEED, Mr. CORMAN, Mr. ADDABO, Mr. ST GERMAIN, Mr. MITCHELL of Maryland, Mr. LAFALCE, Mr. BEDELL, Mr. RICHMOND, Mr. BALDUS, Mr. NOLAN, Mr. NOWAK, Mr. IRELAND, Mr. EVANS of Georgia, Mr. BARNARD, Mr. LEACH of Louisiana, Mr. HALL of Ohio, Mrs. SPELLMAN, Mr. CONTE, and Mr. BEREUTER):

H.R. 7298. A bill to facilitate the operations of the office of the Chief Counsel for Advocacy of the Small Business Administration; jointly, to the Committees on Small Business and Post Office and Civil Service.

By Mr. WAXMAN (for himself, Mr. PREYER, Mr. MACUIRE, Mr. LUKEN, Mr. WALGREEN, Mr. GRAMM, Mr. LE LAND, Mr. SHELBY, and Mr. MURPHY of New York):

H.R. 7299. A bill to revise and improve the Federal programs of assistance for the provision of mental health services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS:

H.R. 7300. A bill to amend the Internal Revenue Code of 1954 to exempt independent producer oil from the windfall profit tax and to allow certain royalty owners the exemption for such oil; to the Committee on Ways and Means.

By Mr. NEDZI (for himself and Mr. WHITEHURST):

H.R. 7301. A bill to authorize certain construction at military installations for fiscal year 1981, and for other purposes; to the Committee on Armed Services.

By Mr. NEDZI:

H.R. 7302. A bill to amend section 1719 of title 44, United States Code, to transfer to the Superintendent of Documents the function of distributing Government publications to certain foreign governments; to the Committee on House Administration.

By Mr. WHITE (for himself, Mrs. HOLT, Mr. MONTGOMERY, Mr. KAZEN, Mr. WON PAT, Mr. HILLIS, Mr. NEDZI, Mr. NICHOLS, Mr. HOPKINS, Mr. BENNETT, Mr. DAN DANIEL, and Mr. BOB WILSON):

H.R. 7303. A bill to amend title 10, United States Code, to establish a noncontributory program of educational assistance for persons enlisting in the Armed Forces after September 30, 1980; to the Committee on Armed Services.

By Mr. WOLFF (for himself, Mrs. HECKLER, Mr. HALL of Ohio, Mr. DIGGS, Mr. SOLARZ, Mr. PRITCHARD, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Ms. MIKULSKI, Mrs. SCHROEDER, Mrs. SMITH of Nebraska, Mrs. SNOWE, and Mrs. SPELLMAN):

H. Con. Res. 329. Concurrent resolution expressing the deep concern of the Congress



over the plight of Cambodian people and its strong support for humanitarian assistance for those people and a peaceful resolution of the conflict in Kampuchea; to the Committee on Foreign Affairs.

By Mr. HANSEN (for himself and Mr. RHODES):

H. Con. Res. 331. Concurrent resolution to authorize participation in an interparliamentary meeting between delegates from the Congress of the United States and the Parliament of the Islamic Republic of Iran to discuss matters of concern to the people of both nations, including, but not limited to, the steps necessary to bring about the release of American diplomatic personnel and others detained by militant elements within the country of Iran; to the Committee on Foreign Affairs.

By Mr. PERKINS (for himself and Mr. GOODLING):

H. Con. Res. 332. Concurrent resolution disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965; to the Committee on Education and Labor.

By Mr. ZABLOCKI (for himself, Mr. BAILEY, Mr. BRADEMANS, Mr. FOUNTAIN, Mr. FASCELL, Mr. ROSENTHAL, Mr. WOLFF, Mr. BINGHAM, Mr. YATRON, Mr. SOLARZ, Mr. BONKER, Mr. STUDDS, Mr. IRELAND, Mr. MICA, Mr. BARNES, Mr. GRAY, Mr. HALL of Ohio, Mr. WOLPE, Mr. BOWEN, Mr. FITHIAN, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. FINDLEY, Mr. BUCHANAN, Mr. WINN, Mr. GILMAN, Mr. GUYER, Mr. LAGOMARSINO, Mr. GOODLING, Mr. PRITCHARD, Mrs. FENWICK, Mr. QUAYLE, Mr. PEYSER, and Mr. BAUMAN):

H. Con. Res. 333. Concurrent resolution expressing the sense of the Congress with respect to the efforts of the Americans who participated in the Iran rescue mission; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H.J. Res. 543. Joint resolution proposing an amendment to the Constitution of the United States providing that all persons shall have the right to be free from discrimination; to the Committee on the Judiciary.

