SENATE—*Tuesday, March 31, 1981*

(Legislative day of Monday, February 16, 1981)

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

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Gracious Father in heaven, our hearts unite with all people in profound gratitude that the life of the President of the United States was spared. We pray for his rapid and complete recovery. We commend to Thy loving care Mrs. Reagan and the family. May the peace which passes understanding fill their hearts and minds.

We pray for total recovery for Mr. Brady, Mr. McCarthy, and Mr. Delahanty. Grant the healing touch of the great Physician in their lives and the comfort and peace of His presence with their loved ones. We thank Thee for the Secret Service and the police and all who provide security at the risk of their lives.

We pray for the Vice President and all in authority Thy guidance and direction through these crucial hours and for our Nation that we may persevere to Thy glory.

We have been vividly reminded how transitory life is. May we, therefore, conduct ourselves in the wisdom of James, who wrote, "Come now, you who say—

Today or tomorrow we will go into such and such a town and spend a year there and trade and get gain; whereas you do not know about tomorrow. What is your life? For you are a mist that appears for a little time and then vanishes. Instead you ought to say, If the Lord wills, we shall live and we shall do this or that.—James 4: 13–15 (R.S.V.).

Hear our prayer in the name of the Lord Jesus Christ. Amen.

RECOGNITION OF THE MAJORITY LEADER

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

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

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

REPORT ON THE PRESIDENT'S CONDITION

Mr. BAKER. Mr. President, it is my happy privilege to announce this morning that during a conversation with the Vice President of the United States, I was advised that the President is doing very well indeed; that his strength and courage and personality are showing through, even in this moment of physical discomfort. He survived the operation with remarkable ease. The tubes have been removed from his nose and mouth. He is responding readily to conversation and is showing a most remarkable sense of humor.

I also report that this morning the President signed the dairy price support bill, which was passed by Congress in the last few days.

ORDER FOR TIME FOR VOTES TODAY

Mr. BAKER. Mr. President, this morning there will be a meeting of the bipartisan leadership, at the White House, with the Vice President and other officials in the executive department, at 10 o'clock. I have discussed this matter briefly with the minority leader, and I now ask unanimous consent that any votes that are ordered prior to 2 p.m. today not occur until that time and that they be stacked.

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

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, in light of the fact that some Senators may wish to speak on the events of yesterday or other subjects, and because of the necessary absence of the leadership on both sides of the aisle for a time this morning as they attend the bipartisan leadership meeting at the White House, I ask unanimous consent that following the time utilized by the minority leader under the standing order, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m., in which Senators may speak for not more than 10 minutes each.

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

LEGISLATIVE SCHEDULE

Mr. BAKER. Mr. President, it is the intention of the leadership on this side to proceed diligently with the further consideration of Senate Concurrent Resolution 9 and the amendments thereto. I hope that all Senators will present themselves on the floor and participate in that debate as soon as possible.

As soon as morning business is closed, the Bradley amendment will be the pending amendment, carried over from yesterday. Is that not correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. There are other amendments on both sides of the aisle. I urge Senators to offer those amendments as soon as they can do so, notwithstanding that votes will not occur until 2 p.m. because it is the intention of the leadership on this side to try hard to finish this bill today, if possible, and if not, to finish it at a reasonably early hour on tomorrow.

As I indicated yesterday, Members should be on notice that there is a distinct possibility, even likelihood, that the Senate will be in late tonight, and by "late" I mean perhaps 10 o'clock or later, if it appears that we can finish this bill—in any event, long enough to make sure that it will carry through with the momentum I hope develops with the consideration of amendments during the course of the day.

Mr. President, that concludes the extent of my remarks during the leaders' time this morning, and I am pleased now to yield the floor so that the minority leader may speak, pursuant to the standing order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. WALLOP). The minority leader is recognized.

VIOLENCE TOWARD PUBLIC OFFICIALS

Mr. ROBERT C. BYRD. Mr. President, the tragic shooting of President Reagan and three other persons yesterday is deplored by all Americans.

An assault on the President of the United States is perhaps the most serious crime in our society. When such acts of violence occur, all logic is defied. The attack was a senseless act and it was a shameful act.

I find it difficult to accept the inevitability of acts of violence against a President of the United States. But the profession of politics is a dangerous one, and all public officials, especially those who are elected public officials, face this possibility as they must go about in this constitutional Republic to meet and mingle with people in all walks of life.

I find it difficult to accept the often propounded thought that we live today in a sick society. I do not believe that we live today in a sick society. I think there are some sick individuals, but not a sick society.

At a time such as this, one searches for answers. They prove to be elusive.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

This is the ninth attack on a President in the history of our Nation. When Thomas Jefferson came to Washington as our third President, we are told that when someone knocked on the door of the President, he often would answer the knock himself. Only that front door stood between him and the public. There was not even a fence around the President's house. That was in 1801.

Now, 180 years later, it is to President Reagan's credit and it is a tribute to him that he likes to meet the public, that he nearly always stops to answer one more question from the press, and in such instances little stands between him and a potential assassin.

Our hearts go out to the family of the President, and we are cheered that he came through surgery in good condition. We are cheered by the account of the progress of the President that has been given to us by the Senate majority leader. We are cheered to know that the President will soon be back at the helm of Government.

Our hearts go out to the families of Press Secretary Jim Brady, Secret Service officer Timothy J. McCarthy, and police officer Thomas K. Delahanty. Our thoughts are with them, and we wish them a full recovery.

I also wish to compliment the orderliness with which the administration has worked during these frenetic and trying hours.

The President laughed and joked as he was on his way to the operating room on yesterday. He exhibited that cheerfulness that we all have come to associate with him.

I admired the quiet dignity and poise demonstrated by the Vice President when he spoke to the Nation last evening briefly. I thought that his demeanor, bearing, manner, and words were highly becoming of a Vice President and of a leader.

This morning I believe that we should refuse to accept the inevitability of such horrible situations and to renew our quest for those elusive answers as to how and why, and we should persevere in the effort. The moment will pass and with it some of the immediate tensions and passions, but we should not let this deter us in continuing to search for answers, and we must begin with the premise with which I began my remarks. We do not live in a sick society. Our society has some sick individuals and madmen, and it seems that we have not yet found the answer as to how we might deal with such.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. BAKER. Mr. President, I wish to take this opportunity to thank the distinguished minority leader.

His remarks on important occasions are always impressive and frequently moving, and I think never more relevant, more moving, and impressive than they have been this morning. I thank him for them.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Now in the period for the transaction of morning business, the Chair recognizes the Senator from Wisconsin.

THE HUMOR AND STRENGTH OF PRESIDENT REAGAN

Mr. PROXMIRE. Mr. President, as one Senator, I wish to congratulate the leadership on their statements this morning with respect to the shooting of President Reagan and three other people. I think that they were statements that should make all Senators proud of this body.

I particularly appreciated the humor and the strength that President Reagan showed under the greatest kind of stress. I understand he walked into the hospital under his own power with a bullet in him, something that very few people would even consider being able to do, and he showed such a marvelous sense of humor when he said on the whole he would rather be in Philadelphia, which showed not only an appreciation of W. C. Fields but also the NCAA basketball championship.

At any rate, I note that the majority leader pointed out that the first official action by the President after he was shot was to sign the dairy bill which meant that our dairy farmers are going to take it on the chin. Well, I deplore the bill itself; but I must say I am glad that the President had the strength to take action, even though it is an action that is going to result in problems for people in our State.

SIMON WIESENTHAL: STALKING THE NAZIS

Mr. PROXMIRE. Mr. President, in Monday's Washington Post, Michael Kernan writes of Simon Wiesenthal's unrelenting search for Nazi war criminals, and his great concern over the growth of neo-Nazi movements in Europe and the United States. In his 36-year search, Wiesenthal has exposed over 1,100 war criminals, including Adolf Eichmann. Yet he believes that 20,000 Nazis escaped Germany in 1945—many of them to America. He admits that his documentation covers only "the tip of the iceberg."

He stalks these murders as a man possessed. Wiesenthal's thirst for justice is at no time more passionate then when his thoughts turn to Jose Mengele, the infamous angel of death. His thoughts are always on Mengele. Wiesenthal follows his every move all the days. Kernan notes that it was Mengele who injected blue dye into children's eyes to aryanize them, who collected twins for unspeakable experiments, who passed judgment on the thousands of Jews marching into the death camp at Birkenau. Wiesenthal is 72, while Mengele is 69. The hunt is certain to end soon.

But for the moment, Wiesenthal's greatest fear is that Nazi nightmare is starting all over again—with its roots here in the United States. The police raided 2,000 houses all over Germany this past winter, states Wiesenthal. They "found stacks of neo-Nazi propaganda," which came from Lincoln, Nebr. The anti-Semitic and fascist material gets distributed in Germany also by way of Reade, W. Va., Mount Vernon, N.Y., and Arlington, Va.

As Wiesenthal points out, this activity devastates U.S. credibility for "it allows the Soviet Union—the big jail of nations—to point to America as the source of this new poison and to set themselves up as the world's protector against Nazism."

Neo-Nazism "is not a powerful movement in America, but for Europe this is a disaster." Bombings and other violence have been traced to fascist elements in Munich, Bologna, and Paris. These groups are "waiting for a crisis, economic or political," warns Wiesenthal. "It is exactly what Hitler did."

Wiesenthal is convinced that the horror could happen all over again. No country is safe—recently a Los Angeles synagogue was painted with swastikas and a mesage in German: "Jews—the SS will come again." It is easy to dismiss these events as the actions of isolated madmen. Yet in that way we blind ourselves to the very real and growing danger of this extremism both at home and abroad. Rather, we must express our outrage, and express it firmly.

The Genocide Convention offers a way. Drawn up in the wake of the Nazi holocaust, the convention outlaws the atrocity of mass murder. Ratifying it would express our revulsion over the potential of fascist groups and serve to allay the fears of those who dread the return of another holocaust.

Wiesenthal notes that:

> Half of the population of the world today was not alive when the Nazi death camps were opened in 1945. A tenth of the rest were children. That means 60 percent of the world's people know nothing at firsthand, nothing.

Simon Wiesenthal will never have the luxury of not knowing, of forgetting the horror. We indulge in it at our own peril. We must ratify the Genocide Convention.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Missouri is recognized.

IMPORTATION OF JAPANESE AUTOMOBILES

Mr. DANFORTH. Mr. President, I thought I would use this opportunity to bring the Senate up to date on the present status of moves to try to curtail the importation of Japanese automobiles, as I understand that status.

Some weeks ago, Senator BENTSEN and I introduced a bill to impose quotas for a 3-year period of time on the importation of Japanese cars. We did so with great reluctance because both of us consider ourselves to be freetraders.

However, the situation in the automo-

bile industry is in an emergency status. That is, the American automobile industry last year lost $4.2 million, some 200,000 autoworkers are now out of work, and approximately three-quarters of a million other individuals are out of work due to the emergency in the automobile industry.

The cause of the automobile problem is at least twofold: First, we have a recession that has been going on in the country, a downturn in the economy, and a reduction in the demand for automobiles of all kinds. But at the same time that the number of cars sold has declined, the number of Japanese cars sold in the United States has more than doubled.

The reason for this was that in a very short period of time, the whole picture with respect to the availability of gasoline and the price of gasoline changed. The OPEC countries tightened their cartel, increased the price of gasoline, and Federal policies with respect to allocation created, especially in early 1979, a line at practically every gasoline station in the United States. Therefore, there was a great, sudden surge of demand for fuel-efficient cars which were produced by the Japanese.

Senator BENTSEN and I reasoned that this is an artificial situation; that it is a short-term situation; and that in large part it was created by governmental policy. Governmental energy policy created a situation in which the American automobile industry felt that it could continue to produce large cars for a long period of time, and the American consumer felt that he could afford to buy a large car.

When we introduced the quota bill, we stated at the time that we would prefer to have the administration negotiate limitations with the Japanese rather than to have Congress impose limitations by legislation. We took that position very openly, and we told the administration that.

That remains our position. We would prefer for the administration to discuss matters with the Japanese. It is my understanding that that process is now going on. The administration has talked to the Japanese. The Foreign Minister of Japan was in this country last week. He discussed the automobile situation with a number of people in the administration, including the President himself.

Hopefully, something can be resolved by the time the Prime Minister comes here in early May.

It is certainly my intention and Senator BENTSEN's intention to give the Prime Minister of Japan the courtesy of having him in the country without having Congress proceed with a quota bill. We would like to see this matter resolved, and we would like it resolved on the most amicable possible terms.

However, it is my intention to write Senator DOLE, the chairman of the Finance Committee, today or perhaps tomorrow and suggest to him that he schedule a markup of the quota bill at some date in the foreseeable future, and then to make sure that we are in the position of proceeding with legislation if it turns out that the legislative route is the only one that is available to us.

Mr. President, as I pointed out earlier, I would rather have this accomplished by negotiation by the executive branch rather than by legislation by the Congress, but the fact of the matter is that whether it is done by negotiation or legislation, it must be done. We cannot continue to have a situation where an industry right at the heart of the American economy continues to get weaker and weaker. We must provide it with breathing room, whether it is done by negotiation or, if need be, by legislation.

Therefore it is my intention to ask the chairman of the Finance Committee, Senator DOLE, if he will schedule a markup in the foreseeable future so that we can proceed in an orderly way on the legislative route in case nothing transpires from the talks that are being held and will be held between the administration and the Japanese.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

A HISTORY OF ASSASSINATIONS AND ASSASSINATION ATTEMPTS ON PRESIDENTS OF THE UNITED STATES

Mr. RANDOLPH. Mr. President, the Senate of the United States, just before going out of session yesterday evening, listened to one of its Members, Senator DANFORTH of Missouri, in a prayer of petition to our Father for those who had been stricken during the incident of yesterday afternoon. At the request of media in West Virginia and elsewhere, which presumably has come to many Members of the Senate and House of Representatives, I responded with the following, which I wish to have made a part of the RECORD:

The assassination attempt on the life of President Reagan is a tragedy.

Only a few minutes before he was shot it is reported that in an address to the AFL–CIO the President spoke out strongly against the rising tide of crime.

The people of the United States will pray for the well-being of our national leader and for the recovery of the others who were injured in this deplorable incident.

I shall place in the RECORD, the rate of the rise in crime in various categories in this country. They are startling figures. I listened in part this morning as an early morning television program commented on these figures. I ask unanimous consent that those figures be printed in the RECORD.

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

UNIFORM CRIME REPORTS FOR THE UNITED STATES

(Printed Annually—1979)

(By William H. Webster)

PRELIMINARY FIGURES

The number of crime index offenses reported to law enforcement agencies throughout the United States during the first 6 months of 1980 increased 10 percent over the same period of 1979. When compared with the same periods of 1979, the crime index increased 9 percent during the first quarter of 1980, and increased 11 percent during the second quarter.

TABLE 2.—INDEX OF CRIME, UNITED STATES, 1970–79

Population [1]	Crime [2] Index total	Modified [3] crime index total	Violent [4] crime	Property [4] crime	Murder and nonnegligent manslaughter	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson
Number of offenses:												
1970–203,235,298	8,098,000		738,820	7,359,200	16,000	37,990	349,860	334,970	2,205,000	4,225,800	928,400	
1971–206,212,000	8,588,200		816,500	7,771,700	17,780	42,260	387,700	368,700	2,399,300	4,424,200	948,200	
1972–208,230,000	8,248,800		834,900	7,413,900	18,670	46,850	376,290	393,090	2,375,500	4,151,200	887,200	
1973–209,851,000	8,718,100		875,910	7,842,200	19,640	51,400	384,220	420,650	2,565,500	4,347,900	928,800	
1974–211,392,000	10,253,400		974,720	9,278,700	20,710	55,400	442,400	456,210	3,039,200	5,262,500	977,100	
1975–213,124,000	11,256,600		1,026,280	10,230,300	20,510	56,090	464,970	484,710	3,252,100	5,977,700	1,000,500	
1976–214,659,000	11,304,800		986,580	10,318,200	18,780	56,730	420,210	490,850	3,089,800	6,270,800	957,600	
1977–216,332,000	10,935,800		1,009,500	9,926,300	19,120	63,020	404,850	522,510	3,052,200	5,905,700	968,400	
1978–218,059,000	11,141,300		1,061,830	10,079,500	19,560	57,130	417,040	558,100	3,104,500	5,983,400	991,600	
1979–220,099,000	12,152,700		1,178,540	10,974,200	21,460	75,990	466,880	614,210	3,299,500	6,577,500	1,097,200	
Rate per 100,000 inhabitants: [5]												
1970	3,984.5		363.5	3,621.0	7.9	18.7	172.1	164.8	1,084.9	2,079.3	456.8	
1971	4,164.7		396.0	4,768.8	8.6	20.5	188.0	178.8	1,163.5	2,145.5	459.8	
1972	3,961.4		401.0	3,560.4	9.0	22.5	180.7	188.8	1,140.8	1,993.6	426.1	
1973	4,154.4		417.4	3,737.0	9.4	24.5	183.1	200.5	1,222.5	2,071.9	442.6	
1974	4,850.4		461.1	4,389.3	9.8	26.2	209.3	215.8	1,437.7	2,489.5	462.2	
1975	5,281.7		481.5	4,800.2	9.6	26.3	218.2	227.4	1,525.9	2,804.8	469.4	
1976	5,266.4		459.6	4,806.8	8.8	26.4	195.8	228.7	1,439.4	2,921.3	446.1	
1977	5,055.1		466.6	4,588.4	8.8	29.1	187.1	241.5	1,410.9	2,729.9	447.6	
1978	5,109.3		486.9	4,622.4	9.0	30.8	191.3	255.9	1,423.7	2,743.9	454.7	
1979	5,521.5		535.5	4,986.0	9.7	34.5	212.1	279.1	1,499.1	2,988.4	498.5	

[1] Populations are Bureau of Census provisional estimates as of July 1, except Apr. 1, 1970, census.
[2] Due to rounding, the offenses may not add to totals.
[3] The collection of statistics on arson, a newly established index offense, was begun in 1979. However, summary statistics are not yet available for inclusion in this table. The number of arson offenses reported by individual law enforcement agencies is displayed in tables 6 through 9 of this publication.
[4] Violent crimes are offenses of murder, forcible rape, robbery, and aggravated assault. Property crimes are offenses of burglary, larceny-theft, and motor vehicle theft. Data are not included for the property crime of arson.
[5] Crime rates calculated prior to rounding number of offenses.

An increase of 10 percent occurred in both the violent and property crime categories for January-June 1980. Of the violent crimes, robbery showed the largest increase, 13 percent. Forcible rape rose 12 percent, aggravated assault rose 7 percent, and murder rose 3 percent. Of the property crimes, burglary showed the largest increase, 12 percent, while larceny-theft rose 9 percent and motor vehicle theft rose 4 percent.

The first three tables below show increases for the total crime index offenses in all population groups and all regions of the United States.

TABLE 1.—CRIME INDEX TRENDS

[Percent change January through June, 1980 over 1979, offenses known to the police]

Population group and area	Number of agencies	Population in thousands	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	11,735	193,483	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	
Cities:													
Over 1,000,000	6	17,670	+13	+12	+13	+4	+2	+19	+2	+14	+13	+12	
500,000 to 999,999	19	12,422	+8	+5	+8	−1	+15	+5	+4	+10	+9	0	
250,000 to 499,999	31	10,998	+8	+10	+8	+1	+11	+10	+10	+9	+9	0	
100,000 to 249,999	111	16,130	+10	+11	+10	+4	+18	+11	+10	+14	+9	+3	
50,000 to 99,999	249	17,057	+6	+10	+6	+11	+12	+10	+10	+11	+4	−1	
25,000 to 49,999	563	19,304	+9	+10	+9	+3	+13	+13	+9	+13	+9	+2	
10,000 to 24,999	1,398	21,899	+9	+11	+9	+13	+16	+16	+9	+12	+9	−2	
Under 10,000	5,742	20,041	+10	+9	+10	+2	+15	+9	+9	+11	+11	+3	
Counties:													
Suburban [1]	953	31,659	+11	+9	+11	+4	+15	+12	+7	+13	+10	+6	
Rural [2]	2,663	26,304	+14	+4	+15	−2	+10	+8	+3	+14	+17	+6	

[1] Includes crimes reported to sheriffs' departments, county police departments, and State police within standard metropolitan statistical areas.

[2] Includes crimes reported to sheriffs' departments, county police departments, and State police outside standard metropolitan statistical areas.

TABLE 2.—CRIME INDEX TRENDS

Area	Number of agencies	Population in thousands	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	11,735	193,483	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	
Cities over 50,000	416	74,277	+9	+10	+9	+3	+11	+13	+6	+12	+9	+5	
Suburban area [1]	4,920	69,502	+9	+10	+9	+5	+16	+13	+8	+13	+8	+2	
Rural area [2]	2,663	26,304	+14	+4	+15	−2	+10	+8	+3	+14	+17	+6	
Other cities [3]	3,736	23,401	+11	+9	+11	−1	+10	+12	+9	+11	+12	+3	

[1] Includes crimes reported to city, county, and State law enforcement agencies within standard metropolitan statistical areas, but outside the core cities.

[2] Includes crimes reported to sheriffs' departments, county police departments and State police outside standard metropolitan statistical areas.

[3] Includes crimes reported to city police departments outside of standard metropolitan statistical areas.

TABLE 3.—CRIME INDEX TRENDS BY GEOGRAPHIC REGION

Region	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
Total	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	
Northeast	+10	+10	+10	+1	+7	+17	+3	+13	+9	+5	
North-central	+10	+7	+11	+4	+9	+11	+4	+16	+11	−3	
South	+10	+9	+10	0	+12	+9	+8	+12	+9	+6	
West	+9	+12	+9	+11	+17	+14	+10	+9	+9	+6	

TABLE 4.—CRIME INDEX TRENDS

[Percent change 1976–80, each year over previous year, January through June, each year over previous year]

Years	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
1977/1976	−7	0	−7	−2	+8	−5	+4	−5	−9	−2	
1978/1977	−2	+1	−3	0	+5	−2	+3	−1	−4	−1	
1979/1978	+9	+13	+9	+9	+11	+15	+11	+7	+10	+13	
1980/1979	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	

*Sufficient 1979 data were not available to establish reasonable trends regarding arson, the 8th index offense.
Issued by William H. Webster, Director, Federal Bureau of Investigation, U.S. Department of Justice, Washington, D.C. 20535.
Advisory: Committee on Uniform Crime Records, International Association of Chiefs of Police.

Mr. RANDOLPH. Mr. President, it might be of some interest to tell of attempts on the life of Presidents of the United States. The first attempt at assassination was against Andrew Jackson in 1835. Of course, the last of the Presidents on which the attempt has been made was yesterday, March 30, 1981, when Ronald Reagan was a President marked for assassination. There have been four Presidents killed by assassination: Abraham Lincoln in 1865, James A. Garfield in 1881, William McKinley in 1901, and John F. Kennedy in 1963.

There have been five Presidents who were marked for assassination but who were not struck or survived. There were two attempts on the life of President Gerald Ford, in 1975. There was an attempt on the life of Harry S. Truman in 1950, there was the attempt on President-elect Franklin Roosevelt in 1933. The attempt on the life of President Theodore Roosevelt, who was a candidate for a third term in 1912.

As I earlier indicated, Andrew Jackson was the first President on whose life an assassination attempt was made. That was in 1835.

I add also, Mr. President, that at least

two additional Presidential candidates were marked for assassination: Robert F. Kennedy, shot and killed in 1968. George Wallace, shot in 1972, survived and today is living, paralyzed in his body from the waist down. Our attention to this subject today, in my judgment, is entirely appropriate.