By Mr. RINALDO:

H.J. Res. 544. Joint resolution authorizing the President to impose on the Iranian Government a \$50 million fine, payable from blocked Iranian assets, for each day that U.S. citizens held hostage or otherwise illegally detained in Iran continue to be held hostage or so detained beyond a date designated by the President; to the Committee on Foreign Affairs.

By Mr. MATHIS:

H. Res. 659. Resolution to establish a Select Committee on International Terrorism; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII,

[Omitted from the Record of May 6, 1980]

452. The SPEAKER presented a memorial of the Legislature of the State of California, relative to indexing Federal income taxes, which was referred to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. FROST presented a bill (H.R. 7304) for the relief of Candido Augusto Urizar and Delores de Jesus Turcios Urizar, which was referred to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 809: Mr. GUARINI.  
H.R. 1918: Mr. PHILIP M. CRANE and Mr. PETRI.

H.R. 2400: Mr. DRINAN and Mr. HUGHES.  
H.R. 2644: Mr. STANGELAND.

H.R. 4223: Mr. EMERY, Mr. BROWN of California, and Mr. STUDDS.

H.R. 4329: Mr. FORSYTHE, Mr. KINDNESS, and Mr. KRAMER.

H.R. 5862: Mr. THOMAS, Mr. LEACH of Iowa, Mr. PAUL and Mr. BREAUX.

H.R. 5965: Mr. ROUSSELOT, Mr. GRISHAM, Mr. WON PAT, Mr. LUJAN, Mr. ERDAHL, Mr. YOUNG of Alaska, Mr. DOUGHERTY, Mr. PATTERSON, and Mr. COURTER.

H.R. 6194: Mr. ABDNOR, Mr. ADDABBO, Mr. ANDERSON of California, Mr. BEDELL, Mr. BEILSON, Mr. BIAGGI, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mr. CAVANAUGH, Mrs. CHISHOLM, Mr. CLAY, Mr. CLINGER, Mr. COELHO, Mr. COLEMAN, Mr. CONYERS, Mr. D'AMOURS, Mr. DELLUMS, Mr. DINGELL, Mr. DIGGS, Mr. DODD, Mr. DORNAN, Mr. DOWNEY, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EVANS of the Virgin Islands, Mr. FARY, Mr. FAUNROY, Mr. FAZIO, Mrs. FENWICK, Ms. FERRARO, Mr. FISH, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. GRAY, Mr. GUDGER, Mr. HAMMERSCHMIDT, Mr. HARRIS, Mr. HAWKINS, Mr. HOLLENBECK, Mr. HOPKINS, Mr. HOWARD, Mr. HUGHES, Mr. HUTTO, Mr. JENNETTE, Mr. JONES of Tennessee, Mr. KILDEE, Mr. LAFALCE, Mr. LEACH of Louisiana, Mr. LEDERER, Mr. LEE, Mr. LEHMAN, Mr. LONG of Maryland, Mr. LUNDINE, Mr. MAGUIRE, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLLOHAN, Mr. MURPHY of Illinois, Mr. MYERS of Pennsylvania, Mr. NEAL, Mr. NEDZI, Mr. NOLAN, Ms. OAKAR, Mr. OBERSTAR, Mr. PANETTA, Mr. PATTEN, Mr. PORTER, Mr. PRICE, Mr. RANGEL, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SIMON, Mr. SMITH of Iowa, Mrs. SNOWE, Mr. SOLARZ, Mr. STACK, Mr. STARK, Mr. STOKES, Mr. TAUKE, Mr. TRAXLER, Mr. VENTO, Mr. WALGREEN, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WHITTAKER, Mr. CHARLES H. WILSON of California, Mr. WOLFF, Mr. YATES, Mr. YATRON, Mr. ZEPFERETTI, Mr. LELAND, Mr. IRELAND, Mr. WILLIAMS of Ohio, Mr. GUARINI, and Mr. MATTOX.

H.R. 6196: Mr. PANETTA.  
H.R. 6228: Mr. MOORHEAD of California.  
H.R. 6377: Mr. SCHEUER, Mr. LOWRY, Mr. HOWARD, Mr. MURPHY of Pennsylvania, Mr. EDGAR, Mr. OTTINGER, Mr. GRAY, Mr. OBERSTAR, Mr. MARKS, Mr. MCCLOSKEY, Mr. JOHNSON of California, Mr. YATRON, Mr. DAVIS of Michigan, Mr. WILLIAMS of Montana, Mr. DONNELLY, Mr. WOLPE, Mr. AMBRO, Mr. HARKIN, Mr. MCHUGH, and Mr. NEAL.

H.R. 6380: Mr. BEDELL and Mr. PANETTA.  
H.R. 6732: Mr. GRASSLEY.  
H.R. 6825: Mr. RANGEL, Mr. CONYERS, Mr. CLAY, Mr. CORRADA, Mr. HORTON, Mr. WON PAT, Mrs. CHISHOLM, Mr. WEISS, Mr. SIMON, Mr. MITCHELL of Maryland, Mr. DOWNEY, Mr. HANLEY, Mr. ADDABBO, Mr. WOLFF, Mr. OTTINGER, Mr. PATTEN, Ms. OAKAR, Mr. FARY, Mr. JOHNSON of California, Mr. BLANCHARD, Mr. KILDEE, Mr. SOLARZ, Mr. ROYBAL, Mr. HAWKINS, Mr. MYERS of Pennsylvania, Mrs. COLLINS of Illinois, Mr. WAXMAN, Mr. GRAY, and Mr. STOKES.

H.R. 6913: Mr. DRINAN.  
H.R. 7043: Mr. NOLAN, Mr. ERDAHL, Mr. FINDLEY, Mr. SPENCE, Mr. YOUNG of Alaska, Mrs. SMITH of Nebraska, Mr. BOWEN, Mr. JEFFORDS, Mr. BEDELL, Mr. HALL of Texas, Mr.

ABDNOR, Mr. STEED, Mr. DOWNEY, Mr. LEATH of Texas, Mr. DANIEL B. CRANE, Mr. MATHIS, Mr. LEACH of Louisiana, Mr. WEAVER, Mr. BEREUTER, Mr. OBERSTAR, Mr. MURPHY of Pennsylvania, Mr. KOGOVSEK, and Mr. FITHIAN.

H.J. Res. 451: Mr. STACK and Mr. MATHIS.

H.J. Res. 525: Mr. HINSON, Mr. MILLER of Ohio, Mr. SOLOMON, Mr. LIVINGSTON, Mr. STANGELAND, Mr. DORNAN, Mr. THOMAS, Mr. EVANS of Georgia, Mr. LAGOMARSINO, Mr. LOTT, Mr. HUCKABY, Mr. BURGNER, Mr. ROBERT W. DANIEL, Jr., Mr. ATKINSON, Mr. JENNETTE, Mr. DOUGHERTY, and Mr. ROYER.

H.J. Res. 533: Mr. AKAKA, Mr. AMBRO, Mr. BENJAMIN, Mr. BETHUNE, Mr. BOWEN, Mr. CARTER, Mr. COELHO, Mr. CONTE, Mr. FINDLEY, Mr. FORSYTHE, Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HAWKINS, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. LAGOMARSINO, Mr. LELAND, Mr. MATHIS, Mr. MAVROULES, Mr. NOWAK, Mr. RICHMOND, Mr. ROYER, Mr. SOLARZ, Mr. SOLOMON, Mr. STANGELAND, Mr. WINN, Mr. WON PAT, Mr. WYATT, Mr. YATRON, and Mr. GUARINI.