As I said in my statement, President Reagan is our national leader, and we pray for his recovery as we pray for the recovery of those who were injured with him in this deplorable incident.

It is deplorable. I do not know what the answers are in a society where we do not live straitjacketed as, perhaps, citizens do under other ideologies.

But I think that we must, at a time like this, not only remember this particular incident but, insofar as possible, direct our thoughts to the very body politic of the Republic, to the life of the Nation itself and to the American people. We must be conscious that we are a people under God and that we try, increasingly, as best humans can try, to live lives of understanding and peace in a world given to us by the Creator Himself.

AN EXPRESSION OF SORROW AND OUTRAGE

Mr. LEAHY. Mr. President, I shall take just a few minutes, first to applaud the statement by my distinguished colleague from West Virginia (Mr. RANDOLPH) and to concur in them totally.

Mr. President, I also commend to everybody, if they were not here, to read the prayers offered by the distinguished Senator from Missouri (Mr. DANFORTH) late yesterday afternoon.

I believe that the distinguished Senator from Missouri expressed very much the feeling of all of us on both sides of the aisle, of whatever denomination, in praying for the well-being of our President, for those gallant law-enforcement officers wounded in the protection of the President, and for the President's press secretary, Mr. Brady, who remains today still in very critical condition.

Mr. President, last night and again this morning, I talked with a number of people in my State of Vermont—members of my family, friends, advisers, neighbors, people who live near us in our home in Vermont, and so forth. The sense of outrage in the State of Vermont on the part of people I talked with was uniform. It made no difference to what political party they belonged to or even if they ever considered themselves as being a member of any political party. It made no difference among the Vermonters as to whom they voted for in last year's election. It was a uniform sense of outrage.

I believe that all Members of the Senate probably have had the same experience in the past few hours in talking with people from their States.

The President of the United States is the head of state, the head of our Government; he is our leader. In a 4-year period we have one President. Quite frankly, I say to my colleagues that I hope, for the good of our country, that we always have only one President during any 4-year period.

In this country, the oldest existing democracy in the world, we should always bring Presidents to office or have Presidents leave office by ballots, not by bullets.

It is with a deep sense of sorrow and outrage, as an American, as a Vermonter, as a Member of the U.S. Senate, that I see an action by which someone tries to change the course of our democracy, change the way our democracy is established, change the way our President is selected.

Mr. President, if such efforts were successful, if a government could be totally changed overnight or in a matter of moments by such an action, this country would quickly slide from democracy to anarchy. We can thank God, as many of us have, that this did not happen yesterday.

As Senator DANFORTH did yesterday, all of us should pray for the continued well-being of President Reagan. On behalf of myself and my family and the people of my State, we feel very thankful today that he is alive, that he is well and obviously is recovering rapidly.

I also pray that such things will not happen again. At the same time, I fear too much of that tradition is with us.

So, Mr. President, it is good to note that the country continues, our Government continues. It should be an immediate sign not only to people within our borders but also to those without our borders that when something like this happens, our Government coalesces, our people coalesce. We are ultimately not Republicans or Democrats; we are Americans.

Those of us who serve in the Government serve all the people of this country. Anyone who feels that the Government will fall or be irreparably altered by such action should take note of the fact that it is in times of crisis such as these that those of us within the Government show the utmost cohesion and the utmost efforts to maintain stability.

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

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. DOMENICI. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Would it now be in order for us to proceed with the Bradley amendment?

The PRESIDING OFFICER. It would be at the close of morning business.

A DAY TO REMAIN IN OUR MINDS

Mr. QUAYLE. Mr. President, yesterday was indeed a day which will remain in our minds for many years. For me it was a day which began on an even note, went through a deep trough of concern as events of the afternoon unfolded, and then ended on a high note as the medical reports were optimistic for the President's recovery, and the Hoosiers of Indiana won the NCAA tournament.

It is not, it seems to me, improper to talk of a basketball game at this time. For, in life, we learn that the bad is often balanced by the good. And the sour is offset by the sweet.

Indeed, the President's first public message after his successful surgery was: "I'd rather be in Philadelphia."

Coach Bobby Knight and his young team of basketball players brought a championship back home to Indiana last night. As they have throughout the NCAA tournament, they won by over 10 points. But this was not a team which sailed through an undefeated season. It was a team which came into the new year barely over the .500 mark. Despite that, Coach Knight took his team into the tough big ten season and came out as conference champions.

Overcoming adversity is one of the traits we most admire, Mr. President. This team and Bobby Knight has done that. Indiana is proud of him, his players, and our great university.

Now on to the more serious matter of the shooting yesterday afternoon.

Overnight I spent a great deal of time, as I am sure all of my colleagues did, thinking about what happened yesterday and why. It is easy to take this incident and misuse it to foster one particular belief or another. That would be, in my estimation, the very worst outcome.

Listen to the debate in this very Chamber, Mr. President. In using our oratorical skills, we tend to overstate. We tend to use the most dramatic phrases, and paint the most stark word pictures.

We use phrases like "eating out of garbage cans," and "wholesale murder of the unborn."

This is not limited to one side of the aisle or the other, nor is it limited to one particular issue.

Look back at the recent campaigns. We all are guilty of using intemperate language to draw a distinction between the good "us" and the bad "they."

Like lawyers in a courtroom, Mr. President, we use the words and pictures which are most likely to arouse emotions. We have seen, over the past few campaigns, the rise of "negative advertising," designed to tear down our opponent, or our opponents' ideas.

Lawyers, debaters, or—forgive me—actors, understand these "rules." How many times has each of us gone through a hard trial, or a tough negotiation, and adjourned, with our adversary, to the coffeeshop or the golf course.

Unfortunately, the jury, or the public, or, in some cases, the audience, does not understand the difference between "fiery rhetoric" and demogogy.

There are people in the country whose

minds are like Jello, and take on the shape of the mold into which they are put. They believe that we hate each other and take it upon themselves to avenge some imagined wrong.

Let us look to ourselves, Mr. President. Let us take upon ourselves some measure of responsibility for what happened yesterday.

It was not President Reagan, and Jim Brady, and two security persons, it was each of us and our staffs.

On a recent Sunday evening we were reminded of the words of the poet John Donne, when "Sixty Minutes" did a story on Ernest Hemingway.

The famous words by John Donne say:

Any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee.

CONCLUSION OF MORNING BUSINESS

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

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 9) revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983.

The Senate resumed consideration of the concurrent resolution.

Mr. DOMENICI. Mr. President, would the Chair inform the Senator from New Mexico how much time remains on the Bradley amendment and how much time I have in opposition?

The PRESIDING OFFICER. The Senator from New Jersey has 8 minutes; the Senator from New Mexico has 24 minutes.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GORTON. Mr. President, I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 24

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

Mr. President, I rise in opposition to the amendment offered by the Senator from New Jersey, not because I do not share the same objective that he does with respect to getting the oil put into the strategic reserve, but because of the same reasons outlined by the distinguished Senator from New Mexico, the chairman of the Budget Committee. This amendment, which is a $3 billion add on, would push the Senate over the figures set up in the President's budget message and if it passed it would be the first of what might become a string of amendments that would further break the budget, this one being the first to breach the budget targets.

For that reason I must reluctantly oppose it, not because I think it is easy for us to find the means by which we can reduce the expenditures of the Federal Government, but because I realize it is very difficult. It is much easier to add on than it is to balance the budget. It also is much easier to add on than it is to find an offset.

I am, like every other Member of this Senate, going to have to accept some reductions in programs that I have fought in the past years, that I have supported and still support, and that I believe in but I have to subordinate my other concerns now to a primary goal of reducing Federal expenditures.

There are three major crises that face this country today: one is energy; the other is military; and the third is economic. And this touches all three of those areas. It is necessary for us to have a strategic reserve in order to maintain the security of this Nation. It is necessary for us to have a strategic reserve to reduce the future potential economic impact upon this country by recognizing that it increases the economic impact upon the budget and, hence, in the short term, upon the economy.

And, finally, it is absolutely essential as a part of an overall energy strategy of developing our own resources so that we can reduce our dependence upon the imported oil, while at the same time reducing the capacity in the short term for massive dislocations in the economy and massive disruption of domestic and foreign policy because of immediate, very large-scale or total disruptions of oil supplies flowing to this country.

I do not know how we can best balance the conflicts that exist in finding solutions to these crises without recognizing that each exists, without saying in that context that certainly the strategic petroleum reserve is essential to all three. But in order to meet the other goals as well we must also find the budgetary offsets that are necessary to finance the acquisition as well as the construction of strategic reserves. That is where I must come down in the discussion of the amendment of the Senator from New Jersey.

I have pending a substitute which would call for the addition of the $3 billion for the strategic reserve, but it provides also for the offsetting reductions in the other items in the budget, save the military, which is not before us as the Senator from New Jersey pointed out yesterday, so we cannot touch it. It is not physically before us and, therefore, we cannot address it at this time.

Second, the substitute would exempt the national debt and the trust fund operations. Therefore, the impact by reductions would be as outlined in the substitute.

If the amendment of the Senator from New Jersey is adopted, it would be my intention to withdraw my substitute because the issue would have then been settled by the Senate.

In the event the amendment of the Senator from New Jersey is not adopted, it would be my intention to offer a perfecting amendment to the committee amendment which carries the substance of the substitute I have offered so that we could then vote upon that proposition and I would then withdraw the substitute so that we would not complicate the parliamentary situation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLURE. I thank the Senator for having yielded me time.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. DOMENICI. Might I inquire of Senator BRADLEY, does he intend to use the remainder of his time?

Mr. BRADLEY. I intend to use some portion of the time remaining. I am prepared to use it at any time it is appropriate. I thought I would give the Senator his chance to make a case and then I would make my case.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes.

I think the arguments on substance have all been made. The Senate should now understand that this is the second SPRO amendment. The one that failed rather heavily yesterday would have added $1.5 billion for SPRO by cutting the amount that the Committee on Energy and Resources would have to save.

This amendment would double that. This merely directs that they would save $3 billion less.

I would say to the Senate aside from the substantive arguments, and I have tried to make them, there are substantial moneys left for 1981 and 1982. In fact, there is enough left to continue the present rate of fuel clear through most of 1982. The Congress, the administration, and others in this country would have an adequate time to find out whether or not we could find a way to finance the reserve without ending up as we will if the Bradley amendment passes, by having put $14 billion into a strategic petroleum reserve and not yet have put real pressure on the private sector and the ingenuity of those who know how to finance it.

Aside from those substantive arguments, this amendment will make us $775 million over the package which the President presented. So while some amendments of a lesser quantity might

not break that package, this one will. This will make us $775 million over the package presented by the President.

I would say to my good friend from New Jersey, that technically, if he wants to take credit for the $500 million that Senator DOLE shifted from 1982 to 1981 in his amendment, then it would only be $275 million. But I choose to be practical in that respect. That is merely shifting and adds $500 million more to 1981, which we will have to do in a continuing resolution. So I think the essence of it is that it is about $775 million that we would now be over the President in terms of recommended savings.

I would hope the Senate considers the seriousness of this and that they do as they did yesterday, that they defeat the Bradley amendment. We should be giving Congress the opportunity to find another way, a better way, so we do not have to put valuable tax dollars into the ground when many people perceive this to be an alternative and we have not considered any other real alternatives.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. ANDREWS). Who yields time?

The time in opposition to the amendment has expired. The Senator from New Jersey has 8 minutes remaining.

Mr. BRADLEY. Mr. President, the amendment before the Senate would reinstate $3 billion for the strategic petroleum reserve that the Senate Committee on the Budget removed, bringing the total figure to $3.8 billion,which is the exact total that the Reagan administration proposed for the strategic petroleum reserve. As I have said on the floor several times yesterday, and many times previously, there is no better way to spend an energy dollar than to buy a barrel of oil and put it into a reserve; there is no better way to spend a national security dollar, given our vulnerabilities and our dependence upon insecure sources of foreign oil, than to buy a barrel of oil and put it into the reserve.

Mr. President, the distinguished chairman of the Committee on the Budget has made an argument that I have heard before on this floor. It is an argument that I characterize as the "green-eyeshade approach" to our national security; that we are going to save a few dollars in budgetary terms this year or next, while continuing to expose ourselves to the very real possibility that we shall be totally unprepared to cushion our economy against the devastation that an oil-supply interruption would create.

Mr. President, this is a national security issue. If we had no oil, it would be difficult to mobilize our economy in a military emergency, and we might not be able to provide the military with sufficient oil.

Mr. President, the Budget Committee came in $2.3 billion under President Reagan's budget. The amendment that the Senator from Kansas offered, and that was adopted, as the Senator from New Mexico has pointed out, took us $500 million lower. What that means is that we are talking about going $200 million above the Reagan administration budget. Mr. President, that $200 million is, in some sense, a piddling sum compared to the $185 billion that we are going to spend on national defense this year. The rules regarding the reconciliation bill on the floor does not allow us to adjust the defense numbers. The defense numbers are not before us at this time. Therefore, the Senator from New Jersey is arguing that there is no better way to spend a national defense dollar than to buy oil and put it into a reserve, and he is unable to make that a reality by adjusting the defense numbers because he cannot get to them.

So I say to the Senate that $2.3 billion of this $3 billion would come from the difference between the Budget Committee figure and the Reagan administration figure. An additional $500 million is taken care of by Senator DOLE. The $200 million would come in the first budget resolution out of a defense budget of $185 billion.

Mr. President, if we cannot find $200 million out of a budget of $185 billion to assure full funding of the strategic petroleum reserve, then I raise a serious question as to how serious we consider the threat of an oil supply disruption to be.

Mr. President, we have heard arguments about other mechanisms to fund the strategic petroleum reserve. The fact is that there are none today. By refusing to spend this money to fill the reserve, we are saying, in effect, that we are not prepared and we refuse to take actions to prepare us to cushion our economy against an oil supply disruption.

Mr. President, as I have argued before on this floor and as I argue today, emergency preparedness is the lost child of energy policy; the fundamental component of emergency preparedness is the strategic petroleum reserve. This is our chance to address that component. There is sufficient cushion in the defense budget and in the numbers that were reported by the Budget Committee to allow for this $3 billion addition; the $3 billion is the exact request that was made by the Reagan administration when it sent its budget to Congress this year.

So, Mr. President, I argue that the Senate should adopt this amendment. It is in our national security interest; it is in our economic security interest; and it is time we stopped following the green-eyeshade approach to our national security on an issue that is a fundamental threat today to our continued health as a nation.

I reserve the remainder of my time.

● Mr. EAGLETON. Mr. President, while I have voted and will vote against amendments to restore funding, I agree that a strategic oil reserve is essential to the long-term security of this country. However, I believe the financing of the reserve can and should be managed without burden to the taxpayers. There are some who feel that such private financing is possible, but that it may take too long to negotiate.

I am not entirely unsympathetic to that argument nor to the case that some have made that the existence of an ample reserve could be essential to our military preparedness. While such an amendment may not be in order at this time, I would suggest that we consider the alternative of putting the costs of building the reserve under the Defense function at least until other means of financing it can be found. If national security is the pivotal argument in this matter, then let us deal with it directly by making the oil reserve a national security function.●

Mr. DOMENICI. Mr. President, I wonder now if the Senator from New Jersey would want to yield the remainder of his time so we can proceed with Senator MCCLURE's proposal? I say that if he needs some additional time, between Senator HOLLINGS and me, we shall certainly yield it off the resolution.

Mr. BRADLEY. Mr. President, I am prepared to yield back the remainder of my time if the Senator from New Mexico is also prepared to do that.

Mr. DOMENICI. Mr. President, my time has run out.

I suggest the absence of a quorum with the time being charged equally to both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCLURE. Mr. President, I ask that the order for the quorum call be rescinded.

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

UP AMENDMENT NO. 30

(Purpose: To restore funding for the strategic petroleum reserve program)

Mr. MCCLURE. Mr. President, I ask unanimous consent that it may be in order for me to offer a perfecting amendment to the committee amendment at this time.

The PRESIDING OFFICER. Without objection, the amendment will be in order.

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

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE) proposes an unprinted amendment numbered 30.

Mr. MCCLURE. Mr. President, I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

Page 6, line 10, strike all after the semicolon through the period on line 14 and insert in lieu thereof the following: "$714,000,000 in budget authority and $434,000,000 in outlays for fiscal year 1982; and $660,000,000 in budget authority and $669,000,000 in outlays for fiscal year 1983.".

Page 15, line 8, strike all after the semicolon through the period on line 11 and insert in lieu thereof the following: "$1,885,000,000 in budget authority and $1,118,000,000 in outlays for fiscal year 1982; and $2,251,000,000 in budget authority and $1,887,000,000 in outlays for fiscal year 1983.".

On page 21, after line 9 insert the following paragraph:

"(30) In addition to the actions required by subsections c(1) through c(29) each Committee of the Senate and House referred to therein shall report changes in laws within their respective jurisdictions sufficient to reduce budget authority by 1.5 percent for fiscal year 1982 and by 1.4 percent for fiscal year 1983; and to reduce outlays by .7 percent for fiscal year 1982 and .6 percent in fiscal year 1983; provided that no such Committee shall reduce budget authority or outlays in function 050; provided, further, that no Committee shall be required to reduce budget authority associated with revenues to trust funds, and, provided, further, that no Committee shall be required to reduce budget authority nor outlays associated with interest on the public debt.".

Mr. McCLURE. Mr. President, this is the amendment which we have had reference over the last 2 or 3 days. It is, in substance, the same as the substitute amendment which I offered and which is also pending at this time. It will be my intention, as I stated earlier——

Mr. DOMENICI. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator from New Mexico makes a point. The Senate will be in order.

Mr. McCLURE. I thank the Chair. I thank the Senator from New Mexico.

Mr. President, in the event the Bradley amendment, when voted upon, is adopted, it will be my intention to withdraw both this amendment and the substitute which I offered earlier. In the event the Bradley amendment is not adopted, then it is my understanding, under the unanimous-consent agreement, that the vote on this amendment would follow the vote on the Bradley amendment.

At that time, it will be my intention to withdraw the substitute. This amendment has the same effect upon the budget as the substitute; it carries the same numbers. It is simply a different way of presenting my proposal to the Senate. It would be my intention to offer it in this form instead so as to avoid asking for a vote on the substitute which would complicate the parliamentary situation that would follow in the event that the substitute is adopted.

Mr. President, I think the issues involved in the amendment have been thoroughly discussed. It is simply a matter of adding $3 billion for financing the acquisition of oil for the strategic reserve with offsetting reductions in budget authority of 1.5 percent in 1982, 1.4 percent in 1983, and outlays of seven-tenths of 1 percent in 1982 and six-tenths of 1 percent in 1983 in all other programs save defense, trust fund operations, and national debt. It would not add or subtract from the total for the budget. It would leave it at exactly the same total but would shift funds from other programs into financing of SPRO.

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

Mr. McCLURE. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, so that all understand—Senator BRADLEY is on the floor—the Bradley amendment would be voted on at 2 o'clock. That is pursuant to a previous order. In the event the Bradley amendment is adopted, I understand that Senator McCLURE——

Mr. McCLURE. It would be my intention to withdraw both this amendment and the substitute.

Mr. DOMENICI. In the event the Bradley amendment fails, it is my understanding that Senator McCLURE would want to proceed immediately to vote on the perfecting amendment which is presently before the Senate.

Mr McCLURE. The Senator is correct.

Mr. DOMENICI. And Senator McCLURE would withdraw his previous amendment, which was a substitute for the entire committee amendment.

Mr McCLURE. The Senator is correct.

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

Mr. DOMENICI. I yield.

Mr. BRADLEY. The first vote would come on the Bradley amendment, and the second vote, if there were a second vote, would come on the McClure amendment?

Mr. DOMENICI. The Senator is correct.

Mr. BRADLEY. Mr. President, will the Senator yield so that I can ask for the yeas and nays on my amendment?

Mr. DOMENICI. I yield.

The PRESIDING OFFICER. Is there objection to it being in order to request the yeas and nays at this time on the Bradley amendment? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, would it be in order at this time to ask unanimous consent that the ordering of the votes and the procedures that have been outlined with respect to the votes and the withdrawal of the amendment and substitutes be in order at this time?

The PRESIDING OFFICER. Will the Senator from Idaho restate his request?

Mr. McCLURE. Mr. President, I ask unanimous consent that following the disposition of the Bradley amendment, the vote then occur on the McClure amendment, unless the Bradley amendment has been adopted; that it be in order for me at that time to withdraw the McClure amendment if the Bradley amendment has been adopted, and that it be in order, following the disposition of those two amendments, for me to withdraw my substitute at that time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understood that the Senator from Alaska wanted to speak with respect to the Bradley amendment and the time expired. Does the Senator wish to speak now with respect to the Bradley amendment?

Mr. MURKOWSKI. Yes.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield to the Senator.

Mr. MURKOWSKI. I thank the Senator from South Carolina and the Senator from New Mexico.

The PRESIDING OFFICER. The Senator may proceed.

Mr. MURKOWSKI. Mr. President I wish to express my strong support for the amendment offered by the distinguished Senator from New Jersey (Mr. BRADLEY).

Yesterday, I voted for Senator STEVENS' amendment which would have restored $1.5 billion in budget authority for the strategic petroleum reserve. However, prior to that vote I expressed my preference for the full $3.8 billion as recommended by President Reagan for this program, which is so vital to our national security. Senator BRADLEY's amendment, now pending before the Senate, does in fact restore the full level of funding—$3.8 billion—for the strategic petroleum reserve as proposed in the Reagan budget for fiscal year 1982.

This amendment should be adopted because the strategic petroleum reserve is the best near-term, energy security program the Nation has. It is not in our interests to eliminate funding necessary to proceed to fill the reserve before Congress adopts an alternate financing plan to do the job. Despite the fact that Senator WARNER, chairman of the Subcommittee on Energy and Mineral Resources, has already begun hearings on alternative financing programs, it is very doubtful that Congress can develop, adopt, and put into place an alternative financing plan in the next few months.

That is why the Senate Energy Committee, by a vote of 19 to 1, adopted a motion offered by the chairman of the committee, Senator McCLURE, urging that President Reagan's full budget authority recommendation for the reserve be included in the reconciliation resolution. The previous administration received considerable and justified criticism for moving too slowly in filling this reserve. I believe we should support President Reagan's efforts to reverse this policy. Adoption of Senator BRADLEY's amendment will insure that the President's proposal to accelerate the filling of the reserve will go forward. Therefore, I urge the Senate to adopt this amendment.

Mr. DOMENICI. Mr. President, unless other Senators wish to speak in opposition to the McClure amendment, I want the Senate to know that I do not intend to take a great deal of time.

I say to the Senator from South Carolina (Mr. HOLLINGS) that it is my understanding that, pursuant to our agreement, the next amendment will be that of Senator MOYNIHAN.

Mr. HOLLINGS. The Senator from New York is coming to the floor.

Mr. DOMENICI. I hope he will agree to take up his amendment, even though other amendments are pending.

I yield myself 4 minutes.

Mr. President, the arguments have been made. The only difference between the McClure amendment and the Bradley amendment is that both would put back all the money for SPRO—all $3 billion.

Senator McCLURE would go back through the committee instructions and would pick up the $3 billion in additional cuts. There are some technical problems. Some trust funds are not cut because of the accounting.

Basically, if the committees think they have already taken a pretty good dose of

cuts, they should understand that in order to get SPRO under the McClure amendment, they are taking $3 billion more in cuts. Everyone should understand that. That is to be compared with the proposal by Senator BRADLEY, who would say that there should be no additional cuts—just put the $3 billion back.

Senator MCCLURE would do no violence to the present balance in terms of this package. It would remain intact. We still would be substantially under the President's figure. Senator MCCLURE would put full SPRO funding in but cut additional moneys by broadening the instruction to the various committees in a percentage manner by adding to what we already did.

With reference to Senator BRADLEY's proposal, it would just put the entire $3 billion back, without any cuts, which, for the first time, would make this package of reconciliation instruction cuts be less than the President's package by about $775 million.

So I hope that the Senate will defeat both amendments and will go on record instructing the committees of Congress that they should find an option, and find it quickly, to privately finance SPRO, find ways to ask the Finance Committee to have some tax incentives for the financing of SPRO, provide some latitude so that perhaps even the military might consider, in the next few weeks, whether they should bear some of the responsibility.

None of those options is precluded if the Budget Committee's instructions are complied with.

It just means we are really ratcheted down, and as to those who wish to find an option, we put them on strong notice that they better get with it and find a way.

Before I sit down, I wish to commend both Senators who have offered these amendments, because they have worked with us to present them in an orderly manner which every one can understand. They have agreed by unanimous consent to procedures designed to bring us to a vote right after 2 p.m. We will vote and finish the SPRO issue one way or another, and we desire to do this so we can move on to other things. But I do not think we have denied anyone a real opportunity to debate the issue.

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

Mr. HOLLINGS. Mr. President, I yield to the Senator from New Jersey time from the resolution.

Mr. BRADLEY. Mr. President, for the benefit of Senators who are listening, I wish to be as clear as I can about the budgetary impact of the Bradley amendment.

I agree with the characterization that was made by the chairman of the Budget Committee about the amendment offered by the Senator from Idaho. The amendment offered by the Senator from New Jersey does not have an offset of $700 million, because the rules governing the reconciliation resolution do not allow us to take $700 million out of the $185 billion that we are spending on defense in 1982 and divert it to the strategic petroleum reserve.

So for those Senators who think that this is a vote to bust the budget, it is a vote to go above the figure only because we cannot get $700 million out of the defense function on this reconciliation resolution.

On the first concurrent budget resolution, we will have the opportunity, and it would be the intention, I think, of many Senators, to take some money from defense and divert it to the strategic petroleum reserve. This is because it is so clearly a national defense item and because the Budget Committee reported the reconciliation resolution $2.3 billion under the administration figure. We would be talking about taking only less than 1 percent, less than 0.5 percent of the defense function and shifting it to what is clearly a national security need, the continued fill of the strategic petroleum reserve.

So I simply wish to clarify for the Senate the reason that this amendment that I offer does not have that very careful balance, that very clear offset. It is because of the parliamentary position we find ourselves in, not because it is the intention of the Senator not to balance it when we move down the road of this legislative process to the first concurrent budget resolution.

Mr. STENNIS. Mr. President, will the Senator yield for one point?

Mr. BRADLEY. I yield.

Mr. STENNIS. Mr. President, as I understood the Senator, he says in future consideration of the budget it will be possible in the interest of this very item to reach over and make an adjustment, that it will be possible to make an adjustment out of the Department of Defense funds as a certainty. Now, the Senator is always careful and he is sound in what he says. He does not have any doubt about it being possible under another parliamentary situation?

Mr. BRADLEY. It is my understanding, I say to the distinguished Senator from Mississippi, that it would be possible because in the first concurrent budget resolution we would have defense authorization which we do not have in this reconciliation resolution.

Mr. STENNIS. I thank the Senator That is a good point.

Mr. McCLURE. Mr. President, I yield myself such time as I may consume.

Mr. President, the Senator from New Jersey said do not worry about cutting now; we will cut later. That is always the seductive notion, and for any other budget add-on the same thing can be argued: Do not worry about how much we add to the budget now. We will cut it later. We will take it out of something else. We will take it out of defense later. We will take it out of entitlements later. We will take it out of something else later.

But the fundamental point I wish to make regarding his statement that it will be less than 1 percent of the defense budget to accommodate this increase. But that is an increase over the President's budget submission of $775 million, not an increase of $3 billion.

My amendment takes out less than 1 percent, in order to balance now, not later. That seems to me to be the essential difference.

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

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. Does the Senator from South Carolina yield time?

Mr. HOLLINGS. I yield time.

Mr. BRADLEY. Mr. President, I am prepared to yield the remainder of my time back with one last statement.

The issue is not when to cut the budget. The issue is when we find a way to fill the reserve. The opponents of both the Senator from Idaho and the Senator from New Jersey say do not worry, we will find a way to fill it later. I do not think we can wait to find a mechanism to fill later. We have to fill now, we have to keep the mechanism we have now until another is in place, and we have to begin with this amendment.

Mr. McCLURE. Mr. President, I am prepared to yield back the remainder of my time, and I agree with the Senator from New Jersey. It is not a question fill later. It is a question of fill now.

My amendment would do the same thing, but it would also balance now as well as fill now. Fill now and pay now.

I thank the Senator.

Mr. BRADLEY. Mr. President, I am prepared to yield back my time.

Mr. McCLURE. I am prepared to yield back the remainder of my time on the amendment.

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

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

The PRESIDING OFFICER. The Senator from New Jersey yields back his time.

All time is yielded back.

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the distinguished Senator from New York is next in line with his amendment.

I suggest the absence of a quorum, and ask unanimous consent that the time be taken from both sides.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BAKER. Mr. President, I ask the distinguished manager of the resolution if he will yield me 3 minutes off the resolution to speak on another subject?

Mr. DOMENICI. Mr. President, I am pleased to yield to the majority leader.

Mr. BAKER. Mr. President, I thank the distinguished manager of the resolution.

REPORT ON THE PRESIDENT'S CONDITION

Mr. BAKER. Mr. President, I take this opportunity to report that this morning

at 10 a.m. I attended a joint leadership meeting at the White House where the Vice President and members of the President's Cabinet gave us a full account of the tragic events of the past 24 hours.

The high point of that report, and certainly the happiest aspect of it, was that the President is well, that he went through surgery without complication, and that he is fully alert and aware today. In my view, President Reagan probably survived that surgery better than many of us in that room could have.

I am pleased to say he is doing well, and I wish to convey that information to my colleagues in the Senate.

Later this morning the Vice President of the United States paid us a visit here, after having first visited with the President at the hospital. The Vice President related to me and authorized me to convey to the Members of the Senate that the President was very alert and very well. The Vice President asked that the Senate and the people of the country be reassured that the President will recover, and that he is fully capable of discharging his duties and responsibilities as President.

The Vice President promised to keep the Senate fully informed of further developments in connection with the President's health.

Mr. President, the report with respect to the health of Jim Brady, the President's Press Secretary, is not as favorable. Mr. Brady is alive. He survived surgery better than many had expected. He appears to be at least semiresponsive to outside stimulus. His doctors put it this way: Jim Brady is better off today than any of us thought he would be last night. I take that to be a distinctly encouraging sign.

Mr. President, also, the Secret Service agent is doing well. His injuries were more severe than those of the President, but he has survived surgery and is well on the road to recovery. If one person is to be singled out as a genuine hero in this unfortunate situation, it may very well be Tim McCarthy, the Secret Service agent who apparently dove directly in front of the gunman to protect the President from another gunshot wound.

The District of Columbia police officer has not undergone surgery or had not a few moments ago. His condition is reported as being stable. The outlook, of course, cannot be fully determined until further tests and possibly surgery are completed.

Mr. President, I will make additional reports as the information becomes available to me.

I thank the Senator for yielding.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, while we are waiting for the distinguished Senator from New York I suggest the absence of a quorum with time to be divided equally.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, before proceeding to the subject at hand, I wonder if I might take just a moment of the Senate's time——

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield time for the Senator's amendment.

The PRESIDING OFFICER. The Senator from South Carolina yields time.

THE PRESIDENT'S CONDITION

Mr. MOYNIHAN. Mr. President, I simply wish to express what I know would be the great relief and pride which we feel in the report of the majority leader that the President of the United States has conducted himself with valor and grace in this moment that, in a way, is surely an example to us all.

Our prayers continue for Mr. Brady and for the two brave men who were also shot on this occasion.

I wish to note, Mr. President, that many persons have commented on how frequently these events take place in the United States, and they do. But it also might be observed that in this most recent espisode, as in the one 18 years ago when President Kennedy was shot, the U.S. Government did not so much as wobble the least bit. The stability of our system is a rock.

This is the oldest constitutional government on Earth. It has its shocks, but it withstands them as no such system ever in history has done.

If you were to make a list of the nations of the world, Mr. President, which both existed in 1914 and have not had their form of government changed by force since, I think you would find the number comes to seven.

Assault can be made upon our leaders, we know, but the stability of our system is incomparable in the world today, and the world should take note of that.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued consideration of the concurrent resolution.

Mr. MOYNIHAN. Mr. President, I now send to the desk three amendments for the purpose of adding $735 million for elementary, secondary, and higher education programs under the jurisdiction of the Committee on Labor and Human Resources. I will ask that they be considered in sequence, the first being that of the Pell grants, as we have come to know them, named after our distinguished former chairman; the second, funding of student loans; and, finally, title I of the Elementary and Secondary Education Act of 1965, as amended.

Mr. DOMENICI. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from New Mexico reserves the right to object.

Mr. DOMENICI. I do not know whether I am going to object or not, but I say to my good friend from New York we have to take a look at these amendments. We have not seen them. Can the Senator permit us to review those? We need some unanimous consents in any event. I do not believe the amendments are in order at this point. I am not disposed to talk about parliamentary matters, but I wonder if the Senator would agree to let us look at these amendments.

The PRESIDING OFFICER. Will the Senator from New York withhold his request while the Senator from New Mexico looks at the amendment?

Mr. MOYNIHAN. The Senator from New York is happy to do so.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I have at the desk three amendments which I will ask to be considered en bloc, and ask unanimous consent that two of them be voted on in the sequence that has been established to begin at 2 o'clock. If they could be voted on in the sequence now being established, I should consider it a courtesy of the distinguished chairman of the committee.

I might state that after a colloquy with the distinguished senior Senator from Vermont, Senator STAFFORD, I may propose to withdraw the amendment on guaranteed student loans.

The PRESIDING OFFICER (Mr. KASTEN). Is there objection?

Mr. DOMENICI. Reserving the right to object, Mr. President, it is my understanding then that the Senator has sent three amendments to the desk, that he is requesting that it be in order to submit the three, and that we will vote on them in a divided manner, with the Pell grant amendment first, the elementary and secondary amendment following that, and that, after a colloquy, the student loan amendment would be withdrawn.

Mr. MOYNIHAN. That is my expectation, exactly as the chairman stated it.

Mr. DOMENICI. Does the unanimous-consent request include that the two amendments which we are going to now agree will be voted on will be voted on after we have disposed of the pending SPRO amendments which we will start voting on at 2 o'clock?

Mr. MOYNIHAN. That is correct. That would be our wish.

Mr. RANDOLPH addressed the Chair.

Mr. DOMENICI. I will yield in just 1 minute to the distinguished Senator from West Virginia.

Would the Senator be prepared to tell us how long he might want on these amendments? We do start voting at 2

o'clock. I would hope that the Senator could agree that we would be through with debate on these three amendments by 2 o'clock. Technically, you would have an extra half hour, I guess, if you wanted to separate them.

Mr. MOYNIHAN. Most assuredly it is not by expectation that we would require more than an hour on this side.

If I could have an agreement that we would have an hour divided into three segments of 20 minutes, I would think that adequate to our purposes.

Mr. DOMENICI. And an equal amount of time on this side?

Mr. MOYNIHAN. Of course.

Mr. DOMENICI. I would have no objection to include that in the unanimous-consent request.

Mr. MOYNIHAN. Would the Chair so do?

Mr. DOMENICI. The Senator from West Virginia sought recognition.

Mr. CHAFEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAFEE. As I understand the procedure here, we are alternating back and forth. If the Senator from New York proceeds with this division, does that mean he has two bites at the apple on his side and then we come back for two here, or how does that work?

The PRESIDING OFFICER. The arrangement at this point is informal. There is no specific recognition back and forth, one way or the other. It is being worked out amendment by amendment. There is no specific order in terms of who gets which bite at which apple at which time.

Mr. DOMENICI. I would say I do not think that is a parliamentary inquiry, but rather one of accommodation.

Mr. CHAFEE. I will address it to the accommodators.

Mr. HOLLINGS. It is an amendment a side. But in this particular instance, the Senator from New York was prepared to present the one amendment and it was easily divisible, so he has now divided it to forgo the parliamentary maneuvering around to divide it. But if the Senator wants to be totally accurate, he could only present one amendment at a time.

Mr. CHAFEE. That is quite all right. Then we will come back on this side.

Mr. HOLLINGS. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. RANDOLPH. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I want to be very certain about that part of the subject matter, which arrangement we had made prior to coming into the Chamber just now, which would relate to the guaranteed student loans. I will have the RECORD show at this point exactly why that is not being considered. I understood, as I listened, that it was to be withdrawn, but I had no information as I came into the Chamber that that was to be done.

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

The PRESIDING OFFICER. Does the Senator from South Carolina yield time for that purpose?

Mr. HOLLINGS. Yes.

Mr. DOMENICI. We can divide the time equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I have a unanimous-consent request at the desk. Has it been agreed to?

The PRESIDING OFFICER. The request of the Senator from New York for unanimous consent to grouping three amendments en bloc is still pending.

Is there objection to the unanimous-consent request of the Senator from New York?

Without objection, it is ordered.

Mr. MOYNIHAN. I thank the Chair.

UP AMENDMENTS NOS. 31, 32, AND 33

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), on behalf of himself and Mr. SARBANES, proposes en bloc unprinted amendments numbered 31, 32, and 33.

The amendments are as follow:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following: "$14,537,000,000, and outlays by $2,340,000,000 in fiscal year 1981; to reduce budget authority by $52,675,000,000, and outlays by $36,845,000,000, in fiscal year 1982; and to reduce budget authority by $59,058,000,000, and outlays by $47,554,000,000".

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$2,258,000,000 in budget authority and $401,000,000 in outlays for fiscal year 1981; $10,153,000,000 in budget authority and $7,828,000,000 in outlays for fiscal year 1982; and $12,193,000,000 in budget authority and $10,773,000,000".

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following: "$14,667,000,000, and outlays by $2,353,000,000, in fiscal year 1981; to reduce budget authority by $52,555,000,000, and outlays by $36,745,000,000 in fiscal year 1982; and to reduce budget authority by $58,653,000,000, and outlays by $47,194,000,000".

On page 9, beginning with "$658,000,000" in line 20, strike out through "$1,495,000,000" in line 22 and insert in lieu thereof the following:

"$388,000,000 and outlays by $422,000,000 in fiscal year 1982; and to reduce budget authority by $1,026,000,000 and outlays by $995,000,000".

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following: "$14,167,000,000, and outlays by $2,303,000,000 in fiscal year 1981; to reduce budget authority by $52,225,000,000, and outlays by $36,510,000,000, in fiscal year 1982; and to reduce budget authority by $58,528,000,000, and outlays by $47,094,000,000".

On page 2, line 24, strike out "$13,300,000,000" through "$1,800,000,000" on line 1 page 3 and insert in lieu thereof the following: "$12,800,000,000 in budget authority and $1,450,000,000 in outlays for fiscal year 1981; by $2,850,000,000 in outlays for fiscal year 1982; and $1,700,000,000".

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$1,388,000,000 in budget authority and $364,000,000 in outlays for fiscal year 1981; $9,703,000,000 in budget authority and $7,493,000,000 in outlays for fiscal year 1982; and $11,933,000,000 in budget authority and $10,313,000,000".

The PRESIDING OFFICER (Mr. COHEN). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I will speak briefly at the outset to say that these are three measures of which colleagues will be speaking.

In the order that we will consider them, they are an increase of $100 million in the outlays in fiscal 1982 for the Pell grants, the grants to needy students in higher education, named after the distinguished Senator from Rhode Island who has done much to create this program.

Next, we will discuss the guaranteed student loan program, a proposal adding $200 million in 1982.

Finally, there is a proposal to increase by $435 million the title I programs, as they are known, of the Elementary-Secondary Education Act of 1965.

Mr. President, at this point I will confine my remarks to saying that I have had a personal involvement in each of these programs. In the summer of 1964, I was instrumental in negotiating the agreements that led to the plank in the 1964 Democratic platform on Federal aid to education, which led in the following March to the final, great breakthrough in legislation, the Elementary and Secondary Education Act.

It fell to me to draft the Presidential message which proposed the program we now know as Pell grants, and in this body I have participated in the extension of the loan agreements beginning in the mid-1960's, through the enactment of the Middle Income Student Assistance Act of 1978.

Mr. President, I propose that we first discuss Pell grants and then guaranteed student loans, without animus and with a sense of the somber time in which we raise these matters in Washington.

I simply draw attention to a statement by an administration official who was quoted in the New York Times of February 22 as saying:

We are trying to avoid saying that we are eliminating the Middle-Income Student Assistance Act, but that is what we are doing.

Mr. President, this would be an extraordinary event. There are 2.7 million students receiving Pell grants this year. There are 3.4 million students receiving guaranteed loans.

The Budget Committee actions have cut 600,000 persons from the Pell grants and 1.4 million from the loan program, almost cutting that program in half.

I repeat that the decision this body seems to be making is in conformity with the statement of the administration official who said:

> We are trying to avoid saying that we are eliminating the Middle-Income Student Assistance Act, but that is what we are doing.

Mr. President, it is very much the wish on this side of the aisle that we not do that, and that is why we have submitted these three amendments for the consideration of the Senate.

I see that the distinguished ranking minority member of the committee is in the Chamber. Not since the beginning of the Fulbright grants program has a Member of this body so illumed the world of higher education. In generations hence, I say to the Senator from Rhode Island, his grandchildren will be thanked by the children of persons who got their start in life through a Pell grant.

I wonder whether the Senator from Rhode Island wishes to speak at this time.

Mr. PELL. Mr. President, I thank my friend and colleague from New York for his exceedingly generous remarks, which I appreciate from the bottom of my heart.

Mr. President, I am proud to be a cosponsor of these education amendments. I wish we could offer amendments that would represent smaller cuts in education, for in my opinion investments in education are the soundest investments this Nation can make. However, although I wish we could go further, these amendments are a step in the right direction.

I think we should all consider very seriously what we are doing today. If we accept the recommendations of the Budget Committee, we will be backing away from one of the great traditions of our Nation, the support of education.

We all realize that we are confronted by a crisis. But, never recall before that, in a time of crisis, we have turned our backs on education. Instead, we have embraced education, and encouraged it by our support to help us meet the challenge. The Morrill Land Grant College Act of 1862 was in response to a national need for training in agriculture and the mechanical arts. The National Defense Education Act of 1958 was in response to the space crisis that confronted this Nation.

The Elementary and Secondary Education Act of 1965 was in response to the cries of many of our citizens for adequate educational services. And when it became virtually impossible for many American families to finance a college education for their children, we enacted the Middle-Income Student Assistance Act.

Now, the Budget Committee is asking us to retreat from tradition and establish the dangerous precedent of short changing education. I do not accept that.

Mr. President, these education amendments we are considering are modest amendments. They do not represent program expansion. In fact, they require program cuts. But they are carefully considered cuts, not across-the-board slashes as required by the Budget Committee.

What these amendments would do, if adopted, would be to reduce educational spending in these areas by approximately 12 percent. This is the figure that was recommended to the Budget Committee by the Committee on Labor and Human Resources, the authorizing committee for education programs. That 12 percent cut figure was arrived at unanimously by the Labor and Human Resources Committee, after a careful examination of programs within that committee's jurisdiction. That examination considered what level of cuts in education this Nation could safely endure. And 12 percent was that level.

I should point out to my colleagues that 12 percent was not the Democratic preference. We preferred smaller cuts. But this was the figure that was presented to us by our Education Subcommittee Chairman, Senator STAFFORD, and it was in his opinion the bottom line in cuts that we could accept.

We agreed a little over 2 weeks ago that 12 percent was all the cuts that education could safely accommodate. Nothing has happened in the past 2 weeks to cause me to change my opinion.

No one likes to cut programs, Mr. President, particularly education programs. But our authorizing committee decided that education had to take its fair share of the cuts. But 20 to 25 percent, as proposed by the Budget Committee, is not a fair share. It is a meat-ax approach to budget making, not the fine surgeon's scalpel that these programs so desperately need. Our authorizing committee took that surgeon's approach and recommended education cuts of 12 percent. These education amendments we are about to consider would get us back to that level.

Specifically, these amendments would reduce the cuts recommended by the Budget Committee in title I of the Elementary and Secondary Education Act and in Federal student assistance programs.

Without this amendment on title I, we will be telling 1.3 million children to look elsewhere for remedial educational services. They had to look to the Federal Government in the first place because their needs were being unserved. Now, if the Federal Government is not there, where will these young people turn? Who will provide these 1.3 million young Americans with basic skills instruction? Title I works.

Studies prove that it is one of the most successful Federal education programs. It helps poor youngsters develop the skills that they need to become a part of the educational mainstream. It is the type of program that deserves our support, and the title I amendment will provide that support.

And when we consider the future of this Nation, it lies in an educated and informed citizenry, and who can provide that better than our current and future college students.

Yet, the cuts in student aid programs proposed by the Budget Committee would cause 500,000 to 750,000 young people either to drop out of college or decide not to attend college. Can any nation afford this loss of talent? Can any nation be secure internationally if it loses such a large number of future scholars?

And with these student aid cuts, many colleges will be forced to close their doors, because they will not have the students or the funds to continue. Can we afford to lose even a small number of institutions of higher education, those seats of learning and wisdom that have made this country great?

The student aid amendments that will be offered today will indicate to all that we still care about higher education, and that we are not ready to abandon our leaders of tomorrow.

Mr. President, what we are doing today will affect our Nation's future. If we accept the recommendations of the Budget Committee, we will be condemning a large number of our citizens to a life without learning. In my opinion, this is the worst action that any nation can take.

The amendments before us are reasonable ones. Although they cut programs, they do it with care and selectivity. I would urge my colleagues to adopt them.

With respect to the basic grants, the Pell grants, they presently provide from $200 to $1,750 to college students, based on need. It is a sound investment in the future of our Nation and helps the students to go to the college of their choice.

Until this program was enacted, the aid went to the colleges. Now the aid goes to the student, and he carries it piggyback to the college he wishes to attend. It has become the very foundation of a youngster's means of getting a college education.

Presently, it helps 2.7 million youngsters in this regard, and the cutback proposed by the administration would knock 190,000 private college students out of the program and 410,000 public college students out of the program. A total of 600,000 students would be knocked out of the program.

What we are proposing at this point is an amendment that would restore $100 million. This would mean that instead of 2.1 million people served, 2.7 million people would be served, or 600,000 more people would be served than under the Budget Committee's recommendation. The total expenditure would amount to $2,586,000,000 instead of $2,486,000,000 as proposed by the President and the Budget Committee.

I cannot imagine a better investment in the security and the wealth of our Nation. We talk a great deal about security. What is security? Is it a Maginot line, with a great, steel boundary around ourselves, or is it, rather, a strong, well educated, healthy, vigorous people? I maintain that it is the latter.

The real strength of our Nation is the sum total of the education and the character of our people. We should bear this in mind. This is far more important. Unless we have people who can man the weapons, man the barricades, man the factories, and run our country, we are nowhere near as secure as we should be.