H. Con. Res. 323: Mr. LAGOMARSINO, Mr. HINSON, Mr. FLIPPO, Mr. FITHIAN, Mr. CORRADA, Mr. MADIGAN, Mr. ADDABBO, Mr. ROUSSELOT, Mr. ROE, Mr. WHITEHURST, Mr. PORTER, Mr. MOLLOHAN, Mr. BETHUNE, Mr. MAZZOLI, and Mr. EHLENBORN.

H. Res. 590: Mr. FINDLEY.

H. Res. 603: Mrs. COLLINS of Illinois.

## DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 6722: Mrs. BOUQUARD.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

342. The SPEAKER presented a petition of the Parma Democratic Club, Parma, Ohio, relative to declaring Presidential Election Day as a national holiday, which was referred to the Committee on Post Office and Civil Service.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

S. 1309

By Mr. WALKER:

—Page 39, line 2, strike out "\$8,744,774,000" and insert in lieu thereof "\$9,000,000,000".

Page 39, line 4, strike out "\$9,739,276,000" and insert in lieu thereof "\$9,200,000,000".

—Page 39, after line 22 insert the following new title:

### TITLE III—FOOD STAMP PROGRAM REFORM

#### AMENDMENTS TO DEFINITIONS

SEC. 301. Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012), as amended by title I of this Act, is amended—

(1) in subsection (c) by striking out the second sentence and all that follows through "reports, the" and inserting in lieu thereof "The"; and

(2) by striking out subsection (o) and subsection (q) and redesignating subsection (p) as subsection (o).

#### STATE PARTICIPATION IN PROGRAM FORMULATION

SEC. 302. The first sentence of section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013 (a)) is amended—

(1) by inserting "of a participating State" after "State agency";

(2) by striking out "within the" and inserting in lieu thereof ", in accordance with

eligibility criteria established by such State, within such" after "determined"; and

(3) by inserting "determined on the basis of benefit levels established by such State" before the period.

#### ELIMINATION OF UNIFORM ELIGIBILITY CRITERIA

SEC. 303. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by title I of this Act, is amended—

(1) in subsection (a), by inserting ", in accordance with eligibility criteria established by the State involved," after "determined";

(2) by striking out subsections (b), (c), (d), (e), (f), and (g); and

(3) by redesignating subsection (h) as subsection (b).

#### ELIMINATION OF UNIFORM ELIGIBILITY DISQUALIFICATIONS

SEC. 304. The Food Stamp Act of 1977 (7 U.S.C. 2011–2027), as amended by title I of this Act, is amended by striking out section 6 and redesignating section 7 as section 6.

#### ELIMINATION OF UNIFORM VALUE OF ALLOTMENT

SEC. 305. Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended—

(1) by striking out "Sec. 8." and inserting in lieu thereof "Sec. 7.";

(2) by striking out subsection (a); and

(3) in subsection (b) by striking out "(b)".

(b) Section 9 and section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2018, 2019), as amended by title I of this Act, are redesignated as section 8 and section 9, respectively.

#### STATE PLANS

SEC. 306. (a) Section 11(b) of the Food Stamp Act of 1977 (7 U.S.C. 2020(b)) is amended—

(1) by inserting "of a State" after "political subdivision" the first place it appears; and

(2) by inserting "of such State" after "political subdivision" the second place it appears.

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by title I of this Act, is amended—

(1) in paragraph (1)—  
(A) in subparagraph (A) by striking out ", including" and all that follows through "subsection;" and inserting in lieu thereof "; and";

(B) by striking out subparagraph (B); and  
(C) by redesignating subparagraph (C) as subparagraph (B);

(2) by striking out paragraph (2) and paragraph (3);

(3) in paragraph (4)—  
(A) by striking out "(4)" and inserting in lieu thereof "(2)"; and

(B) by striking out the colon and all that follows through "necessary";

(4) by striking out paragraphs (5), (6), (7), and (8);

(5) in paragraph (9)—  
(A) by striking out "(9)" and inserting in lieu thereof "(3)"; and

(B) by striking out "as defined in sections 5(d) and (e) of this Act" and inserting in lieu thereof ", determined in accordance with the definition of income established by such State,";

(6) by redesignating paragraph (10), (11), and (12) as paragraphs (4), (5), and (6), respectively;

(7) by striking out paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (7), (8), and (9), respectively;

(8) by striking out paragraph (17);  
(9) by redesignating paragraph (18) and paragraph (19) as paragraph (10) and (11), respectively;

(10) in paragraph (10), as so redesignated, by striking out "notwithstanding paragraph (8) of this section,";

(11) in paragraph (11), as so redesignated, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(12) by adding at the end thereof the following new paragraph:

"(12) that the State agency shall establish a work program involving the performance of work in return for benefits provided under the food stamp program and shall require as a condition of eligibility to receive benefits under the food stamp program that members of households to whom such program applies participate in such work program."