Mr. KENNEDY. Mr. President, will the Senator from New York yield me 3 or 4 minutes?

Mr. MOYNIHAN. I am most happy to yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr President, I join the Senator from New York (Mr. MOYNIHAN) as well as the ranking minority member of the Education Committee, the former chairman of the Education Committee, Senator PELL, in urging the Senate to accept these three amendments. At a later time, I know that an additional amendment will be offered affecting vocational education, on which I hope the Senate will respond positively.

One of the matters which is of concern to all of us is the issue of the quality of education in the public school systems of this country.

As a member of the Education Committee and one who has followed all of these programs closely, I think we can say without fear of contradiction that one of the most effective programs in the field of education that we have adopted in equipping the young children of this country with the basic fundamentals of education, in reading and writing and basic skills, has been the title I education program.

It has made a significant difference in equipping young, needy, disadvantaged children in fundamental and basic skills.

Mr. President, I am pleased to support my distinguished colleague from the State of New York, Mr. MOYNIHAN, in this amendment. We are proposing to restore $435 million for title I compensatory education.

Let me hasten to state, that this is not a partisan Democratic effort dealing with partisan programs. The title I compensatory education program, which would receive the bulk of additional funding, has had the bipartisan support of the Congress for a decade or more.

Its benefits to children are clear and its support from every sector of the education community complete. It is endorsed by parents, by classroom teachers, and by school principals and superintendents.

This Federal education program brings extra help in the teaching of basic skills to those children with the greatest need, children from the most disadvantaged economic backgrounds.

I ask my colleagues to ask themselves whether it makes economic sense to force 1.8 million children from this program. Denying the teachers and aides needed to offer special reading and math services means that we will be increasing the likelihood that these children will fail in school. They will drop further behind in reading and math each year and finally they will increase the numbers of those who drop out of school entirely.

The costs to our society should not be ignored. We will have lost vital human resources that no society and no economy can afford. We will be adding to the percentage of illiteracy, the numbers of young men and women without basic skills to compete for jobs and ultimately to the numbers of those dependent on welfare.

If the mail of my colleagues matches my own, it includes testimony from parents and teachers of the success of these programs. These are parents talking about their children who are reading at close to their grade level after receiving these special kinds of aid and assistance.

Mrs. Raymond Bednarz from Wilbraham, Mass., wrote to me, saying—

> As a parent of a child, who has greatly benefited from this project, I just felt I must write and ask you to please do everything in your power to see that title I funds are continued in our state. Our grant is not a large one, but so much is done with so little for so many children.

Her 11-year-old daughter was found in the second grade to have a reading problem. With the help provided by title I through special teachers she overcame that problem and is now reading at her appropriate sixth-grade level.

Mr. and Mrs. Robert Rushford wrote to me from Millers Fall, Mass.:

> My daughter, Krista, attended title I classes for 2 years and . . . has grown out of the program and up to the level with her class. That couldn't have been accomplished without title I.

I also think it is worth noting that while our concern is for the students and children, these reductions will force some 64,000 teachers onto the jobless polls. Among them will be those with the special reading and math teaching skills that are vital to reach children with particular needs.

It may be worth recalling that the initial purpose of title I when enacted was "in recognition of the special education needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate education programs."

The special education needs of these children continue to exist. The concentrations of low-income families continue to exist. And local educational agencies still need the added Federal assistance to permit these services to be offered.

I would hope that my colleagues would recognize that the proposed level of funding for title I after this amendment is adopted still will not restore funding to the full fiscal year 1981 level. Because of the impact of inflation some children still will be forced to forego the needed services. But 1.3 million more children would be served than under the budget committee.

The devastating reduction accepted in the Budget Committee resolution does not reveal the individual tragedies of children left behind and they surely do not take into account the future economic loss when these children fail to obtain the skills needed to become productive members of this society.

I strongly urge that this amendment be adopted.

Second, I associate myself with the statements and the comments that have been made by the Senator from New York and the Senator from Rhode Island with regard to the Pell grants. They are targeted into the neediest young people in our society who have skills and talents, who meet the educational standards of our great universities, and are only lacking in the financial ability to go to the schools and colleges in this Nation.

Mr. President, this amendment by the distinguished Senator from New York would restore approximately $100 million to the basic educational opportunity grant program the Pell grants named for the distinguished Senator from Rhode Island.

Under the amendment, the level of funding for this program will still be below the $2.7 billion level in fiscal year 1981. Its impact however, would be to enable some 400,000 students to retain their opportunity for a college education.

The Budget Committee recommendation would mean that an estimated 600,000 fewer students than a year ago would be eligible to receive these grants.

The proposed level of funding would permit 400,000 of those students to continue in school. It would also mean that the average grant would be slightly higher than under the Budget Committee level.

We are discussing the fundamental student aid program to prevent inadequate income from barring youngsters from entering college. Every study has shown that the BEOG program has broken down past barriers to college education for low and working class youngsters.

It makes absolutely no sense to turn away from the continuing need for student assistance at a time when educational costs are skyrocketing.

If we do not adopt this amendment, then we are willing to see 400,000 youngsters unable to attend higher education. These are the youngsters with the least ability to obtain a student loan or other financial help. And they are the ones attending the lowest cost institutions.

Even with this amendment, students will be receiving lower average grants than a year ago.

For the Nation's economy, it means accepting that several hundred thousand young people will be unable to acquire the college training they need to compete more effectively and to contribute more productively to our economy throughout their lives.

There will be a significant reduction unless this amendment is accepted of the number of young, talented individuals in our society, young men and women who met all of these standards and who have the capability of attending universities but will be denied the opportunity to do so.

The Pell grants are targeted into the neediest children, the sons and daughters of individuals in our society who lack financial support to send their children on to the schools and colleges.

Then the third amendment is the guaranteed student loan program which I think all of us understand has been so immensely successful in providing needed financial resources to young people from

working class backgrounds. These funds are paid back as these young people take their place in our economy.

Mr. President, the third amendment introduced by my distinguished colleague, the Senator from New York, would restore $200 million to the guaranteed student loan program.

Even with this amendment we will be spending $200 million less under the recommendations of the Senate Labor and Human Resources Committee than was spent in fiscal year 1981.

The present amendment would have the effect of permitting the Government to continue the in-school interest subsidy for GSL recipients and thereby avoid losing an estimated 500,000 students from this program.

The chairman of the board of the American Council on Education testified that the reductions in the guaranteed student loans recommended by the administration would be "devastating."

Dr. E. K. Fretwell, who also is chancellor of the University of North Carolina, told us that the GSL restrictions would force hundreds of thousands of young people to drop out of school.

In my own State of Massachusetts, these changes are estimated to force 20,000 students to halt their education.

At the very least, I would hope that this amendment to restore only $200 million by retaining the in-school interest subsidy would be adopted. It is one of the critical factors, not only in permitting hard-pressed students to attend college, but lenders to participate in the GSL program at all. I understand that we may receive a commitment that the in-school subsidy will be retained and I am pleased that is the case.

So I am very hopeful that these three amendments will be accepted by the Senate. Unless adopted, it will mean that many young people will fail in school and many others would lose their chance to go on to college.

I join in urging my colleagues to accept all three of these amendments.

Mr. MOYNIHAN. Mr. President, I thank the distinguished Senator from Massachusetts who has unfailingly in his career in this body supported these programs. We are talking about one of the great achievements of American Government in this last generation. After two generations of debate, finally, in 1965, the Federal Government undertook to provide aid to public education at the elementary and secondary levels.

Suddenly that principle is under assault. This is not massive aid. It comes to only 9 percent of the total education costs of the Nation.

We went on in the same decade to state our real commitment to enable every person in the country who wishes to go to college to do so. These programs culminated in the Middle Income Student Assistance Act, and yet only last month on February 22 an official of the administration told the New York Times:

> We are trying to avoid saying that we are eliminating the Middle Income Student Assistance Act, but that is what we are doing.

I do not think that is what this Chamber wants done.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. MOYNIHAN. I am happy to yield.

Mr. KENNEDY. I am sure the Senator from New York understands that a number of recommendations will be made by the administration to reindustrialize America, to modernize America, and to put America back to work.

Would the Senator from New York agree with me that certainly one of the best investments that we could possibly make is to train the young minds of this country. If we really fail to meet that responsibility to assure that these young people are going to acquire modern skills then we are really failing in a basic aspect of the reindustrialization, and modernization of America and in putting America back to work?

Mr. MOYNIHAN. It would be self-evident. We are not going to put people back to work hoeing potatoes or milking cows with their own hands or making bricks and baking them in the sun in the manner of the preindustrial economy. We have to have a postindustrial economy and that will not be done by taking the most sensitive area of education, which is our poor students. It is an ironclad law until these things came we could predict the education achievement of any child just by knowing the occupation of his parents. Title I broke that lockstep. This present budget proposal cuts the number of children in title I almost in half, the most vulnerable students in our school system, the ones we made a solemn commitment to 15 years ago, a commitment it is suggested we should now back away from. I cannot conceive we want to do this.

Mr. KENNEDY. I thank the Senator.

Mr. MOYNIHAN. To the Senator from Maryland I am happy to yield such time as he may wish.

Mr. SARBANES. I thank the Senator from New York for yielding.

I am pleased to join with him in cosponsoring this amendment to restore funds to some of the education programs that the administration has recommended cutting. I commend him on presenting it to the Senate.

Mr. President, what is at issue here is whether the Nation is going to realize the enormous potential that exists in this country for the development of our human resources.

The three programs to which the Senator's amendments are directed, title I of the Elementary and Secondary Education Act, the Pell grant, the guaranteed student loan program, go right to the heart of the question of whether our young people are going to have the opportunity for their talents to be fully developed.

Title I, which was a landmark program, has produced enormously successful results, which have not been questioned by anyone. Studies have documented that title I has produced very impressive benefits, and that it gives an opportunity to our very young people in elementary and secondary education to have a chance for true education. Where are they going to be in this increasingly complex and technical world if we do not give them this opportunity?

The other two parts of the amendments have delivered on the promise that any young person ought to be able to obtain the college education to which their talents entitle them regardless of the financial status of their family. We have put together now an aid package in higher education of grants, the Pell grants, of loans, and of jobs. On the basis of that package, which has been very carefully developed, the institutions of higher education across the country have been able to respond to the financial needs of their students in such a manner that we can truly assert that young people with the ability to go to college will be able to obtain that opportunity even if their families do not have the economic means.

This is an enormously important principle. It is a fulfillment of the entire concept of opportunity in this society. As the Senator from New York just pointed out, until we began to develop these programs, both in title I and with respect to higher education, you could predict that people would be locked into career patterns which depended in large part on the economic and career patterns of their families.

These programs have enabled us to establish ladders of opportunity so that young boys and girls of talent and merit can move up and aspire to a career pattern entirely different from that which has heretofore marked their families.

These programs have worked well. The institutions of higher education across the country have repeatedly expressed their very deep concern as to what would happen and, particularly, this concern, that if this package of alternative forms of aid that has been carefully assembled and makes it possible for them to respond to the financial needs of their students, is dismantled, cut back, limited, and restricted. With each of those limitations, with each of those restrictions, goes yet another opportunity to obtain the education that is essential to the individual if he or she is to function in our modern society. More importantly, these opportunities are essential to the society itself if it is going to fully develop its strength.

The objective of improving our economic ability is in part tied to improving our human resources, increasing the skills and the training and the education of our people.

I say it is the wrong direction in which to move to limit, curtail, and even deny these educational opportunities which are so important in building the strength of our country, and in offering to our young people the challenge to make of themselves the very best that they can.

So, Mr. President, I hope the Senate will support the amendments offered by the Senator from New York. It is at the heart of what this country is about. Indeed, it is at the heart of what any country is about. Virtually every country puts forward as one of its main objectives the education of its people. Anywhere in the world they put that forward as a prime objective of the society, the education of their young people. Instead of seeking to realize fully this prime objective, we are

moving in a direction to deny educational opportunity.

I very much hope the Senate will support the amendment of the distinguished Senator from New York.

I thank the Senator for yielding me time.

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

Mr. MOYNIHAN. I am happy to yield.

Mr. RIEGLE. I thank the Senator for yielding. I congratulate him on his leadership of this vitally important education amendment. Mr. President, I ask unanimous consent that I be listed as a cosponsor of the amendment.

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

Mr. RIEGLE. I also ask unanimous consent to have printed at the end of my statement some background material which relates to the impact of the administration's budget cuts with respect to education in the State of Michigan. Included in this material is a letter from Wayne State University which is only one example of the effect of the proposed cuts on institutes of higher education.

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

(See exhibit 1.)

Mr. RIEGLE. Mr. President, it is obvious that it is essential for us to fight to make these restorations and to reduce these severe cuts in education programs that have been proposed by the administration. It is important to all areas of the country. There may be no State to which it is more important at this time than my own State of Michigan because in view of the other financial problems we are facing.

This is an essential question of national spending priorities and, as others here have just said, the money we spend on education is an investment in the future. If we want to have a future, and we want it to be a bright one, then we have got to be willing to see to it that needed educational activities are available. To deny educational benefits to millions and millions of people across the country of various ages, and to restrict opportunities only to those who are well to do and who have the money to afford educational opportunities, would be wrong.

This is an essential difference. I think, between the two parties and this difference has been etched out over the last several days here on issue after issue. This party, the Democratic Party, is determined to see that educational opportunities are available to all the people of the country. That they have the benefit of loans, which are repaid with interest, and other forms of assistance to make sure that people have the chance to develop and to come forward and to live meaningful and productive lives.

I thank the Senator.

EXHIBIT 1

EDUCATION IMPACT ON MICHIGAN

Following are estimated reductions that would occur in major federal education programs in Michigan:

SCHOOL LUNCH

The $26.6 million reduction in school lunch funds for Michigan would increase the cost of a hot lunch by an estimated 30 cents. Average hot lunch costs in high schools range from 65 cents to 95 cents per lunch and from 40 cents to 55 cents in elementary schools. "The proposed budget cuts could force some Michigan school districts to drop their hot lunch programs because a state law requiring districts to serve hot lunches allows them to discontinue the program if federal funding drops below a certain level," Runkel said.

SPECIAL EDUCATION

Michigan receives $35 million in federal funds for the education of handicapped children. This program, which helps local school districts provide education services for 160,000 handicapped children throughout Michigan, would be reduced by $7 million under the Reagan program.

COMPENSATORY EDUCATION

Upwards of $25 million would be cut from the $127 million Michigan receives for programs aimed at helping children who are having problems with math and reading. About 12 percent of all children in Michigan's public schools—about 232,000 pupils—receive remedial help under this program known as Title I of the Elementary and Secondary Education Act.

STUDENT FINANCIAL AID

The proposed budget cuts would reduce by 45,000 the number of guaranteed student loans totaling an estimated $90 million that would be made to Michigan college students. Reductions in Social Security education benefits for 18 to 22 years old would affect 7,500 Michigan students who now receive $25 million in benefits annually. A $5 million reduction in the Basic Educational Opportunity Grants (BEOG) program would affect 8,000 Michigan students.

ADULT EDUCATION

Nearly 41,000 persons are enrolled in adult basic education (ABE) programs in 123 Michigan school districts. The Reagan plan calls for more than $600,000 to be cut from the $3.2 million Michigan receives under this program.

VOCATIONAL EDUCATION

An estimated $6 million would be cut from Michigan's current $29.6 million federal allocation for vocational education programs that enroll an estimated 300,000 students. The reduction would have an impact on vocational education programs for handicapped and disadvantaged persons who take vocational education courses in high schools, career education centers and community colleges; on the purchase of new equipment for these programs and on construction of new facilities.

VOCATIONAL REHABILITATION

A $7 million reduction in federal funds for vocational rehabilitation programs for handicapped adults would result in 8,400 fewer clients being served and 1,300 fewer handicapped persons being placed in employment.

BILINGUAL AND MIGRANT EDUCATION

An estimated $1.2 million would be cut from federally-funded migrant education programs that serve 16,000 children in Michigan at an annual cost of $6 million and approximately $600,000 would be reduced from the $3 million Michigan receives for bilingual education programs for 13,000 students.

LIBRARIES

An estimated $2 million would be cut from the $10.3 million in federal funds that public libraries and school libraries in Michigan receive annually.

IMPACT AID

The Reagan plan calls for a 64 percent reduction in federal aid for school districts that have high concentrations of military personnel and federal employees. An estimated $1.5 million would be cut from the present $2.2 million in federal impact aid funds received by 53 Michigan school districts.

Phil Runkel, Superintendent of Public Instruction of Michigan Department of Education testified before the Elementary and Secondary Subcommittee of the House Education and Labor Committee on March 13, 1981 at a field hearing in Ashland, Kentucky. His analysis indicates that adoption of the Administration's budget proposals for education would have the following impact on Michigan

Federally funded elementary and secondary programs in Michigan school districts stand to lose $85,983,000.

As many as 2,700 positions would be lost in the public schools in a state which already has the highest unemployment rate in the nation.

The Michigan State Department of Education would stand to lose over 40 staff positions in the elementary and secondary areas (this agency has already eliminated 150 positions because of reductions in state funds).

Almost 250,000 elementary and secondary students would be denied services or would receive reduced services under the Administration's proposals.

There would be a reduction of almost 80,000 student borrowers under the guaranteed student loan program and a $166 million value of loans lost to Michigan students. We estimate that over half of these students might not be able to continue their education as a result.

In vocational rehabilitation, 15,000 disabled clients would be denied services and would in all probability be unable to find work or comparable services.

SUMMARY OF REDUCTIONS IN DETROIT PUBLIC SCHOOLS PROGRAMS THAT WOULD RESULT IF PROPOSED CUTBACKS IN FEDERAL FUNDING OF EDUCATIONAL PROGRAMS ARE CARRIED OUT

Reduction in funding from $70,000,000 in 1980–81 to $44,000,000.

I Staff Reductions: 245 Teachers/Counselors/Education Technicians; 739 School Service Assistants; 101 Social/Health Workers; 39 Administrators; 228 Clerical Staff.

II Services, Activities, Opportunities, etc. that will be Eliminated:

Title I services for more than 10,000 eligible students.

Vocational Education Special Needs programs for more than 3,600 eligible students.

Health screening, immunization referral, and follow-up services for more than 122,000 students.

Basic education programs for more than 1,000 adults Work/study opportunities for 3,100 middle school students.

Part-time jobs during summer and the regular school year for 3,450 high school youths.

Alternative education programs for 600 high dropout potential youths.

In-service training for more than 5,000 teachers and other staff members.

Summer camping program for 800 students.

Job placement services for 8,000 students.

Basic reading instructional services for 40,000 students in the ESEA program.

Special counseling services for 7,000 students in the ESAA program.

Security staff persons in 77 schools housing more than 96,000 students.

III Services, Activities, Opportunities that will be Substantially Reduced:

Special classes, small group and individual

instruction for more than 2,000 bilingual students.

Special classes, field trips, cultural supplies and support services for 700 Native American Students.

The number of summer school remedial and enrichment classes will be reduced by 60 percent.

Special classes, small group and individual instruction in remedial reading and mathematics for Title I eligible students.

Curriculum and career guidance materials; use of resource centers; and programmed instructional facilities and materials.

Bus tickets for needy students.

Professional contracted services; special instructional materials, equipment and supplies; transportation; and other special services for more than 18,000 handicapped students.

Career exploration; basic skills training; job development and placement services; follow-up services for more than 10,000 high school students.

TABLE SHOWS POTENTIAL LOSS TO MICHIGAN'S LARGEST SCHOOL DISTRICTS

[The following table shows the amount of Federal funds received by Michigan's largest urban school districts during the 1979–80 school year and the estimated loss of Federal funds if the Reagan plan to reduce Federal spending is approved by Congress.]

School district	Federal funds received in 1979–80	Potential reduction at recommended 20 percent level
Detroit	$63.8 million	$12.8 million.
Grand Rapids	$8.9 million	$1.8 million.
Flint	$7.7 million	$1.5 million.
Lansing	$6.3 million	$1.3 million.
Pontiac	$6.1 million	$1.2 million.
Saginaw	$4.3 million	$860,000.
Kalamazoo	$2.2 million	$440,000.
Muskegon	$2.1 million	$420,000.
Benton Harbor	$2 million	$400,000.
Bay City	$1.8 million	$360,000.
Battle Creek	$1.8 million	$360,000.
Jackson	$1.6 million	$320,000.
Ann Arbor	$1.3 million	$260,000.

ESTIMATED IMPACT OF PROPOSED REAGAN BUDGET REDUCTIONS—STUDENT FINANCIAL AID

IMPACT OF PROPOSED FEDERAL BUDGET REDUCTIONS

[Fiscal years]

	1981 (base)	1982 reductions	1982 balance
Pell (basic) grants:			
A. Number of grant recipients	73,253	6,926	66,327
B. Value of grants (millions)	$66.95	$4.5	$62.45
National direct student loans:			
A. Federal matching funds (millions)	$9.82	$2.45	$7.37
B. Number of student borrowers	10,911	2,722	8,189
Social security educational benefits:			
A. Number of beneficiaries	34,459	8,615	25,844
B. Value of benefits (millions)	$98.7	$24.68	$74.02
Guaranteed student loans:			
A. Number of borrowers	113,500	79,450	34,050
B. Value of loans (millions)	$227.68	$166.59	$61.09
C. Federal administrative cost reimbursement to Michigan (millions)	$1.1	$0.79	$0.31
D. FTE covered by Federal reimbursement	40.0	31.0	9.0

To: Eugene Paslov.

From: Ronald J. Jursa.

Subject: President Reagan's Proposed Education Reductions.

As you requested, we have reviewed the material relative to proposed reductions in federal education programs. I have the following observations relative to the impact of these proposed reductions on Michigan schools and students:

TYPE OF REDUCTIONS

In postsecondary education, the major part of proposed reductions are in the area of student financial assistance since this is the area that comprises the bulk of federal expenditures for postsecondary education. Four programs are targeted for reduction or elimination. These include the Pell Grants (previously known as Basic Grants), National Direct Student Loans, Guaranteed Student Loans (including the new Parent Loan Program), and Social Security educational benefits. An analysis of each of these program areas follows:

LIMITATION ON PELL (BASIC) GRANTS

It is proposed that Pell Grants be limited to individuals from families with an annual income of less than $25,000. This represents a complete change from the Middle Income Student Assistance Act of 1978, which specifically broadened eligibility to include some grant aid for families in the $25,000–$30,000 income range. Based upon less than complete data available to us, we estimate that here in Michigan the proposed limitation would eliminate approximately 6,900 current grant recipients, with a total dollar loss of $4.5 million.

PHASE-OUT OF NATIONAL DIRECT STUDENT LOAN (NDSL) PROGRAM

Since 1958, the federal government has provided individual colleges and universities funds to be used for long-term, low interest student loans. Nine dollars of federal money are provided for one dollar of institutional match. During the current school year, Michigan colleges and universities received nearly $10 million in federal funds for this program.

The proposal suggests eliminating 25% of the federal funding each year for the next four years. This would represent a loss to Michigan schools of about $2.5 million next year, and after four years the full $10 million would be lost. Assuming the average student loan is about $1,000 per year, this would eliminate aid to about 10,000 students over the next four years.

The National Direct Student Loan Program would not be totally eliminated since colleges will be able to re-cycle any NDSL repayments which they receive from loans made to students during the past 20 years. The fact remains, however, that there will be considerably reduced lending under the National Direct Student Loan Program, with about 2,500 otherwise eligible students being denied loan funds next year and an additional 2,500 students each year for the next four years.

REDUCTIONS IN GUARANTEED STUDENT LOANS

The largest single program of student financial assistance in the country is the Guaranteed Student Loan Program, whereby students borrow from private lending agencies (or a state agency such as the Michigan Higher Education Student Loan Authority), with the federal government subsidizing these loans and eventually guaranteeing their repayment. The program is costly to the federal government and the costs have increased dramatically during the past several years due to the elimination of all income ceilings through passage of the Middle Income Student Assistance Act in 1978.

The proposal is to reduce federal costs by:

A. Eliminating the federal payment of interest on behalf of the student borrower while the student is in school.

B. Limiting the amount of money a student can borrow to the difference between school costs and the resources available to the student, based upon an individual financial evaluation.

C. For parent loans, removing the federal subsidy so that parents will have to pay the full interest at current market rates.

The impact of the above proposed reductions would be as follows:

A. Removing federal interest payments while the student is in school will discourage a significant number of private lenders from making student loans. Banks and other lenders cannot afford to loan large sums of money with interest payments being delayed for a period of four years or more. Further, state direct lenders (such as the Student Loan Authority here in Michigan) would probably go out of business since it would be virtually impossible to sell revenue bonds without assurance of immediate interest payments on the student loans being offered.

B. The imposition of a "needs test" to determine how much a student could borrow will create a vastly expanded paperwork burden for colleges and individual private lenders. Many colleges will be ill-equipped to handle this additional paper burden and many private lenders will simply refuse to participate. (We went through exactly the same experience in 1972 and here in Michigan it resulted in a 34-percent decrease in student loans in one year.)

C. Without a federal subsidy for parent loans, this new program will never get off the ground. At the present time, it would mean parents would have to pay in the neighborhood of 17 percent to 18 percent on these loans and regardless of the interest rate many private lenders would prefer to simply make their own loans rather than subject themselves to the red tape and paperwork associated with a government program.

D. By the close of the current fiscal year, we estimate that approximately 113,000 students will have obtained guaranteed loans here in Michigan, with a total dollar volume of approximately $225 million. If the administration's proposals identified above are implemented, we estimate that guaranteed loan volume in Michigan for 1981–82 will decrease by close to 70 percent. This will mean a reduction in guaranteed loans in the amount of approximately $160 million and a reduction of approximately 65,000 student borrowers. It should be noted that not only will this be a tremendous loss to individual students and families, but will also have enormous consequences in reduced enrollments and revenues for Michigan colleges and universities.

PHASE-OUT OF SOCIAL SECURITY EDUCATIONAL BENEFITS

At the present time, Social Security provides educational benefits to eligible students aged 18 to 21 who are enrolled in postsecondary programs of study. The proposal is to phase-out these benefits over a four year period by adding no new students and reducing expenditures by about 25% each year as succeeding classes of students terminate their college studies. We estimate that approximately 34,000 Michigan students currently receive, Social Security educational benefits totaling about $98 million. If the proposed reductions are implemented, about 8,500 fewer students will receive benefits each year over the next four years, with an annual loss of assistance of about $24.5 million.

IMPACT ON MICHIGAN DEPARTMENT OF EDUCATION

Not specifically identified in any of the printed materials from Washington is the very real possibility that the federal government will discontinue its current practice of reimbursing state guarantee agencies for their administrative expenses in operating the Guaranteed Loan Program. Here in Michigan, for the current fiscal year, our administrative expenses for the Guaranteed Loan Program amount to $1.1 million, all of which is covered by federal reimbursement. If that reimbursement is eliminated, we would need to immediately increase the insurance fee (currently one-half of one percent) which we charge each student bor-

rower and we would also have to seek some operating funds from the Michigan legislature as we previously did prior to 1976.

There is also a real threat to continued operation of our State Direct Student Loan Program since this program probably could not sell revenue bonds if the federal government eliminated its current subsidy of loan interest while the student borrowed is in school.

CONCLUSION

The budget papers prepared by the Reagan administration clearly forecast that there will be considerable negative reaction to these proposals from many parents and students as well as from colleges and universities throughout the country. There is no question that the higher education community will sustain serious damage if all of the proposed reductions are implemented. The crucial public policy question is whether these losses are worth absorbing in order to effectuate the proposed savings in federal expenditures. This is a question which the American people and the Congress will have to decide.

If we were asked to prioritize reductions, it would be my judgment that the least damaging action would be the imposition of a $25,000 income ceiling for the Pell (Basic) Grant Program. While some students would lose their grant aid, these would involve upper-middle income families who probably could resort to other resources.

Next in priority would be the phase-out of Social Security educational benefits. The current benefits are not truly "needed" by many students, and, given the current precarious condition of the Social Security system, there is little justification to provide benefits to college students that are not available to other persons 18 to 21 years of age who do not attend college.

Phase out of the National Direct Student Loan Program would have much broader impact on large numbers of students and would greatly reduce the amount of financial aid which could be provided by individual colleges and universities.

Far and away, the most damaging proposal is the one to restrict and reduce the availability of guaranteed student loans. While some cost savings clearly can be made in this program (and probably should), it could be done far more easily and with far less damage by means other than those proposed by the Reagan administration (for example, a simple income limitation for purposes of interest subsidies could be imposed, as was the case prior to 1978.) The National Council of Higher Education Loan Programs is currently drafting a series of counter-proposals which will be shared with the administration and the Congress. At such time as those proposals are officially presented, I would urge that the Department strongly endorse them.

WAYNE STATE UNIVERSITY,
Detroit, Mich., March 26, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I am writing to provide you and the members of the Michigan delegation with some indication of the impact federal cutbacks will have on Wayne State University if the Reagan administration's proposals are adopted by the Congress. We understand and agree with President Reagan's and the Congress' desire to bring the pattern of spiraling inflation under control and to find ways of stimulating the nation's economy once again. At the same time, we feel it is our obligation to point out some possible outcomes if modifications are not made to the proposed cutbacks.

Unfortunately, Wayne State is having to evaluate the impact of federal budget reductions in the face of declining state support because of the severe economic crisis experienced by the State of Michigan. Michigan's colleges and universities received the least percentage increase from state appropriations of all the states in the nation during the past two year period. Furthermore, tuition rates at the University of Michigan, Wayne State, and Michigan State are presently among the highest in the nation. These conditions, and others, have caused Wayne to thoroughly review its programs and financial commitments for the future. In fact, we have been forced to reduce our spending by over eight million dollars in the current budget year and face a $10–$15 million problem next year. Obviously, this means fewer programs, fewer jobs, layoffs, and less money available to assist students attend Wayne. I have enclosed a statement we prepared for our state legislators earlier this month describing the impact of Michigan's economy on Wayne.

I am also enclosing a summary of the various programs which are slated for reductions in higher education, and the potential impact on Wayne. I realize it is not possible, nor would it be helpful if we were to suggest that all proposed cuts be fully restored by the Congress. I do, however, strongly encourage your support for the amendments intended to partially restore the basic student aid grant and loan programs and some of the basic research and development programs.

The most critical needs, from Wayne's perspective, are the following, in order of priority:

1. Student Aid: Over 3,000 Wayne students would no longer be eligible for financial assistance under the Pell Grant and Guaranteed Student Loan programs if the Administration proposals are adopted.

Moreover, discontinuance of the special allowance paid to banks for making parental loans would result in fewer high risk borrowers being granted loans. Wayne serves more of these families than any other institution in Michigan.

The Michigan Department of Education has estimated that approximately 8,500 fewer students will receive Social Security education benefits in the first year of a four-year phase out plan. Well over 1,000 of these students attend Wayne.

We also strongly urge that the U.S. Department of Education resume processing the Pell Grants for the 1981–82 academic year, otherwise the number of students who cannot afford to attend college without some assistance will be greatly compounded by this inaction. This issue is critical, and requires the immediate attention of the Congress.

2. Research and Development: Reductions in research and development will severely damage the research capacity of the nation's leading universities—an irreplaceable national resource. The states will not be able to sustain the level of research required to meet modern and future needs. That is especially true for Michigan where more research is desperately needed, at a time the state can least afford it, to turn around its heavy dependence on the auto industry.

Wayne's ability to continue its successful research efforts, particularly in the health professions areas, i.e., cancer, lung, blood, arthritis, and bio-medical research, are in jeopardy.

3. Health Professions Programs and Graduate Traineeships: Also in jeopardy are funds for the support of clinical and graduate traineeships if the National Institute of Health programs are cut as severely as proposed. We currently have over 400 graduate students who depend upon these funds to support their education.

The loss of capitation grants and financial aid for medicine and nursing programs and students under the Health Manpower programs will result in real hardships and a diminution of programs and services.

4. Urban Grant Program: One of the few new and exciting programs authorized in the Higher Education Act of 1980 was Title XI, the Urban Grant Universities Program. Only $1.5 million was authorized for the first year of the program in 1982. Wayne was referenced as the model university for this program as the legislation was debated by the Congress.

No funds in 1982 will further delay development of Wayne's proven capabilities in assisting Detroit, and other major metropolitan areas with their problems. This legislation is patterned after the very successful Land Grant legislation which provided the wherewithal for our major universities to assist the nation's agricultural industry during the mid-1880's. That same assistance is needed for today's urban problems.

Your understanding and assistance with our needs will be greatly appreciated as the Congress weighs the alternatives to the Administration's budget reduction proposals. You have a very difficult, and often thankless task. Those of us who are having to make similar decisions on a smaller scale, but equally important as it affects the lives of others, do appreciate the hard decisions you are being asked to make. If we can be of any assistance in helping you to better understand our concerns as you arrive at your decisions, please let me know.

Sincerely,

THOMAS N. BONNER,
President.

IMPACT OF MICHIGAN'S ECONOMIC CRISIS ON WAYNE STATE UNIVERSITY

Although accounts of the financial woes of some state universities receive more headline news than others—most notably MSU in the Lansing newspaper read by many legislators—all higher education institutions are suffering immensely under the current state budgetary constraints.

It is important that Lansing does not get the impression that Wayne State is somehow suffering less than others. Lack of state funds during the past year, as well as the dim prospects for substantial economic recovery in the near future, have caused the following conditions at Wayne State:

1. A hiring freeze has been in effect since May of 1980, which by October 1 will translate into a reduction of 250 FTE employees since 1978–79.

2. Because the current year appropriation is $3.1 million below the previous year's allocation, spending reductions of $8.1 million must be achieved to balance the University's 1980–81 budget. A $10–15 million problem looms for 1981–82.

3. Non-renewal notices for 160 faculty already have been issued for 1981–82. Further painful layoffs for the summer term are expected to be announced in mid-April, the magnitude depending on the progress of negotiations with represented employee groups.

4. A 10 percent staged reduction in the size of faculty and staff will be necessitated over the next 18 months.

5. Even if a 10–12 percent appropriations increase for 1981–82 is enacted, the institution will still lag about 15 percent behind inflation over the 3-year period.

6. Because of the deferred maintenance necessitated from lack of funds, chillers and mechanical systems in numerous facilities have reached crisis proportions.

7. The President's Priorities Advisory Committee is reviewing all university programs, academic and nonacademic, with a responsibility to recommend major expenditure reductions.

BUDGET CUTS RECOMMENDED BY REAGAN ADMINISTRATION IMPACT ON WAYNE STATE UNIVERSITY

[The chart below lists the proposals by the Reagan Administration to cut the budget for fiscal years 1981 and 1982 that have significance for Wayne State University—our students, faculty, and administration]

Program or agency	Reagan administration recommendations	Anticipated impact on Wayne State
1. STUDENT AID		
A. Pell grant	Keep the maximum grant at $1,750—fiscal year 1981.	Pell grants were originally intended to meet half of the average college cost. $1,750 will meet approximately 36 percent of average college costs.
	Rescind the previous approved inflation adjustment in the family living allowance.	Absence of inflation factor hurts low-income families.
	Require a $750 self-help contribution from every student.	Lower middle-income families will lose Pell grants.
	Rescind the liberalized cost-of-education definition included in the higher education amendments of 1980.	Could lead to return to $1,100 figure for total costs of off-campus room and board, and cut grants to students in high-cost urban areas.
	Families contribution raised from 14 to 20 percent of net discretionary income in fiscal year 1982.	Discretionary "income tax" cuts MISSA from approximately $25,000 income level to $19,000. Loss in fiscal year 1982—$1.8 million in benefits affecting 1,117 students. Possible funding delay would cause a critical shortage of student assistance funds this spring, when students make their plans for the 1981-82 college year.
	Elimination of recently mandated administrative allowance.	Loss in fiscal year 1981—$56,000. Loss in fiscal year 1982—$70,000. Current funds are being used as they were intended and they are not available to return.
(Changes proposed to become effective July 1, 1981)		
B. Guaranteed student loan (GSL).	Loans to be restricted to no more than cost of education, minus parental contributions and other student aid.	In effect repeals the Middle Income Student Assistance Act (MISAA). Imposition of a "needs test" will create vastly expanded paperwork burden for college individual private lenders. Reagan administration estimates ⅓ of anticipated students lose eligibility. Loss to WSU in fiscal year 1982—$3.8 million in benefits affecting 1,900 students.
	Eliminate Federal Government in-school interest subsidy.	Drastic impact upon the access of minority low-income students. Will discourage schools and lenders from participating in the program, and as a result, new students who are generally less preferred as borrowers will suffer greatly.
	Interest on new parent loan would go from 9 percent to market rates, currently in the neighborhood of 17 percent.	Many small private lenders would prefer to find their own loans rather than subject themselves to redtape and paperwork associated with the government loans. Students can no longer borrow parental contributions. Parents may be unable or unwilling to use the program because of their other credit obligations and the higher interest rates.
	Elimination of recently mandated administrative allowance.	Loss: Fiscal year 1981—$61,360, fiscal year 1982—$61,360.
C. Student Social Security benefits.	Program is phased out over 4 years. No new recipients allowed, current students lose 25 percent per year.	Approximately 34,000 Michigan students currently receive benefits totaling about $98 million. If proposed reductions are implemented, almost 8,500 fewer students will receive benefits over the next 4 years, with an annual loss assistance of about $24.5 million. Many of current recipients will lean on NDSL and GSL at a time when those programs are proposed for cutbacks too.
II. RESEARCH AND DEVELOPMENT		
A. Alcohol, Drug Abuse and Mental Health Administration.	Rescinds $29 million in mental health research and training. Rescinds $1 million in both drug abuse research and training and alcoholism research and training. $203 million budget in fiscal year 1982. Spending for clinical training will be phased out in fiscal year 1982.	Potential loss of $50,000 in psychology grants.
B. Health Resource Administration.	Rescinds a total of $212 million of an estimated $480 million in health professions education in the current year. Rescinds $63 million on nursing programs. Recommends just $120 million for health professions in fiscal 1982.	Over 50 percent of nursing students rely on some form of financial aid. Capitations zeroed in 1981—along with most health manpower programs, including student aid and categorical activities. Loss of $648,328 in capitation grants for medicine and a loss of $62,184 in capitation grants for nursing programs.
C. Health Services Administration.	Rescinds $16 million in National Health Service Corps scholarships and $6 million for maternal, child health research and training. Fiscal year 1982—$42 million less than fiscal year 1981 level.	The administration's proposed budget proposal would grant no new National Health Service Corps scholarships beginning in 1981. Currently WSU is receiving $80,000 for medical and pharmacy support. Provides greater access for more affluent families at expense of indigent students.
D. National Institutes of Health.	Rescinds $126 million of the $3.6 billion slated for NIH this year under a continuing resolution. About $50 million of the reduction would be made by the various institutes in training grants and payments to institutions whose students receive such grants. Another $21 million would be cut from biomedical research grants. The rest would come from small cutbacks throughout the agency.	WSU currently receives approximately $4.7 million in NIE training support, affecting 400 graduate students. Anticipate severe loss in nursing, psychology and social work training grants. Estimated loss of $100,000 in biomedical research support. Eliminates at least 50 percent in the first year, or $2.35 million loss for both student and faculty NIE training support.
OTHER UNIVERSITY PROGRAMS		
A. Corporation for public Broadcasting.	Reduction of $33 million from 1981 levels.	WDET support will be reduced by a minimum of 25 percent. Current fiscal year 1981 funding is $111,561.
B. Veterans' cost of instruction.	President would rescind the entire budget for veterans cost of instruction.	Estimated loss of $70,000.
C. Urban grant program, title XI of higher education, 1980.	No support is recommended for fiscal 1982.	$1.5 million was authorized. Wayne State was considered a leading contender for initial support under this new program.

Prepared by the Office of State and Congressional Relations (7-2241).

Mr. MOYNIHAN. I thank the distinguished Senator from Michigan who spoke so eloquently to the point at hand.

I see our revered former chairman of the Committee on Environment and Public Works, a man who has devoted his life to education in his own home State and in the Nation, has risen; the incomparable senior Senator from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I wish, with the indulgence of my colleagues, especially the able Senator from New York, to address the Senate.

Mr. MOYNIHAN. How much time does the Senator desire?

Mr. RANDOLPH. Perhaps 10 minutes, if that is within the format.

Mr. MOYNIHAN. I yield whatever time the Senator may desire.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. When a Senator makes a statement that he would speak briefly few people will believe it. How much time remains, Mr. President?

The PRESIDING OFFICER. Thirty-two minutes remain to the Senator from New York.

Mr. RANDOLPH. May I have such time as I may desire?

Mr. MOYNIHAN. I originally proposed that.

Mr. RANDOLPH. I thank the Senator very much.

Mr. President, there are many of us within this body who are equally interested in the three matters that have been under discussion. There are Members of this body who, by their very service in the Senate, have attached their concerns in committees and subcommittees to the problems that may affect them not only in their own States or in the body politic as a whole, but because they have a deep-seated feeling about the strength of the educational system of America and the need to not only continue it but to improve it, and the improvements, of course, are needed across

a broad scale. I will not address myself to all three matters to be discussed.

I have been a member of the Education Subcommittee in the Senate of the Labor and Human Resources Committee for approximately 23 years. Prior to that time I was also in the House of Representatives a member of the committee which attempted to cope with not only the problems of labor but of health and safety for workers, and yet remembering also the programs of education.

So during this period of time, now some 37 years, I come today just as enthusiastic now as when I entered the House of Representatives in March of 1933, hoping always, however, that I can be well-reasoned and can be understanding of those situations which affect America and the citizens generally of our country.

I would like to talk today about the mistakes we make in funneling billions and billions of dollars, Senator HATCH, oversees every year from the Congress of the United States. Not that I am less than cooperative; I am most cooperative in connection with those joint programs in which America, with other nations and peoples, would try to improve the quality of living and the hopes for lessening, very frankly, was and recurring war in this shrinking world in which we live.

But that is not for me to discuss now.

I want to say to you that there are more than half the Members of this body who were graduated from the smaller private, independent, church-related colleges of this country.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the names of schools attended by Senators.

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

PRIVATE COLLEGES AND NUMBER OF SENATORS ATTENDING*

Birmingham Southern College, 1.
Pomona College, 1.
Yale University, 9.
Providence College, 1.
Harvard University, 12.
Syracuse University, 3.
Emory, 1.
George Washington University, 2.
Denison University, 1.
DePauw University, 1.
Washington & Lee University, 2.
Bowdoin College, 2.
Boston University, 1.
Georgetown University, 1.
Haverford College, 1.
Princeton University, 4.
Dartmouth University, 2.
Swarthmore College, 1.
Johns Hopkins University, 1.
Saint Johns University, 1.
Amherst, 1.
Stanford University, 3.
Oberlin College, 1.
Columbia University, 2.
Tufts University, 1.
Wingate College, 1.
Wake Forest, 1.
Earlham College, 1.
Muskingum College, 1.
Willamette University, 2.
Tulane University, 1.
Vanderbilt University 1.
Southwestern University, 1.
Brigham Young University, 1.
Middlebury College, 1.
St. Michael's College, 1.
Salem College, 1.
American University, 1.

*A number of Senators attended one or more private colleges/universities.

Mr. RANDOLPH. I am not against the institutions in your States or in my State that are publicly supported. No, I am paying taxes toward that program in the State of West Virginia where I pay taxes, just as you are paying taxes in your respective States in reference to those public institutions of higher learning.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of both private and public colleges and universities in West Virginia.

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

PRIVATE, INDEPENDENT COLLEGES/UNIVERSITIES IN WEST VIRGINIA

Alderson-Broaddus College, Philippi, W. Va.
Appalachian Bible College, Bradley, W. Va.
Beckley College, Beckley, W. Va.
Bethany College, Bethany, W. Va.
Ohio Valley College, Parkersburg, W. Va.
West Virginia Wesleyan College, Buckhannon, W. Va.
Salem College, Salem, W. Va.
University of Charleston, Charleston, W. Va.
Davis & Elkins College, Elkins, W. Va.
Wheeling College, Wheeling, W. Va.

STATE-SUPPORTED PUBLIC COLLEGES/UNIVERSITIES IN WEST VIRGINIA

Bluefield State College, Bluefield, W. Va.
Concord College, Athens, W. Va.
Fairmont State College, Fairmont, W. Va.
Glenville State College, Glenville, W. Va.
Marshall University, Huntington, W. Va.
Parkersburg Community College, Parkersburg, W. Va.
Potomac State College, Keyser, W. Va.
Shepherd College, Shepherdstown, W. Va.
Southern West Virginia Community College, Williamson, W. Va.
West Liberty State College, West Liberty, W. Va.
West Virginia College of Graduate Studies, Institute, W. Va.
West Virginia Institute of Technology, Montgomery, W. Va.
West Virginia Northern Community College, Wheeling, W. Va.
West Virginia School of Osteopathic Medicine, Lewisburg, W. Va.
West Virginia State College, Institute, W. Va.
West Virginia University, Morgantown, W. Va.

Mr. RANDOLPH. Mr. President, so I am conscious of my desire not to separate my concern for both public and private education, except I must say to you that when we talk in terms of the loans made to those college students or university students, that we are not talking about Federal funds. These are not Federal funds that are loaned to the students throughout the United States of America, irrespective of where these students are enrolled.

These funds come from the private sector. I repeat, from the private sector.

These loans, of course, have an in-school interest rate of 9 percent paid from Federal funds.

But private lending institutions make these loans to our college and university students throughout the country.

I will perhaps place in the RECORD the picture as it affects the West Virginia institutions of higher education. I can tell you that in the institution from which I was graduated, Salem College in the hills of West Virginia, that our students need those loans. These students have gone there because it was their choice to go to a private, independent college in the State of West Virginia.

Are we to deny that choice to those students?

You say, "No, the choice will remain."

But I can say to you that those students do not have the money to pay the tuition fees which must be assessed by independent and private institutions of learning at a higher rate than the publicly-supported colleges and universities of our country. So the costs are more. But they choose private schools because, in many instances, they want the personal rapport and contact with the professors, leading to more individual instruction.

A few months ago, in a university in America, which I shall not mention because I do not want any inference to be drawn, I sat in a classroom and there were some 240 students in the one class. I tried to see if my eyes—and they are fairly good—could discern where the professor was. Actually, if you were sitting somewhere in the rear of the class you would have difficulty in finding him down or out there.

I believe in the smaller classes. I believe that in the study that is advanced for a master's degree, the students are better able to concentrate, on the subject matter such as law or medicine. But in the 4-year college of arts and sciences, there the students come and they need something besides the close attention to the classics; they need to understand the living associations that take place upon a college campus. They need, perhaps, what young John Hinckley needed yesterday—before he made a terrible decision. Who knows, had he been in the atmosphere of a small college, where traditional, Christian values are taught, he might have come to realize the qualities, the obligations, that may have kept him from doing what he did.