(c) Section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)), as amended by title I of this Act, is amended—

(1) by striking out "or" before "the State plan of operation";

(2) by striking out "or the Secretary's standards" and all that follows through "section 16(b)(1) of this Act,"; and

(3) by striking out "and, whether or not the Secretary" and all that follows through "appropriate".

(d) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 11." and inserting in lieu thereof "Sec. 10.";

(2) by striking out subsection (i) and subsection (j) and redesignating subsection (k) and subsection (l) as subsection (i) and subsection (j), respectively; and

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

"(k) No provision of this Act shall be construed to prohibit any State participating in the food stamp program from establishing any program designed to encourage households receiving coupons to purchase nutritional food."

#### CONFORMING AMENDMENTS

SEC. 307. (a) Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking out "Sec. 12." and inserting in lieu thereof "Sec. 11."; and

(2) by striking out "section 14" and inserting in lieu thereof "section 13".

(b) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking out "Sec. 13." and inserting in lieu thereof "Sec. 12."; and

(2) in the first sentence by striking out ", including" and all that follows through "recipients".

(c) Section 14 and section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2023, 2024), as amended by title I of this Act, are redesignated as section 13 and section 14, respectively.

#### STATE ADMINISTRATIVE RESPONSIBILITY

SEC. 308. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 16." and inserting in lieu thereof "Sec. 15.";

(2) by striking out subsections (a), (b), (c), (d), and (e);

(3) in subsection (f)—  
(A) by striking out "(f)" and inserting in lieu thereof "(a)"; and

(B) by striking out "The Secretary and" each place it appears;

(4) in subsection (g)—  
(A) by striking out "(g)" and inserting in lieu thereof "(b)";

(B) in paragraph (2) by striking out "sections 5 and 6" and inserting in lieu thereof "established under this Act by the State involved"; and

(C) in paragraph (4)—  
(i) by striking out "section 14" and inserting in lieu thereof "section 13"; and

(ii) by striking out ", through withholding amounts otherwise payable to the State agency pursuant to subsection (a) of this section,";

(5) by redesignating subsections (h), (i), (j), (k), and (l) as subsections (c), (d), (e), (f), and (g), respectively;

(6) in subsection (e), as so redesignated, by striking out "subsection (h)" and inserting in lieu thereof "subsection (c)"; and

(7) by adding at the end thereof the following new subsection:

"(h) Not more than 10 per centum of the funds received for any fiscal year by a State agency to carry out the food stamp program under this Act may be used by such State agency to pay the administrative costs of such State agency involved in the operation of such program for such fiscal year."

#### RESEARCH AND EVALUATION

SEC. 309. Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by title I of this Act, is amended—

(1) by striking out "Sec. 17." and inserting in lieu thereof "Sec. 16.";

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b); and

(3) by striking out subsection (d) and subsection (e).

#### DISTRIBUTION OF FUNDS TO STATES

SEC. 310. The Food Stamp Act of 1977 (7 U.S.C. 2011–2027) is amended by inserting after section 16, as so redesignated by section 309, the following new section:

#### "DISBURSEMENT OF FUNDS; REPORTS

"Sec. 17. From the funds made available for States participating in the food stamp program for any fiscal year to provide benefits under the food stamp program and to pay the related administrative costs of state agencies of such States, the Secretary shall pay to each such State an amount which bears the same ratio to the aggregate amount of funds so made available for all such participating States as the population of such State bears to the aggregate population of all such participating States. For purposes of the preceding sentence, the population of any State shall be determined by the Secretary of Agriculture on the basis of the latest available population estimates provided by the Bureau of the Census in Series P-25, Current Population Reports, or its successor series).

"(b)(1) The Secretary shall pay quarterly to any State one-fourth of the amount of funds payable under subsection (a) to such State.

"(2) Any amount of the funds which are received by a State under subsection (a) and which are in excess of the amount of funds required by such State to carry out the food stamp program may be expended by such State to carry out human services programs in such State.

"(c)(1) Before each fiscal year begins, the State agency of each State participating in the food stamp program shall submit to the Secretary a report setting forth the purposes, including human services programs, for which funds to be received by such State agency under this Act will be disbursed and obligated, and the amount of such funds which will be disbursed or obligated for each such purpose.

"(2) Not later than October 31 of the calendar year in which such fiscal year ends, such State agency shall submit to the Secretary a report setting forth the purposes, including human services programs, for which funds received under this Act during such fiscal year have been disbursed and obligated, and the amount of such funds disbursed or obligated for each such purpose.

"(3) The reports required to be submitted under this section shall be in such form and shall contain such supplementary information as the Secretary may require."

#### ELIMINATION OF FEDERAL RESTRICTIONS ON ALLOTMENTS

SEC. 311. (a) Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027), as amended by title I and title II of this Act, is amended by striking out subsections (b), (c), and (d).

(b) Section 18(a) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)), as amended by title I and title II of this Act, is amended—

(1) in paragraph (1)—  
(A) by striking out "(1)";

(B) by striking out the colon and all that follows through "factors." and inserting in lieu thereof a period;

(C) by striking out "section 17" and inserting in lieu thereof "section 16"; and

(D) by striking out the last sentence; and  
(2) in paragraph (2) by striking out "(2)" and inserting in lieu thereof "(b)".

#### EFFECTIVE DATE

Sec. 312. The amendments made by this title shall take effect on September 30, 1981.—Page 39, strike out line 23 and all that follows through line 4 on page 40 and insert in lieu thereof the following:

Amend the title to read as follows: "A bill to amend the Food Stamp Act of 1977 to authorize States to establish eligibility criteria and benefit levels applicable to recipients of benefits under the food stamp program, to increase the authorization of appropriations for fiscal years 1980 and 1981, and for other purposes."

By Mr. PEYSER:

—Page 39, after line 22, insert the following new section:

#### RETROACTIVE REIMBURSEMENT

Sec. 202. Section 18 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsection:

"(e) (1) Notwithstanding any other provision of this Act, the Secretary—

"(A) shall sell coupons to any State participating in the food stamp program on May 31, 1980, for distribution to eligible households for June 1980 upon the request of such State to purchase coupons;

"(B) may redeem purchased coupons in such State with the receipts from coupons sold under this subsection; and

"(C) may expend the receipts from the sale of coupons under this subsection to administer the food stamp program for June 1980 in States which purchase coupons under this subsection.

"(2) For purposes of paragraph (1) (A) the Secretary shall sell coupons at a cost equal to the sum of the face value of such coupons and a proportionate share of the costs incurred by the Secretary to administer the food stamp program with the authority provided by this subsection.

"(3) For purposes of paragraph (1) (B) the Secretary, in cooperation with the Secretary of the Treasury, shall redeem coupons purchased under this subsection in the same manner as the Secretary redeems coupons with funds appropriated to carry out this Act.

"(4) From any funds made available after the date of the enactment of this Act to the Secretary for the fiscal year ending September 30, 1980, to carry out this Act, the Secretary shall reimburse States which purchase coupons under this section and which carry out the food stamp program in accordance with this Act.

"(5) The amount of any reimbursement paid to a State under paragraph (4) shall be equal to the sum of the aggregate purchase price paid by such State for coupons purchased under this section and any administrative costs for June 1980 for which such State would have been reimbursed under this Act with funds appropriated to carry out this Act for June 1980.

"(6) The authority vested in the Secretary by paragraph (1) (A) and paragraph (1) (C) of this subsection shall lapse if funds to carry out this Act for June 1980 are appropriated before June 1, 1980."