In America there is no reason to say: "You cannot do what you are now doing. You cannot have this choice because the door will be closed."

I do not want to speak for a special interest group. That is not my intention. Because higher education in this country must not be considered as just another special interest group. Higher education is a $50 billion a year enterprise.

Higher education contributes to the economic well-being of our country. In that connection it is important that we think in terms of the young people not only today on college campuses, but the tomorrows of these young people throughout trade, business, commerce, the professions, and community leadership all over America.

It is difficult for me to understand, and I speak not against any specific individual—I do not want to say what a person can or cannot do. But it is difficult for me to understand people opposed to the guaranteed student loan program, who might be very much interested in the continued subsidies for the raising of tobacco. I do not give you this as an "against" argument, but only to say that the priorities with me, now and in the future, will be to work for the programs of education to continue an opportunity for these young people to be in college, the college of their choice, the private college, that, of necessity, has to charge

a higher tuition fee than the State publicly supported institutions.

Is this just an expenditure of money? No. This is an investment of funds, funds loaned from private lenders with the interest paid by the Federal Government.

If there is a drastic reduction in the guaranteed loan program, where will it impact? Well, it impacts, of course, on all types of families, but I speak now of the middle-income families and their children of college age.

The hardest blow delivered will be against students who are attending the smaller, private, independent colleges in our country where I again say for the third or fourth time, of necessity, there is no public support, no State support. The tuitions are higher, $2,000, $3,000, and $4,000 higher in many cases.

Hundreds of thousands of students, if we stop the "GSL" program, will have to rethink their plans for continuing in college in September of this year when colleges formally open again. The decision may be to say, in a sense, "Goodbye to this college that I want to call my alma mater. At the end of 2 years on this campus I will have to go elsewhere."

This is a decision the Senate must understand.

A reduction in the GSL program, I repeat, so severe as to turn away students from the private, independent colleges of America, including West Virginia and every other State represented by the membership, could affect not only the students—and listen now to what I say—but it will affect possibly, the colleges themselves.

Colleges throughout this country in the category of which I speak, dependent upon charitable donations, some of them without large church constituencies, I say to the Senators who are on the floor—and I wish that every seat was filled—those colleges, in many instances, I say to the able Presiding Officer, will close their doors. That is actually the threat that is raised over this Senate and over the House of Representatives as we consider this subject.

Without a clear and an immediate signal from the Members of this Congress that we will not only not abandon the students but we will not abandon these colleges for whom I speak today throughout America—the students, yes, the institutions, too—then private education will go down the drain. Freedom of choice, which is very precious to me, very precious, I believe, to every Member of this body, will actually be dead.

Mr. President, these are the pressures: Pressures on the families with reduced discretionary incomes. How much do they have left over? The problems of summer employment, and I tell you, it is difficult today—it was not in my time. I could really go out in the summertime and find a job. But I know that now, the situation is different. In fact, if my colleagues will forgive me for saying it, I held two jobs at the same time: One in a men's furnishings store and one in a grocery store. I was glad for the opportunity to work, as I hope college students are glad for the opportunity to work now. But there are few jobs available for college age youth today.

A recent study by the Department of Labor provides an in-depth profile of the teenage worker. The jobless rate among teenagers has gone from a low of 7.6 percent in 1953 to 16 percent in 1979—and I believe it is even higher now.

The Labor Department's study also shows that the amount of formal schooling is substantially related to the prospects of being employed.

Those youths who have dropped out of high school have a jobless rate of 20.6 percent. Of those completing high school, but have not gone to college, the rate of unemployment is 9.4 percent. But for those who have had 1 to 3 years of college, the rate is 7.2 percent, and those with 4 or more years of college have only a 4-percent unemployment rate.

These unemployment statistics clearly support the continuing role of the Federal Government in providing funds for tuition assistance for college age youths between the ages of 18 and 24.

If these students are thrown out of college for lack of Federal tuition assistance, they may have to resort to welfare. Let us ask ourselves how much more it will cost us in tax dollars; I say to the knowledgeable Senator from Rhode Island (Mr. PELL), to provide welfare payments for these youths, compared with the really modest cost of helping keep these young men and women of America in the colleges and universities of their own choice by permitting them access to guaranteed student loans.

Commercial lenders, private lenders—that is where the money comes from for these students as we know. So it is essential, and I capitalize every letter of the word, essential, to this private educational group for whom I speak, not in any personal or provincial way; I only say that it is a highly important part of the diversity of educational opportunity in America. Today, if we were to vote on this subject, there are 54 Members of this body who have attended private, independent colleges rather than publicly supported State institutions.

I go back to that little college, Salem. In Salem, we have 481 students. Probably 232 of those students would be lost through transfers to low-cost schools. If that happens, I can say that the doors of the institution will be, not slowly closed over a period of 2 or 3 years, but may be closed abruptly—when one-third of the enrollment of our institution is lost. Out of a total of 8,452 students that are enrolled in private institutions in the State of West Virginia, I say to the Senator from Rhode Island, there is a potential loss of 1,800 students in the coming student year, a total loss of 21.3 percent statewide.

So, Mr. President, I ask my colleagues to be thinking of these colleges—Dennison University in Ohio, DePauw University in Indiana, Bowdoin College, Haverford College, Dartmouth, Swarthmore, Saint John's University, Syracuse, Wingate, Wake Forest, Earlham, Willamette, Stanford, Tulane, Southwestern, Middlebury, Washington and Lee—all over this country, these are the institutions, to name only a few, which will be affected—and these are some of the private, independent colleges attended by 54 percent of my colleagues here today from both parties.

President Reagan stated in his February 5, 1981, message to the annual meeting of the National Association of Independent Colleges and Universities:

(Private institutions) . . . are vital to the diversity that makes higher education in the United States a model for excellence for countries throughout the world. I believe this diversity must endure. We must continue to provide our people with the freedom of educational choice, a freedom unknown to people in many parts of the globe:

Mr. President, I am grateful for the time that has been given to me to speak, in a sense, not just factually and earnestly, but even a little emotionally, because I know this segment of American higher education. I have taught in a small college. I have served as a member of the board of trustees of two small colleges. I know the need, the fiber of the Republic which is at stake in connection with the educational programs of this country if, ill advisedly, we stop a program of this kind which affects not only students from institutions of higher learning, but the very fabric of American society in the years ahead.

(Mr. WEICKER assumed the chair.)

Mr. PELL. Mr. President, I thank and congratulate my friend and colleague from West Virginia (Mr. RANDOLPH) on his singularly eloquent, moving speech, one that I hope will have its message spread far and wide. Just as he remarked on the effect of the guaranteed student loan program in West Virginia, I cannot resist pointing out what the impact of these proposals would be in my own State of Rhode Island and Providence Plantations.

In this regard, the present loan program in Rhode Island provides about $40 million a year in guaranteed student loans. If the President's cuts are agreed to, it would mean that, of the 20,000 students getting loans, one-half would be either ineligible for loans or would get smaller loans.

The Middle Income Student Assistance Act would also be eliminated, doing incalculable harm to our students and youngsters.

Mr. President, I have already touched the basic Pell grants. I would now like to touch, for a moment, on the guaranteed student loan program, which is an excellent amendment, one that I hope will prevail. As the Senator from West Virginia pointed out, this is an excellent use of private money. It is not public money, it is private money. It is a guarantee of private loans. It provides parents with the money needed to finance their children's education.

The beauty of it in the past has been that everyone is eligible, because we find that when we start making income limitations, the paperwork becomes such that we do not save as much as we would hope.

The program, as we know, is presently 9 percent interest loans up to $2,500, with the Federal Government paying the in-school interest. The amendment that we are offering would simply say that the Federal Government would continue to pay that in-school interest, because how can a youngster borrow the money to go to college and then be expected to pay the interest back while he is still in college? That would seem to me a little bit

unreasonable and would result, as we all know, in fewer youngsters going to college.

I also want to touch on the title I program, which has been of inestimable benefit to some of our young people, providing them with the basics, reading, writing, and arithmetic.

It has given these basic skills to children from underprivileged, poor homes and put them into the mainstream of education. There scarcely has been a study of an education program that shows one that has produced as much good, as much benefit, as title I.

Now, when we talk about cutting these programs, I think we really are hurting our Nation and hurting ourselves. I think I have long felt that the real strength of a nation is the sum total of the education and the character of our people. If she has that, she will be an undigestible morsel if people attempt to take her over; she will be strong in projecting her image abroad. But if she does not have strong, educated people of good character, it does not matter how many battleships, aircraft carriers, and nuclear weapons she may have, the country will still be weak and unprotected. It is as if we have come to depend on a Maginot Line of military hardware to protect the softness that could develop within us.

Mr. President, I think we have an obligation on the Federal level, because it involves our Nation as a whole, to push ahead in education, continuing what we have done in the past and expanding upon it.

Mr. President, I speak as one who has been chairman of that subcommittee for 12 years, and have done all that I can to develop these programs. I believe that the Nation is the better for this development. For all these reasons, Mr. President, I hope that these amendments will prevail. I hope a miracle will happen and they will pass.

Let me add here that there is another amendment to come later during the consideration of this resolution on vocational education. That amendment is equally important, and it will be presented at a later time by another Senator.

Mr. President, seeing the Senator from Utah reminds me how extremely courteous and fair he has been as chairman of the full committee. I am delighted to be serving under him.

I also point out that these amendments that we are offering are actually less in dollars than the amount we approved in the full Committee on Labor and Human Resources. This is a point, I think, that many of our colleagues are not aware of, that the Budget Committee cut way back from the authorizing committee. At this time I want to thank my colleagues on the full committee for supporting the levels that they did this year, and I hope we can adopt these amendments and move back toward those levels.

Mr. HATCH. I thank my friend from Rhode Island.

I take it that the distinguished Senator from New York would care to speak at this time.

Mr. MOYNIHAN. That is very generous of the chairman.

The Senator from Vermont is here, and I should like to address a question to him, as would some other colleagues.

The PRESIDING OFFICER (Mr. MATHIAS). The Senator from New York is recognized.

Mr. MOYNIHAN. As the Senator from Vermont knows, he is the distinguished chairman of the subcommittee that handles this legislation, we now have an entitlement program which the administration proposes to turn into a categorical aid program by specifying certain new conditions to be met.

One of the concerns that most deeply affect educators, student loan officers, and college administrators I have talked with, and one concern they and I find most oppressive, is the idea that students in college will be required to pay interest on their loans while in college. It is because of my fear that this could occur that I offer this amendment. This program was enacted when our side of the aisle was in the majority, and now we would like to hear the views of the Senator from Vermont on this matter, because we understand that this can be avoided.

I believe the Senator from West Virginia would like to hear this, as would the Senator from Rhode Island.

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

Mr. MOYNIHAN. I yield.

Mr. STAFFORD. I will be glad to offer my observations on this matter.

It is the judgment of the Senator from Vermont that an amendment of the guaranteed student loan program at this time would not be necessary in order to continue the interest subsidy for in-school students.

I respectfully point out to my colleagues that in this particular program, existing law could provide for up to $3.4 billion, but the administration proposed that this particular program be reduced to $1.7 billion, according to my understanding.

The Subcommittee on Education and then the full Committee on Labor and Human Resources ask here for $2.924 billion for this program. The Budget Committee provided $2.873 billion, which is approximately $1.173 billion more than the administration had proposed, according to the figures I have.

On that basis, I believe—in fact, I feel as certain as one can—that with certain modifications in the program, probably relating to an income cap or ceiling, the in-school interest rate subsidy for students in school can be continued with the figures we have.

Mr. MOYNIHAN. Mr. President, it is exceptionally reassuring to note that the Senator from Vermont is of this view. Perhaps my colleagues might wish to make some comment on this point.

Mr. PELL. Mr. President, I join the Senator from New York in welcoming that assurance. I realize that it is the best understanding of it, and I am very glad to hear the words of the Senator from Vermont.

Mr. STAFFORD. I say to my distinguished partner in the Education Subcommittee, Senator PELL, that we share a community of interest here, as I do with my distinguished friend from West Virginia, Senator RANDOLPH, because we all have the interests of small private schools very much at heart. There are a number of such schools in Vermont which are vitally interested in this particular program, as there are in West Virginia and Rhode Island.

Mr. MOYNIHAN. Mr. President, I am happy to yield such time as the Senator from West Virginia may require.

Mr. RANDOLPH. Mr. President, I appreciate very much being given the opportunity to join in this discussion, because I believe that the record made here will be helpful to us in future days and weeks on Capitol Hill.

I want the record to show that the Senator from Vermont not only is the chairman of the Subcommittee on Education of the Committee on Labor and Human Resources but also is the chairman of the Committee on Environment and Public Works. As Senator MOYNIHAN expresses it, the Senator from Vermont is expansive. We know that when his decision is made, it is made upon a very careful evaluation of the subject matter. I am assured by what he says.

I ask if he might state it in another way. It is his intention to see that the in-school interest subsidy in the guaranteed loan program is retained. Is that correct?

Mr. STAFFORD. If the distinguished Senator will yield, I reply to him that that is exactly the intention of the Senator from Vermont.

Mr. RANDOLPH. I am very appreciative.

Can the Senator say to us that he feels strongly that we need to have the retention of the in-school interest subsidy? That is, a subsidy of 9 percent, with a total outlay of only $2.8 billion in the guaranteed loan program, in fiscal year 1982.

With funding at $2.8 billion, will there be every opportunity for the students of the so-called private institution of learning, where the tuitions are higher, to be served by the program.

Mr. STAFFORD. I believe the private institutions and their students would have an adequate opportunity to participate in the program, under the figures we have available.

Mr. RANDOLPH. I appreciate that further assurance.

I ask the Senator to address this question——

The PRESIDING OFFICER (Mr. RUDMAN). The Chair advises that all time of the Senator from New York has expired.

The Senator from Utah has 1 hour.

Mr. MOYNIHAN. Mr. President, will the Senator be kind enough to yield a few moments?

Mr. HATCH. I yield.

Mr. RANDOLPH. I am grateful to the Senator from Utah and the Senator from New York.

Will any of the reforms proposed to change the eligibility under the guaranteed program be imposed as of July 1 of this year?

Mr. STAFFORD. Will the distinguished Senator repeat that?

Mr. RANDOLPH. Will any of the reforms that have been proposed to change eligibility under the guaranteed loan program be imposed as of July 1 of this year?

Mr. STAFFORD. I say to the distinguished Senator that this is a question which will have to be decided first in the Education Subcommittee, on which we serve, and then in the full committee, on which all of us on the floor also serve.

Mr. RANDOLPH. That certainly is understood, because we will work together. Is that the fact?

Mr. STAFFORD. That is so.

Mr. RANDOLPH. In this guaranteed loan program, under the current services, there would be a cost of $3.4 billion, and as I understand it, the reconciliation agreement would permit $2.8 billion. I think that is correct.

I now ask this question: Can we achieve these savings without denying access to these needy students who seek the opportunity to attend both private and public colleges?

Mr. STAFFORD. It is the opinion of the Senator from Vermont that they would not be denied an opportunity to attend private schools.

Mr. RANDOLPH. I thank the Senator from Vermont very much. I am very appreciative of what he is saying.

I hope this will not be misunderstood. I believe that Senator STAFFORD and I agree on many, many subjects. However, I look back for just a moment and recall that in 1924, Calvin Coolidge, of Vermont, was the Republican candidate for President. He became President, and had he defeated someone else, perhaps I would not say this.

Calvin Coolidge defeated a very wonderful West Virginian by the name of John W. Davis. I am not holding that against the Senator from Vermont or against Calvin Coolidge or anyone else. I am just saying that John W. Davis would have made a truly great President of the United States. His campaign slogan was timely then and would be timely now—it was:

> It is the supreme need of the hour to bring back to the people confidence in their government.—John W. Davis, Presidential Candidate—against Calvin Coolidge—1924.

Mr. STAFFORD. I say to my distinguished friend that Calvin Coolidge, it is true, was born in Vermont and spent his early years there. The characteristics that allowed him later to defeat the Presidential candidate from West Virginia, however, were developed in Massachusetts.

[Laughter.]

Mr. MOYNIHAN. Mr. President, as a member of the Budget Committee, am I correct in thinking that I can yield myself some of the time remaining on the bill?

The PRESIDING OFFICER. On behalf of the Senator from South Carolina.

Mr. MOYNIHAN. On behalf of the Senator from South Carolina, I yield myself 10 minutes at this point.

Mr. President, I should like to conclude these remarks by saying to the Senator from Vermont that in light of the Senator's agreement—as best he can undertake to make an agreement on behalf of the committee—that the committee will not pursue the administration proposal to impose interest on student loans while the students are in college, I will withdraw the guaranteed student loan amendment.

Will the Chair remind me what number that amendment is so I can put it formally?

The PRESIDING OFFICER. It is unprinted amendment No. 32, and the Senator from New York does have that right.

The amendment is withdrawn.

Mr. MOYNIHAN. I thank the Chair.

So, Mr. President, there remain only the two amendments. The case on their behalf has been made, but let me briefly restate it. This is not the time to begin dismantling one of the great achievements of American Government in the 1960's and the 1970's.

First, in 1965, we made a commitment to the poor children of this Nation in the title I of the Elementary and Secondary Education Act—a general commitment to the support of elementary and secondary schools. This has not been a great, huge program albeit it has been a remarkably successful one. Be it also remembered the United States now provides a much lower percentage aid to education than does any industrial democracy I know of.

Let there be no mistake our intent, we made a policy decision in 1965. The declaration said:

> In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local education agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance [as set forth in this title] to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means, [including pre-school programs] which contribute particularly to meeting the special educational needs of educationally deprived children.

This is a commitment we made in 1965, and I would be loath to see us begin to withdraw from it by accepting the actions taken at the behest of the administration and the Budget Committee.

Our commitment should remain intact. After all, the education of 2 million poor persons is at stake here; 2 million poor children.

In the mid-1970's, we made an historic commitment that everyone in this Nation able and interested in pursuing a higher education could do so when we instituted the Pell grant program. The Federal Government would see that this be done, and I note especially that the Senator from Rhode Island has been indefatigable, fearless, and extraordinarily successful in bringing such a regime into place.

The Pell grant system is one of the true achievements of the 1970's. That man is on this floor today. Generations of Americans will have their start up the ladder because of that man. We ask not for a full restoration of every single penny, not for a huge increase, we ask only that 600,000 students who would not receive Pell grants next year, if the present budget goes forward, not be denied this most basic opportunity. It is not much to ask.

We sincerely hope that the Senate will agree.

The three amendments I am offering would restore approximately $735 million of the cuts that the Budget Committee has recommended in Federal education assistance programs in fiscal 1982—with corresponding restorations in fiscal year 1981 and fiscal year 1982.

Although the Committee on Labor and Human Resources would be permitted to use these resources as it sees fit in complying with the "reconciliation" instruction, my hope and my intention is to permit the following:

To fund title I of the Elementary and Secondary Education Act, our principal program of Federal help with the education of disadvantaged children, at $3.4 billion in 1982, and to avoid rescinding funds already appropriated for fiscal 1981. The program is currently funded at a level of $3.5 billion, and serves 6 million boys and girls. The Budget Committee has recommended a drastic slash to $2.9 billion, enough to serve only 4.2 million children, and an extremely disruptive rescission of funds already committed for the school year that begins in September. My amendment would still result in savings of $100 million, but would permit 5.5 million children to receive these urgently needed educational services.

To fund the Pell grant program at $2.6 billion in fiscal year 1982. This program, formerly known as basic educational opportunity grants, is the cornerstone of our national policy of making a college education financially accessible to every person with the ability and the inclination to obtain one. It aids needy students and none others, with individual grants that now average $1,100. At the present time 2.7 million college students, approximately one out of every four, are paying for their educations with assistance from this program. The Budget Committee has recommended just $2.5 billion to pay for it. My amendment would add $100 million, permitting 2.5 million students to be assisted with average grants of $1,034.

To fund the guaranteed student loan program at $3.5 billion, rather than the $3.3 billion recommended by the Budget Committee. This is still a substantial savings, as the program this year is estimated to cost $3.7 billion—and a sizable supplemental appropriation may be required. But it would permit the Government to continue to spare needy student borrowers from having to pay interest on their loans while they are in school.

Now let us consider the policy context. The administration's recommendations, ratified by the Budget Committee, are equivalent to:

Wrecking havoc with the budget and the plans of thousands of colleges and school districts, and millions of students, for the year that begins in September.

Turning our back on the educational needs of the poor, the needy and the disadvantaged, at the elementary, secondary, and postsecondary levels.

Repealing the Middle Income Student Assistance Act that was signed into law just 28 months ago, and abjuring Federal responsibility for assisting millions of middle-income families with the costs of college education.

Turning a blind eye to the fate of hundreds of private colleges and universities whose tuition levels are so high as to require substantial loan and grant aid for their students if they are to survive as anything but educational enclaves for the well-to-do.

Let me be clear that the numbers we are proposing will result in sizable cuts below current spending levels, and will require major changes in the structure of these programs, particularly the guaranteed student loan program. I for one would agree that some limits must be placed on the explosive growth of that program, which is the one real "entitlement" program run by the Education Department. I know no one who does not concur with that view. But to require needy college students, who are already expected to work for part of their tuition, to pay interest while they are in school on the money they have borrowed to pay the balance of their tuition seems to me unreasonable, unrealistic, and unjust.

Whether to change the fundamental nature of the Elementary and Secondary Education Act is a more difficult issue. The President has proposed converting its various titles, and dozens of other programs, into "block grants" beginning in fiscal 1982.

I have myself proposed a new program of general assistance to public schools, with the Federal funds used to "match" State and local resources.

I would hope and expect that the authorizing committees of the Congress will pay the closest attention to these and other proposals. But it is wrong to take away the resources needed even to maintain existing services, must less to improve the means by which they are provided. The enormous cut in title I that has been proposed will virtually foreordain stalemate, mistrust, and acrimony at such time as program and policy changes are considered. And in the short run will deny important educational services to millions of low income schoolchildren.

This society's commitment to education is too strong to allow us willingly to jeopardize the quality and quantity of our educational offerings in the name of saving money. The education provided by our schools and colleges is the most important investment we make in the future of this society. We dare not sacrifice it on the altar of parsimony.

Mr. President, I wish to add as cosponsors to the two measures that will now be voted on, Mr. PELL, Mr. KENNEDY, Mr. RIEGLE, and Mr. SARBANES.

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

Mr. MOYNIHAN. In concluding, Mr. President, may I point out that Mr. CHILES will later offer an amendment to add $100 million to vocational education so that the anticipated 3 million drop in students to be covered by that program is somewhat moderated.

Finally, may I call attention for the record to a concern of Senator FORD of Kentucky who has learned that a number of banks that make student loans have been in the practice of paying out only a portion of the loan in the autumn, retaining the remainder until January or midwinter, and thereby having the advantage of the interest from that loan, the benefit of which should properly accrue to the student on whose behalf and for whose benefit it was made.

I hope the committee, in its review of these programs this year, will include this among its concerns. This seems to me reasonable and appropriate.

With that, Mr. President, and with the hope that Members on the other side of the aisle share our view in this matter, at least sufficiently to add these sums, not overwhelming, but overwhelming in importance. I thank the Chair for his courtesy and, of course, particularly thank the chairman of the committee, who has been forbearing in thoughtfulness in allowing us to speak on his time when necessary and who has listened with great attention throughout the debate.

I thank the Chair.

Mr. HATCH. I thank my distinguished colleague.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I thank the Chair.