By Mr. SYMMS:

—Page 24, after line 2, insert the following new section (and redesignate succeeding sections accordingly):

#### REINSTATEMENT OF PURCHASE REQUIREMENT; ADMINISTRATION

Sec. 116. (a) Section 3(b) of the Food Stamp Act of 1977, as amended, is amended

by inserting "and any amount to be paid by such household for such allotment" before the period.

(b) Section 7(d) of the Food Stamp Act of 1977, as amended, is amended by striking out the third and fourth sentences.

(c) Section 8(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "reduced by" and all that follows through "this elimination".

(d) Section 8(b) of the Food Stamp Act of 1977, as amended, by inserting "which is in excess of the amount charged such household for such allotment" after "eligible household".

(e) Section 8 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of law, households shall be charged for the allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 per centum of the household's income, except that—

"(1) allotments may be issued without charge to households with an income of less than \$30 per month for a family of four under standards of eligibility prescribed by the Secretary; and

"(2) the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued an allotment less than the allotment authorized to be issued to such household under subsection (a) of this section. The charge to be paid by any eligible household electing to exercise the option described in the preceding sentence shall be an amount which bears the same ratio to the amount which would have been payable under this subsection for an allotment issued to such household under subsection (a) as the allotment actually issued to such household bears to the allotment that would have been issued to such household under subsection (a).

"(d) (1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

"(2) (A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for allotments) shall be deposited by coupon issuers. Such regulations shall contain provisions requiring that coupon issuers promptly deposit such funds in the manner prescribed by the Secretary, except that such regulations shall, at a minimum, require that (i) such deposits be made at least weekly, and (ii) upon the accumulation of a balance on hand of \$1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than \$3,000, or imprisoned not more than one year, or both.

"(3) (A) Coupon issuers receiving funds derived from the distribution of coupons (charges made for allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon issuers shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for allotments) shall not be used, before the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than \$10,000 or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years, or both, except if the amount of such funds is less than \$1,000, then such issuer shall be fined not more than \$3,000, or imprisoned not more than one year, or both.

"(4) (A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for allotments), coupon issuers shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of such coupon issuer derived from the distribution of coupons (charges made for allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath or affirmation signed by the coupon issuer or, in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than \$3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than \$10,000, or imprisoned not more than ten years, or both.

"(5) (A) The Secretary shall by regulation require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the issuer's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of the coupon issuer derived from the distribution of coupons (charges made for allotments) during the report period;

"(iii) the total amount of deposits made by the issuer of funds derived from the distribution of coupons (charges made for allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such issuer; and

"(v) an oath or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide any notice required under subparagraph (A) of this paragraph shall be fined not more than \$3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly

provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than \$10,000, or imprisoned not more than ten years, or both.

(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon issuer's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the United States Postal Service on behalf of a State from charges made for coupon allotments."

(f) The heading for section 8 of the Food Stamp Act of 1977, as amended, is amended to read as follows:

"Value of Coupon Allotment and Charges to be Made".

(g) Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (18) by striking out "and";

(2) in paragraph (19) by striking out the period and inserting in lieu thereof "; and"; and

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

"(20) notwithstanding any other provision of law, for the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its allotment deducted from any grant or payment such household may be entitled to received under title IV of the Social Security Act and have its allotment distributed to it with such grant or payment."

(h) Section 15(a) of the Food Stamp Act of 1977, as amended, is amended by inserting "purchase by and" before "issuance".

(i) Section 18(a) of the Food Stamp Act of 1977, as amended, is amended by inserting after the second sentence the following: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 8 (d) (1) of this Act."

(j) Section 18(b) of the Food Stamp Act of 1977, as amended, is amended—

(1) by inserting "(1)" after "(b)";

(2) by striking out the first sentence and inserting in lieu thereof the following: "In any fiscal year, the Secretary shall limit the value of coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred in accordance with subsection (a) of this section to the separate account referred to in such subsection."; and

(3) by adding at the end thereof the following: "If the Secretary determines that any of the funds in such separate account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury."

(k) The amendments made by this section shall take effect on January 1, 1981.

By Mr. ZEFERETTI:

—Page 15, line 13, strike out "and".

Page 15, strike out line 14 and insert in lieu thereof the following:

(2) striking out "that portion of"; and

(3) striking out ", that exceed \$35 a month".