Mr. President, I have enjoyed the arguments that have been made on these three amendments, one of which is now withdrawn. So I will not comment on the guaranteed student loan program except to say that I agree that we can survive under the present budget figures on the guaranteed student loan program and I think do quite well.

I also call attention to the Senate that during the budget markup by the Budget Committee as chairman of the Labor and Human Resources Committee I made the argument to increase the budget regarding the programs for our committee by $998 million, $2 million less than $1 billion, above the Reagan figures, in three categories:

One was $353 million added back into the handicapped program. I personally feel that the handicapped in this country need the help of the Federal Government and we would have been very ill-advised to have cut back on that particular program.

I also recommended that we increase moneys for block grant purposes with regard to the Federal educational programs by $345 million, because it is our contention that the block grants would not be implemented in time to prevent taking away funds from the programs of State and local governments.

We feel we are right on that, even though that has caused some discontent among some of our friends in the White House.

I might also add that we added another $300 mililon back in for youth employment mainly to keep the youth employment program alive and we intend to reauthorize that program and then do a very good job of oversight and review of the CETA program during this next year or two to determine just how far we should go in the various CETA proposals that are before our committee.

I believe adding a billion dollars above what President Reagan has requested was more than a reasonable step to try and do what is right with regard to these programs.

I might add it was not easy for me to make those arguments in front of the Budget Committee. It was very difficult for me because I am a strong supporter of President Reagan and his programs. But I determined to do that and have felt good about doing it even though there has been, as I said, some irritation as a result of adding those particular funds in and I might add some severe criticisms, too.

To add any more pursuant to these proposals by my illustrious colleague from New York and others I think would be unjustified under the circumstances.

Let me start with the Pell grant program, the Pell grant or the basic educational opportunity grant program, which has been renamed Pell in honor of our distinguished Senator from Rhode Island, has grown substantially.

Federal costs have increased by 95 percent from fiscal year 1977 to fiscal year 1981. That is in estimated dollar levels, from $1.9 billion to $3.7 billion in these 4 years.

Much of the growth in the Pell grant program results from liberalization of eligibility requirements that have extended benefits to middle-income families.

Nearly 10 percent of the grant money goes to families with incomes over $25,000.

The number of qualified applicants with adjusted family incomes of $20,000 or more grew from 33,000 in 1978–79 to 431,000 in 1979–80.

The President's proposal redirects the program to the most financially needy students and reaffirms the primary responsibility of the family and the student in paying for postsecondary education.

The President's policy does not "gut" the program. Under his plan 2.3 million students will receive grants averaging $1,000, in fiscal year 1982.

Students who are not receiving grants and are financially needy will be able to participate in five other Federal student financial assistance programs.

The President's proposal: Adjusts the award formula to reduce program costs; eliminates liberalized cost of education definitions; increases family contribution; requires students to provide $750 in self-help; limits the size of maximum grant.

I do not think those are unreasonable requests.

How can we justify holding to a $1,750–1,800 maximum Pell grant policy now for several years in light of the inflation in college costs? There are inflation adjustments for many other education programs, why not for Pell grants?

I hardly need to reiterate that this budget was developed under severe resource constraints and hard choices had to be made. The choice to limit Pell grants was made in the full knowledge

that rising education costs are ever more burdensome for students and their families. In spite of this, the picture is not entirely bleak and several mitigating factors helped shape the decision of the Reagan administration.

At the same time college costs are rising so are the earnings capacities of students. We estimate that by academic year 1982–83 a student working 15 hours per week at the minimum wage and saving $800 from summer earnings would have about $2,600 per year to help defray college costs. This is substantially in excess of what we estimate the average student financial burden will be at typical 4-year public institutions. The student financial burden—cost minus the sum of grant aid and expected family contribution—will be for most students at such schools less than $2,000. In other words, most students will be able to attend these institutions without borrowing at all if they so choose. Student financial burdens at higher cost institutions will typically exceed their earnings capacities, but in most cases would require only modest amounts of borrowing.

In analyses of family resources, we often forget the annual cost of maintaining a youngster in his/her late teens at home. June 1980 Department of Agriculture estimates of maintaining a 17-year-old at home under "economy," "low," and "moderate" budget assumptions are respectively $2,411, $3,347, and $4,691. These estimates suggest that fairly substantial resources might be made available to finance college when a youngster leaves home.

The Department's budget recognizes that average student financial burdens mask a great deal of variation among students and that many students will face financial sacrifices well in excess of the average. Because of this, the budget includes an additional $30 million in the supplemental opportunity grant program in 1982. These additional funds will be especially helpful in aiding those students with unusually high financial burdens, particularly those attending high cost institutions.

I think it is important to point out that in the last several years these programs, the Pell grant programs, formerly called BEOG, have been continually liberalized; Federal benefits have become excessive. Although the Pell grant program, the successor to the basic educational opportunity grant (BEOG) program, is designed primarily to assist low-income students, grants are on occassion provided to students from families with income in excess of $30,000 per year. The GSL program now provides loans of up to $2,500 annually for students and up to $3,000 annually to their parents regardless of income. Substantial Federal benefits are being paid out to those who do not need them to meet educational expenses.

Frankly, I think it is time we recognize we are a trillion dollars in debt. The interest alone on that debt is estimated to be about $90 billion in the next fiscal year, and that is more than the total Federal budget was only 22 years ago.

The Reagan administration is not cutting essential services; they are cutting the increases in the budget that are running out of control, my colleagues, although well intentioned and, I think, sincere and dedicated to their amendment, are wrong, and I believe we have to draw the line on some of these loans, and we have to draw the line on some of these programs. I think it is important to do it at this time, and I think it is very important that we do it in this particular case because I believe we are, frankly, providing enough benefits for students to be able to take care of their needs, certainly, if they are willing to work. Almost all of us had to do when we went to college and paid our own ways and, I might add, I began at 65 cents an hour as a janitor at Brigham Young University in order to pay my way through school, and I worked every holiday and summer and every second I had to be able to make it through college.

Finally, with regard to the second aspect of the distinguished Senator from New York's amendment, with regard to the elementary and secondary education add-backs, this reduces the cut in the fiscal year 1982 budget, as I understand it, to 12.5 percent from current level. But 12.5 percent is merely what President Reagan expected to achieve in administrative savings alone.

Therefore, this amendment would do nothing to control the increase in growth of the 45 programs themselves which are to be consolidated into a block grant. This amendment would do nothing to help control the inflationary impact of present Government spending levels.

The present categorical structure wastes resources through onerous Federal requirements.

The current programs have 108 pages of regulations and require over 137,000 work hours each year at the State and local level simply to produce required reports.

The administration estimates that administrative requirements consume as much as 13 percent of current Federal dollars awarded to States and localities.

The proposed grant consolidation will eliminate these categorical requirements and waste. Consequently, the elementary and secondary education programs can sustain a larger budget reduction than that proposed by the distinguished Senator in this amendment.

The Senate Budget Committee has already restored funds as I have explained, to elementary and secondary education above the President's mark. I was the person who made that motion, who moved that particular amendment.

I think rejection by the Senate of the 25-percent cut recommended by the administration in these programs will mean that they may be targeted next year for even deeper cuts. Every additional dollar spent this year will necessitate additional deficit spending by the Government.

A cut of only 12½ percent is to force the Government to spend the money that it really, frankly, does not have.

I might add, other programs serving even needier populations have borne cuts, and education is going to have to bear its fair share.

I sympathize with my distinguished colleague from New York because I am concerned about the education program in this country as well. But the final responsibility for education does rest with the States, and the Federal Government cannot be the only source of new revenue for this area.

Under the Moynihan/Pell amendment elementary and secondary education programs will not sustain their fair share of budgetary reductions.

The Moynihan/Pell proposal would reduce funds for elementary and secondary education by only 8 percent in fiscal year 1981, and 3 percent in fiscal year 1982 from funding levels provided under the fiscal year 1981 continuing resolution.

The Moynihan/Pell amendment would actually increase funds by 2 percent in 1983 over the current 1981 funding levels. So, again, the argument that we are not drastically cutting back, we are just cutting the increases in the budget or at least mainly the increases in the budget is correct.

Mr. MOYNIHAN. Mr. President, I send a technical correction to the desk regarding line 18 of UP amendment No. 3.

The PRESIDING OFFICER (Mr. LUGAR). Without objection, the amendment is so modified.

The amendment, as modified, follows:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following, "$14,167,000,000, and outlays by $2,303,000,000, in fiscal year 1981; to reduce budget authority by $52,225,000,000 and outlays by $36,510,000,000, in fiscal year 1982; and to reduce budget authority by $58,528,000,000, and outlays by $47,094,000,000".

On page 2, line 24, strike out "$13,300,000,000" through "$1,800,000,000" on line 1 page 3 and insert in lieu thereof the following, "$12,800,000 in budget authority and $1,450,000,000 in outlays for fiscal year 1981; by $2,850,000,000 in outlays for fiscal year 1982; and $1,700,000,000".

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following, $1,888,000,000 in budget authority and $364,000,000 in outlays for fiscal year 1981; $9,703,000,000 in budget authority and $7,493,000,000 in outlays for fiscal year 1982; and $11,663,000,000 in budget authority and $10,313,000,000".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that it be in order with one show of hand to request the yeas and nays on the two amendments.

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

Mr. MOYNIHAN. Mr. President, I do request the yeas and nays.

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

The yeas and nays were ordered.

Mr. BRADLEY. Mr. President, I ask unanimous consent that I be made a cosponsor of the Senator's amendments.

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

FUNDING FOR PELL GRANTS

Mr. BRADLEY. Mr. President, the administration's recommendations to tighten eligibility under the Pell grant program would increase the financial burden of needy families by increasing

the family contribution at all income levels.

Requiring a $750 self-help student contribution "except where extreme financial need is demonstrated" would add additional burden to poorer families who usually use their student's contribution for the family contribution level.

Development of human potential through Federal investment in higher education is in the national interest of a nation trying to achieve greatness. The Federal Government should carry some of the load for educating future generations as a public good.

The administration's program would place a hardship on thousands of families. Higher education costs, including tuition, books, room, board, transportation, and living expenses average $3,500 per academic year at public universities and $7,500 at private universities.

Reasonable controls on student financial assistance are necessary. However, the balance must be struck between insuring development of human resources and progressing rapidly toward economic recovery. The urgent responsibility which we face of improving the quality of life by gaining control over our economy must not cause us to overlook equally important responsibilities—especially the preparation of youth for the highest productive citizenship.

For these compelling reasons, Mr. President, I strongly support this amendment to restore funding for the Pell grants program.

GUARANTEED STUDENT LOANS

Mr. President. I am pleased to join my colleague, Senator MOYNIHAN, in this amendment to restore funding for the guaranteed student loan program.

The guaranteed student loan program makes the difference for many students today in whether and where they can pursue their education. Currently, the GSL program provides guarantees for loans of up to $2,500 annually for students; up to $5,000 annually for graduate students; and up to $3,000 annually for parents. The student loans are interest free while the student is in school and begin accumulating interest of only 9 percent once the student finishes school. The parents are charged 9 percent interest from the start. Neither the parent or student loan program is income tested.

The Reagan administration has proposed the following changes, which were also included in the January budget:

Limit the loan amount to "remaining need."

Impose the 9-percent interest rate for the student loans during the years the student is in school.

Impose a market level interest rate for the parent loans.

While tightening in the GSL program is appropriate, I believe that the administration has been overzealous, with some harmful effects.

By limiting the GSL loan amount to remaining need, as determined in a national needs analysis formula, and by increasing interest paid on parent loans to market rates, the administration has effectively targeted the GSL program on the "truly needy." President Carter proposed the same changes and I support them as well.

But the imposition of the 9-percent rate while these truly needy students are in school, while they have little possibility of earnings to offset the accumulating interest, is an unwise policy. The effect of eliminating the in-school interest subsidy will be to increase by approximately one-third the cost on an undergraduate education as measured by student indebtedness.

For those students attending high-cost institutions, which means most nonpublic colleges and universities, the resulting debt from both capital and accumulated interest may prove to be too great, leading to withdrawal from the private institution in favor of the much less expensive public alternative. Fine educations can be had in the public sector as well, but the overall effect on our system of higher education would, in my opinion, be unhealthy: the segregation of the wealthy students, who can pay their own way, and the very low income students, who can draw on grants and scholarships for 100-percent financing, into private institutions, while the middle-class student dominates public institutions.

The loss of the in-school interest subsidy would have particularly serious consequences for graduate students. First, the loss of the subsidy would increase the indebtedness of graduate students a similar 30 percent or more. Many of these students already carry large loans from their undergraduate years and family support is not as readily available for graduate education.

Some graduates of law, medical, and business schools may have high-income expectations, and would not be as reluctant to increase their indebtedness for purposes of completing their professional training. Other graduates of those schools and most liberal arts and sciences Ph. D.'s who seek teaching or research careers will be driven out of school or away from teaching and public service careers. The country is already experiencing a serious shortage of engineering and science faculty. If there are reductions in NSF fellowships and project support, as proposed by the administration, many of our most talented graduate students could be lost—a loss which would have long-term consequences to the Nation's research base.

Mr. FORD. Mr. President, I am greatly concerned about the administration's proposals to reduce this Nation's commitment to education. These budget reductions will have an adverse impact on students, parents, and institutions of higher learning. I am referring to the proposed changes in the Pell grant program, the guaranteed student loan program, and the student benefits under the Social Security Act.

I would like to relate an incident which illustrates my concerns. Nothing is more important than personal experience. While at home in Owensboro several weekends ago, I went to the grocery store to make a quick shopping run. As I went through the checkout line, a young man there offered to carry my groceries to the car for me.

I thanked him, but said I thought I could handle it on my own. He took the bag anyway and said there was something on his mind he needed to talk to me about.

As we walked, he explained he was a college student, that he was working at the store to help pay his way through school, and that if the Government took away financial aid he was receiving in the form of a student loan, there was no way he—or his family—could afford to meet tuition costs.

He was as sincere as he could be and I know that he is far from the only one in that dilemma. There are thousands of others whose ability to start or stay in college is threatened by rising costs and shrinking means of financial assistance.

The point that the young man made touched home with me and illustrates one of the reasons why I have mixed emotions about the major budget cuts and shifts in Federal spending which are now making their way through Congress.

After all, no one can argue with the overall objectives of these cuts. Everybody wants to see Federal spending reduced and the budget balanced. Likewise, no one can argue that there is not room for considerable belt tightening all the way around the Federal budget.

At the same time, however, I have the feeling we could be on the verge of making some serious mistakes that will have a dramatic and lasting impact on the future of the country.

I am not just referring to the massive cuts in social programs that will reduce Government's ability to help the sick, the poor, and the other needy individuals who are helped by Government assistance programs.

I am thinking about the restrictions we might be imposing, through aid to higher education costs, that will shortchange this country's ability to help our young people—and thus our future to the fullest.

We have been told that the reductions would cause a significant rise in the cost of education to students as financially strapped institutions raise tuition costs and bring on a substantial cutback in research programs at major universities. The institutions of Kentucky have already been hit with budget cuts necessitated by fiscal restraint at the State level.

These warnings are alarming and cause for concern.

This country's greatest resource is and always has been the inespacable fact that the country's future is in the hands of its young people.

The ingenuity and determination of people has put this country where it is today—the leader in technological and scientific advances. In no small measure, that has happened because Government encouraged people to realize their greatest potential and provided opportunities for higher education and training to those who, for various reasons, financial and otherwise, might never have been given the chance.

Of immediate concern is the traumatic impact these cuts will have in the next school year. Financial aid officers should be making decisions now about the upcoming fall semester. They cannot be-

cause they have no idea of the constraints under which they will be working this fall. In fact, the Department of Education has issued a moratorium on the processing of all guaranteed student loans. Inflation has greatly compounded the problems of parents trying to save enough for their children's education, and now the Federal Government has further complicated the situation by proposing significant changes in the eligibility requirements of the student assistance programs without providing adequate lead time.

Besides the reductions proposed in the Department of Education programs, the administration also has proposed the elimination student benefits under the Social Security Act. Administration officials contend that these benefits are now duplicative with the advent of the Federal aid programs within the Department of Education. I do not believe this assertion.

Let us examine the impact of this proposal which the administration has presented as a phase-out. Under the Reagan administration plan, no new students will be covered under the program after August of this year. This means that some students who are already seniors in high school will be denied benefits which, until recently, they thought would be forthcoming. They and their parents have been counting on this program and the rug will be pulled out from under them.

Mr. President, I understand the need for fiscal restraint, but we should not proceed without adequate knowledge of the implications of our actions. Congress should be presented with well reasoned alternatives to the President's proposals. Why not maintain current benefits for those presently in school? Why not make the budget cuts for student benefits prospective, applicable only to recipients of future beneficiaries of social security? This would allow the parents and students the chance to plan for their future in a responsible manner. If the benefits must be reduced so quickly, why not give former beneficiaries a higher priority for guaranteed student loans? I raise these questions because many Americans are looking for answers. For the sake of equity, Congress should provide them answers.

Somehow during the debate over the budget cuts, we must pause and reflect on that.

Somewhere we must ask what price will be extracted from society as a sacrifice for reduced Government spending in stimulating education, training, research, and development.

Who are we helping with these cuts? Who are we hurting? Can this country maintain its posture at the forefront of the research and development arena without a strong commitment to providing and maintaining higher education opportunities for all—not just those who can afford it?

These are essential and relevant questions that must not be set aside in the rush to reduce Federal spending. The consequences—both current and long range—of each and every proposed action must be carefully weighed.

I can say for a fact that there is a tremendous groundswell of support from people everywhere for Congress to move quickly and rubberstamp its approval to the total spending cut package the administration has proposed. People are frustrated with inflation. They want something done and they want it done now.

I want something done, too, but somehow, though, one thought continues to linger in my mind and I cannot grasp the answer. If we act too quickly, if we act without sufficient thought and justification, will we make mistakes that will haunt this country long after we are finished?

GUARANTEED STUDENT LOANS

Mr. ROBERT C. BYRD. Mr. President, the administration has proposed many budget cuts in student aid programs for higher education including reducing Pell grants, guaranteed student loans, and varied health manpower training programs.

A college education means opportunity. Just as we invest in our industry and factories, we must invest in our young people for a better future. More than three times as many young Americans are enrolled in colleges and universities today than 20 years ago. This is tremendous progress. I fear the administration's recommendations on student assistance could reverse this trend.

Limiting the availability of loan money could have a tremendous impact on private colleges and universities, which depend upon tuition payments to a much greater degree than do public institutions for postsecondary schooling. In my own State of West Virginia, the survival of nine private independent colleges, and one university is endangered by the proposed changes.

The administration has proposed to limit the guaranteed student loan program by restricting the loans to students who demonstrate financial need after that need has been determined through a tight income formula. It would also eliminate the in-school interest subsidy, and the special allowance that lenders receive for making loans to parents of students.

The administration's plan has caused some confusion and uncertainty. Preliminary reports, particularly from small banks, indicate that participation in the student loan program may no longer be feasible because of the increased cost of needs analysis, the removal of the in-school subsidy, and the reduction of loans to small amounts that banks are unwilling to handle.

It is my hope that there will be a detailed study of the administration's proposals in the very near future. Under the proposed guaranteed loan plan, students could suffer a significant increase in the cost of their loans. College and university tuitions are rising rapidly—by some estimates from 14 to 18 percent annually in private and 9 percent in public institutions.

Adequate financing is a prerequisite for quality education. The Higher Education Act of 1965 has been amended a number of times since its enactment, and each time the Congress has sought to make the legislation more responsive to the changing needs of aid recipients and more reflective of the changes in our education system.

Revisions in the guaranteed student loan program have demonstrated Congress continued concern with inflation and the rising cost of education and their impact on lower- and middle-income families. The need for Federal assistance to young people from these families is easily understood. Without aid, many young people would be denied the prospect of pursuing studies that would benefit them—allow them to make a greater contribution to society.

I am strongly committed to the goal of advancing equal opportunity in education through Federal financial assistance. At the same time, student aid programs must not be viewed as free reservoirs of money; fraud must be cut in these as well as in other Government programs. When a student accepts a loan, that student also accepts the responsibility to repay it under the agreed upon terms.

Unfortunately, many of our student loan programs have been troubled by high default rates. Under pressure from the Congress, the Office of Student Financial Assistance was established 4 years ago to improve collection efforts. At the time that the office was created, there were some 300,000 guaranteed student loan accounts on record, of which only 24,000 were being paid on a regular basis. Just 2 years later, 106,000 accounts were being paid on a regular basis, and more than 51,000 had been paid in full.

Last year, additional measures were taken to curb loan defaults. A new system was established for the Federal Government to share information on defaulted loans with credit bureaus. The Department of Justice has also followed the Congress lead, and last February it began a broad new crackdown on student loan defaults with the filing on some 500 lawsuits.

The guaranteed student loan program is the major vehicle through which middle-income families find the financial resources necessary to send their children to school. The program means that a student may elect to assume independent responsibility for his or her college expenses.

The administration's guaranteed student loan plan deeply concerns me. Funds for the loans are currently supplied by thousands of private lenders. The idea that banks and other lending institutions may drop out of the program because of the increased paperwork troubles me—particularly because there are such smaller banks in rural areas, and these banks are the ones which can least afford the increased cost of paperwork.

Other aspects of the plan trouble me as well. If students pay interest on guaranteed loans while in school, will they not have to borrow more to pay for the interest? While a student may be able to manage higher borrowings the first year, after the second or third, many would be borrowing heavily to finance the next year's interest payment.

Last year, we raised interest rates for the guaranteed student loans and made

other program modifications. We took a great deal of time examining and revising the program. Let us again look carefully before we take other steps; we want to be marching forward, not backward.

Mr. LEAHY. Mr. President, I rise in support of the amendments offered by Senators MOYNIHAN and PELL to the budget resolution, particularly those amendments on the guaranteed student loan and Pell grant programs.

I believe that many changes can and should be made to further tighten eligibility for these and other student assistance programs, and I will lend my support to those efforts. However, I cannot support all the massive reductions in student financial assistance called for by the administration. The elimination of the in-school interest subsidy in the guaranteed student loan program would sharply reduce the number of private lenders participating in the program and the number of students who receive these loans.

Some 3.4 million students now receive guaranteed student loans. Under President Reagan's proposal, some 2 million students would be served at a cost to the Federal Government of $3.3 billion. This would mean the elimination of loans to 1.4 million students now receiving them, and an additional 600,000 students would have to change to lower cost schools.

Under the Moynihan-Pell amendment, there would still be a substantial reduction in funds for the guaranteed student loan program, but 2.5 million students could continue to receive the loans at a cost of $3.5 million. Estimates of the Congressional Budget Office on the guaranteed student loan program were not fully considered by the Senate Committee on Labor and Human Resources and the Senate Budget Committee. There is some question as to whether these committees will have the budgetary flexibility necessary to retain the in-school interest subsidy for the guaranteed student loan program.

Any major reduction in the availability of funds for student assistance under this loan program and the Pell grant program would have a disproportionate and debilitating effect on the Vermont economy. Higher education is one of Vermont's largest industries. Guaranteed student loans account for 32.3 percent of total tuition revenues for Vermont colleges and universities.

The future of many Vermonters—their academic growth and employment opportunities—depends on a sound guaranteed student loan program and Pell grant program. Fully 49 percent of Vermont students receive aid under the guaranteed student loan program, and 25.5 percent receive Pell grants.

Dr. Janet Gorman Murphy, president of Lyndon State College in Vermont, testified before a Congressional Committee on the effects of these proposals on small colleges. According to Dr. Murphy:

> The aspiration rate for higher education in Vermont is lower than any other State in the country. The Vermont per capita income is $7,400. In the counties surrounding Lyndon State College, the average income is $5,700. A decrease in Federal financial aid would further decrease this aspiration, making higher education even less accessible to Vermonters.

I urge my colleagues to support the amendments offered by Senators MOYNIHAN and PELL. The cost of education may well be high. But the cost of ignorance is far greater.

VOTE ON AMENDMENT NO. 24

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the question is on agreeing to the amendment of the Senator from New Jersey, amendment No. 24. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 17, nays 81, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—17

Bradley	Ford	Matsunaga
Bumpers	Glenn	Metzenbaum
Byrd, Robert C.	Inouye	Moynihan
Cranston	Jackson	Murkowski
Dodd	Kennedy	Weicker
Durenberger	Levin	

NAYS—81

Abdnor	Goldwater	Nunn
Andrews	Gorton	Packwood
Armstrong	Grassley	Pell
Baker	Hart	Percy
Baucus	Hatch	Pressler
Bentsen	Hatfield	Proxmire
Biden	Hawkins	Pryor
Boren	Hayakawa	Quayle
Boschwitz	Heflin	Randolph
Burdick	Heinz	Riegle
Byrd, Harry F., Jr.	Helms	Roth
	Hollings	Rudman
Cannon	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Jepsen	Schmitt
Cochran	Johnston	Simpson
Cohen	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Laxalt	Stennis
DeConcini	Leahy	Stevens
Denton	Long	Symms
Dixon	Lugar	Thurmond
Dole	Mathias	Tower
Domenici	Mattingly	Wallop
Eagleton	McClure	Warner
East	Melcher	Zorinsky
Exon	Mitchell	
Garn	Nickles	

NOT VOTING—2

Tsongas	Williams

So Mr. BRADLEY's amendment (No. 24) was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, are there other votes stacked to be disposed of back to back?

The PRESIDING OFFICER. There are.

Mr. BAKER. How many, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

If the Senator from Idaho obtains the yeas and nays on either of his two amendments, there will be three.

Mr. BAKER. Mr. President, I yield to the Senator from Idaho for that purpose.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on my amendment.

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

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, is the perfecting amendment to a committee amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I ask unanimous consent that the remaining votes, the three votes which will now occur back to back, each be 10-minute rollcall votes, with the buzzer to sound as usually prescribed.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, I withdraw my substitute amendment.

The amendment (No. 23) was withdrawn.

The PRESIDING OFFICER. Without objection, the votes will be 10-minute votes.

Mr. FORD. Mr. President, a point of information.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Will the Chair state which amendments the Senate will now be required to vote upon?

The PRESIDING OFFICER. The amendment is the unprinted amendment No. 30, offered by the Senator from Idaho (Mr. McCLURE).

Mr. FORD. And its contents, Mr. President?

The PRESIDING OFFICER. The purpose is to restore funding for the strategic petroleum reserve.

Mr. FORD. Is this the one that takes off 6 percent?

Mr. McCLURE. Six-tenths of 1 percent.

Mr. FORD. That is in the out years, I just want to be sure.

I thank the Chair.

VOTE ON UP AMENDMENT NO. 30

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER (Mr. SIMPSON). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 22, nays 76, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—22

Bentsen	Heflin	Melcher
Bradley	Helms	Murkowski
Byrd, Harry F., Jr.	Huddleston	Nickles
	Humphrey	Symms
Byrd, Robert C.	Inouye	Wallop
Dodd	Jackson	Warner
East	Matsunaga	Zorinsky
Exon	McClure	

NAYS—76

Abdnor	Garn	Moynihan
Andrews	Glenn	Nunn
Armstrong	Goldwater	Packwood
Baker	Gorton	Pell
Baucus	Grassley	Percy
Biden	Hart	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Burdick	Hayakawa	Randolph
Cannon	Heinz	Riegle
Chafee	Hollings	Roth
Chiles	Jepsen	Rudman
Cochran	Johnston	Sarbanes
Cohen	Kassebaum	Sasser
Cranston	Kasten	Schmitt
D'Amato	Kennedy	Simpson
Danforth	Laxalt	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stennis
Dixon	Long	Stevens
Dole	Lugar	Thurmond
Domenici	Mathias	Tower
Durenbergers	Mattingly	Weicker
Eagleton	Metzenbaum	
Ford	Mitchell	

NOT VOTING—2

Tsongas	Williams

So Mr. MCCLURE's amendment (UP No. 30) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay on motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 31

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York concerning the so-called Pell grants.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey) Mr. WILLIAMS, are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. DODD), would vote "yea."

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. Are there any Senators who have not yet voted?

The result was announced—yeas 30, nays 67, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—30

Baucus	Eagleton	Matsunaga
Biden	Ford	Metzenbaum
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Cannon	Jackson	Sarbanes
Cranston	Kennedy	Sasser
DeConcini	Leahy	Stennis
Dixon	Levin	Zorinsky

NAYS—67

Abdnor	Cohen	Grassley
Andrews	D'Amato	Hatch
Armstrong	Danforth	Hatfield
Baker	Denton	Hawkins
Bentsen	Dole	Hayakawa
Boren	Domenici	Heflin
Boschwitz	Durenberger	Heinz
Byrd, Harry F., Jr.	East	Helms
	Exon	Hollings
Chafee	Garn	Humphrey
Chiles	Goldwater	Jepsen
Cochran	Gorton	Johnston
Kassebaum	Nickles	Simpson
Kasten	Nunn	Specter
Laxalt	Packwood	Stafford
Long	Percy	Stevens
Lugar	Pressler	Symms
Mathias	Proxmire	Thurmond
Mattingly	Pryor	Tower
McClure	Quayle	Wallop
Melcher	Roth	Warner
Mitchell	Rudman	Weicker
Murkowski	Schmitt	

NOT VOTING—3

Dodd	Tsongas	Williams

So Mr. MOYNIHAN's amendment (UP No. 31) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 33, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 33, as modified, of the Senator from New York.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The result was announced—yeas 33, nays 65, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—33

Baucus	Eagleton	Melcher
Biden	Ford	Metzenbaum
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Hollings	Pryor
Byrd, Robert C.	Inouye	Randolph
Chiles	Jackson	Riegle
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Stennis
Dodd	Matsunaga	Weicker

NAYS—65

Abdnor	Goldwater	Mitchell
Andrews	Gorton	Murkowski
Armstrong	Grassley	Nickles
Baker	Hatch	Nunn
Bentsen	Hatfield	Packwood
Boren	Hawkins	Percy
Boschwitz	Hayakawa	Pressler
Byrd, Harry F., Jr.	Heflin	Proxmire
	Heinz	Quayle
Cannon	Helms	Roth
Chafee	Huddleston	Rudman
Cochran	Humphrey	Schmitt
Cohen	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Tower
East	Mathias	Wallop
Exon	Mattingly	Warner
Garn	McClure	Zorinsky

NOT VOTING—2

Tsongas	Williams

So Mr. MOYNIHAN's amendment (UP No. 33), as modified, was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. SIMPSON). The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: the Senator from Connecticut (Mr. WEICKER), Appropriations; the Senator from New York (Mr. D'AMATO), At-Large; the Senator from Hawaii (Mr. INOUYE), Appropriations; and the Senator from Georgia (Mr. NUNN), Armed Services.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: the Senator from Idaho (Mr. MCCLURE), Appropriations; the Senator from Iowa (Mr. JEPSEN), Armed Services; the Senator from South Carolina (Mr. HOLLINGS), Appropriations; and the Senator from Maryland (Mr. SARBANES), At-Large.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: the Senator from Alaska (Mr. STEVENS), Appropriations; the Senator from Arizona (Mr. GOLDWATER), Armed Services; the Senator from Louisiana (Mr. JOHNSTON), Appropriations; and the Senator from Colorado (Mr. HART), At-Large.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, in the event that an oversight omitted the senior Senator from West Virginia (Mr. RANDOLPH) as a cosponsor of the two previous amendments just voted upon, I ask unanimous consent that he be listed as a cosponsor.

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

Mr. MOYNIHAN. I thank the Chair.

Mr. President, may I make the same request for the junior Senator from West Virginia, the minority leader, Mr. ROBERT C. BYRD?

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

UP AMENDMENT NO. 34

(Purpose: To restore funds for certain programs)

Mr. CHAFEE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration. This amendment is offered on behalf of myself, Mr. HEINZ, Mr. STAFFORD, Mr. PERCY, Mr. COHEN, Mr. SPECTER, Mr. DANFORTH, Mr. DURENBERGER, Mr. WEICKER, Mr. MATHIAS, Mr. SARBANES, Mr. MITCHELL, Mr. METZENBAUM, Mr. BRADLEY, Mr. BURDICK, Mr. HART, Mr. EAGLETON, Mr. MOYNIHAN, Mr. BIDEN, Mr. LEVIN, and Mr. DODD.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE), for himself and other Senators, proposes an unprinted amendment numbered 34.

Mr. CHAFEE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, beginning with line 12, strike out through line 10 on page 10 and insert the following:

SEC. 9. (a) Congress hereby determines and declares that it is necessary to make changes in enacted laws in order to reduce budget authority by $14,667,000,000, and outlays by $2,353,000,000 in fiscal year 1981; to reduce budget authority by $51,625,000,000, and outlays by $36,475,000,000 in fiscal year 1982; and to reduce budget authority by $57,678,000,000, and outlays by $46,404,000,000 in fiscal year 1983.

(b) The Committees on Appropriations of the House and Senate shall report not later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981; by $3,200,000,000 in outlays for fiscal year 1982; and $1,800,000,000 in outlays for fiscal year 1983.

(c) Not later than May 31, 1981, the committees named in subsections (c)(1) through (c)(30) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsections (c)(1) through (c)(30) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1)(A) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $474,000,000 and outlays by $928,000,000 in fiscal year 1982; and to reduce budget authority by $659,000,000 and outlays by $618,000,000 in fiscal year 1983; and

(B) The Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $654,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; and to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $5,846,000,000 in budget authority and $133,000,000 in outlays for fiscal year 1981; $15,210,000,000 in budget authority and $785,000,000 in outlays for fiscal year 1982; and $18,062,000,000 in budget authority and $1,796,000,000 in outlays for fiscal year 1983.

(4)(A) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1982 and to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1983; and

(B) The Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,193,000,000 in budget authority and $584,000,000 in outlays for fiscal year 1982 and $1,298,000,000 in budget authority and $1,028,000,000 in outlays for fiscal year 1983.

(5) The Senate Committee on Energy and Natural Resources shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,071,000,000 in budget authority and $106,000,000 in outlays for fiscal year 1981, $3,714,000,000 minus $50,000,000 in budget authority and $3,404,000,000 minus $50,000,000 in outlays for fiscal year 1982; and $3,660,000,000 minus $150,000,000 in budget authority and $3,628,000,000 minus $150,000,000 in outlays for fiscal year 1983.

(6)(A) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982 and to reduce outlays by $900,000,000 in fiscal year 1983; and

(B) The Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $4,935,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; and $3,035,000,000 in budget authority and $1,872,000,000 in outlays for fiscal year 1983.

(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $9,354,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $10,870,000,000 in fiscal year 1983; and

(B) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $96,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982 and $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983.

(8) The Senate Committee on Foreign Relations shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982 and $600,000,000, in budget authority and $367,000,000 in outlays for fiscal year 1983.

(9)(A) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982 and to reduce outlays by $414,000,000 in fiscal year 1983; and

(B) The Senate Committee on Governmental Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982 and $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983.

(10) The Senate Committee on the Judiciary shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982 and $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983.

(11)(A) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlays by $49,000,000 in fiscal year 1981; to reduce budget authority by $658,000,000 and outlays by $622,000,000 in fiscal year 1982; and to reduce budget authority by $1,601,000,000 and outlays by $1,495,000,000 in fiscal year 1983; and

(B) The Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,813,000,000 in budget authority and $354,000,000 in outlays for fiscal year 1981; $9,353,000,000 in budget authority and $7,128,000,000 in outlays for fiscal year 1982; and $11,163,000,000 in budget authority and $9,863,000,000 in outlays for fiscal year 1983.

Mr. DOMENICI. Mr. President, the distinguished Senator from Rhode Island, under the amount of time allowed for amendments, would be allowed a half hour and I would have a half hour in opposition. Might I ask, Does the Senator intend to ask for additional time or will a half hour on each side be sufficient?

Mr. CHAFEE. I would think a half hour would be sufficient, but by saying that I am being bound?

Mr. DOMENICI. Not at all. I would be pleased to yield the Senator some time on the concurrent resolution. I would just like to know more or less that we are in that ball park, that we are not talking about 2 hours.

Mr. CHAFEE. We have several who wish to be heard on our side. I do not know whether the Senator from New Mexico has other speakers or not. The

Senator from New Mexico can probably carry the ball in about 10 minutes.

Mr. DOMENICI. I appreciate the Senator's comments.

Mr. CHAFEE. We have a heavy row to hoe. Why do we not just say three-quarters, one-quarter?

Mr. DOMENICI. Let us just proceed. It will not take a lot of time, I understand.

Mr. CHAFEE. Mr. President, I yield to my distinguished colleague from Rhode Island who has an appointment. I yield 2 minutes.

Mr. PELL. Mr. President, I rise in strong support of the amendment of the Senator from Rhode Island, my colleague and friend (Mr. CHAFEE). This amendment, while it does not contain all that I would like to see, contains many strong elements, and to my mind is a minimum of what this Congress should do and what the Senate should do on the message sent to it from downtown.

In the different items, he includes low-income energy assistance. No part of the Nation needs this more than the Northeast. However, even in the Sunbelt there is need for air-conditioning at certain times. In the UDAG program, we will know what is needed there. In the area of rehabilitation, I was disappointed to see our amendment go down in defeat, but I hope this matter will fare better when proposed by the Republican side.

We know the impact that the cutbacks will have in health services, housing, weatherization, community development, and mass transit. All of these are vital and essential programs.

In the area of energy, annual increases in the cost of home heating have reached levels that the average American can no longer bear. This year $1.85 billion was appropriated and 50 million people have been served. Next year even more families will need protection in order to brace themselves against the economic effect of oil decontrol and the possible deregulation of natural gas. My staff has projected that it would take approximately $2.3 billion to maintain the current levels of assistance, in real terms.

I am sad to say that the administration has only proposed $1.35 billion for this program, a full 25 percent less than last year. This means that next year while the price of home energy will be more than 25 percent higher, the elderly, the poor, and moderate-income workers will have their purchasing power under this program eroded by more than 50 percent as a result of the administration's cut combined with inflation and the rising cost of heating oil.

And if the Budget Committee's reconciliation resolution is approved by the Senate, the news could be even worse for beneficiaries under this program.

I have evaluated the President's proposals with an open mind. I support the objective of reducing Federal spending but believe the national interest will not be served if those who are most in need bear the brunt of the proposed spending cuts.

The State of Rhode Island is at the very end of the energy supply pipeline. It is 84 percent dependent upon foreign oil and 70 percent of all Rhode Island homes are heated with this most expensive and uncertain energy source.

This year my State received $12 million for heating aid. To maintain the same purchasing power next year, we would need almost $16 million. However, if the proposed reductions for this program are agreed to by the Senate we would receive less than $10 million.

I share these shocking statistics with my colleagues, because someone will have to make a choice between low-income families and elderly citizens who are in need to determine those who are most in need. In my view, this is a cruel and heartless choice that should never have to be made.

The individuals who are the unlucky victims of this process are the same people that will also be losing food stamps, health care services, and Federal assistance to meet the high cost of education. I wonder, Mr. President, how much can these individuals take and what should they reasonably be expected to take?

In my 20 years in the Senate I have been proud to be a member of the Labor and Human Resources Committee, because it has authored programs that have reduced human suffering and given the poor economic security.

I hope that my colleagues of this committee and other Senators will have the courage to stand up and oppose the recommended reduction in the low-income energy assistance program so that none of our citizens will have to suffer the personal degradation and pain of choosing between heating and eating next winter.

On the issue of preventive health care services and funding for community health centers, numerous studies have reviewed the efficiency, cost effectiveness and quality of care rendered by neighborhood medical centers. Virtually all reports have praised these institutions for the high quality of services that they provide to medically underserved individuals.

There are 22 million people in our country without any health insurance protection. More than one-half of the community health center patients come from this group. The only alternative for these individuals without health insurance protection is to seek treatment in hospital emergency rooms, where a single visit can cost $50—about $40 more than an average visit to a community health center.

In addition to being cost-effective alternatives, community health centers have improved the access to health care services for the disadvantaged. Their presence has reduced hospital admissions and has improved the overall health of participants by reducing infant mortality and containing communicative diseases such as measles and rubella.

There are 14 community health centers in our State of Rhode Island that provide basic services at 24 sites to 40,000 citizens. The majority of recipients are poor, near poor and non-English speaking (including 2,500 Indo-Chinese refugees) who face economic and social barriers in obtaining conventional medical care.

Mr. President, if we do not fund community health centers adequately, I do not know how these people will get treatment. I do know, however, they cannot afford the kinds of preventive services that community health centers provide and they will be forced to forgo periodic checkups and treatment of minor conditions which will cost the Government more in the long run.

I hope that this amendment will be accepted by the Senate so that none of our citizens will be denied essential social services.

In my view, the reconciliation resolution that is before us contains proposed reductions that are pennywise and pound foolish. If these reductions are approved, the poor in our country will become poorer and those families who are struggling to get by will be unable to adequately heat their homes, buy groceries for their families or afford basic health care services. I congratulate my colleague on this amendment and look forward to supporting it.

Mr. CHAFEE. Mr. President, I wonder if we might have order in the Senate.

The PRESIDING OFFICER (Mr. NICKLES). The Senate will be in order.

Mr. CHAFEE. Mr. President, the amendment I offer today restores modest amounts of money to programs which directly effect the lives of many Americans. While the amendment selectively restores funding for certain programs, it does not "bust the budget": In fact, if my amendment is adopted, the budget will still reduce fiscal year 1982 spending by $1.4 billion more than President Reagan recommended.

Let me summarize the amendment:

First, the elementary and secondary education program is increased by $60 million in 1981 outlays, $450 million in 1982 outlays, and $575 million in 1983 outlays. The result of these additions is to reduce the cut in this program, compared to expenditure levels in current law, from 18 percent each year (as proposed by the Budget Committee), to 8 percent in 1981, 13 percent in 1982, and 14½ percent in 1984. Budget authority for this program is increased by $575 million in 1981, $500 million in 1982, and $700 million in 1983.

As you can see, Mr. President, there are going to be cuts in all these education programs. Let us deal particularly with outlays for 1982.

The outlays in 1982 will be down by 13 percent from expenditures as in current law.

Second, the low income energy assistance program is increased by $300 million in 1982 and by the same amount in 1983 in outlays.

Mr. President, the energy assistance program is extremely important to those who are hard hit by the deregulation of oil, and deregulations I think was correct, but unquestionably it has had a devastating and extremely severe effect on those in the lower incomes who are heating their homes by fuel oil.

Outlays for the weatherization program which, after all, is an investment for the future, helps low-income people conserve energy in the future. That pro-

gram is boosted by $50 million in 1982 and $50 million in 1983.

Third, funds for the urban development action program, the so-called UDAG program, which has been universally acclaimed, are restored to the level recommended by the President, by the very sum that President Reagan himself recommended in the budget that he submitted. Those funds were taken out in the Budget Committee and this amendment restores them, $300 million.

Next, the preventive and community health program outlays are increased by $50 million in 1982 and $175 million in 1983.

What better investment can be made than in the preventive health programs and the community health programs that serve in the rural areas? They serve or assist in rural and urban programs. They cut right across the board in assisting a whole host of those who are unable to get the services from a major hospital and can use these community health centers for preventive medicine, how to stay well.

Last but not least, Mr. President, is the urban mass transit program, which, as you know, was cut very severely in the outyears, 1983 and somewhat in 1982. This restores $25 million in 1982 and $300 million in 1983.

That restoration in 1983 does not come up to 50 percent of the cut. The cut was very severe and this boosts it up toward a 50-percent cut.

All told, Mr. President, my amendment adds $60 million in 1981 outlays, $973 million in 1982 outlays, and $1.523 billion in 1983 outlays.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. CHAFEE. Yes, I am glad to yield.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator on his amendment. I think it seeks to restore some equity to some of these programs. I should like to be added as a cosponsor if the Senator has no objection.

Mr. CHAFEE. That would certainly be acceptable to me.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

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

Mr. CHAFEE. Mr. President, all Senators in this Chamber are united in our effort to control inflation. One important way to help curb inflation is to reduce Government spending.

On February 18, 1981, the President correctly and squarely set out for us the status of our economy. He later recommended a thorough list of budget reductions, most of which are incorporated into the resolution before us today. Speaking for myself, I fully support the President's effort and his overall targets for reducing the budget. There really is no choice but to make the difficult decisions necessary to reduce Government spending.

Indeed, if this amendment passes, the recommendations that the President made to the budget will be more than reduced by the sum that he presented for his budget. In other words, this is not a budget-busting item. As I mentioned before, the budget will still be over $1 billion below what the President recommended.

I think, Mr. President, as we proceed, we bear a heavy obligation to weigh the consequences of the decisions we will make. History will record whether the actions we are about to take were tempered with compassion and foresight, or whether they were made in indiscriminate haste.

The amendment my colleagues and I propose seeks a proper balance. It would assure Government outlays remain below the level recommended by the President, yet it recognizes that there are several programs—those making a special contribution to the health, well-being, and future of our people—which deserve a second hearing before we act.

Education, the largest amount here, is of prime importance in this regard. As President Kennedy once remarked, "A child miseducated is a child lost." If we cut too deeply in elementary and secondary education programs—and mind you, Mr. President, when we are through this in 1982, we will have cut by nearly 12 percent and in 1983, we will have cut by 18 percent if this amendment is enacted—we risk administrative chaos in our schools and a dramatic decline in the ability of local school systems to provide the quality of education which we must maintain if our children are to be adequately equipped to deal with the growing complexities of our world. Thus, this amendment assigns a prime emphasis to restoration of funds for elementary and secondary education.

What we are dealing with is not solely title I, which was the previous amendment. This is the elementary and secondary education category, which deals in part with title I. It deals with the education of the handicapped, education of the gifted, and a host of other programs in the Elementary and Secondary Education Act.

Let us touch on the next largest item, which is energy assistance payments and the weatherization program. Compassion and the realities of rising fuel costs dictate that we proceed with caution when the very lives of many lower income Americans are at stake. We must not reach a point where budget cuts force some of our fellow citizens—particularly those in the northern part of the Nation, and this stretches from Seattle to Boston—have to choose between heat for their homes and food for their tables. So, the amendment I am offering takes cognizance of our obligation to mitigate the adverse consequences of constantly rising fuel costs, which have been exacerbated by the recent decontrol of petroleum prices.

In the case of the urban development action program, my amendment simply seeks to restore this program to the same level as that proposed by the President. This program has been responsible for channeling new private investment into areas of high levels of poverty and unemployment, creating new jobs and generating new taxes. The UDAG program has been widely praised for its flexibility and responsiveness. Budget cuts beyond those proposed by the President would be devastating.

As for that section of my amendment relating to mass transit, the primary purpose here is to give our States and cities time to adjust to the reality of lower Federal subsidies in the future. It will take time for States and local governments to find the means to make up the loss which will come with lower Federal spending for mass transit. My amendment is a prudent and orderly proposal to deal with a pressing problem.

Finally, my amendment deals with programs of preventive and community health programs. This is clearly a case where we will surely pay more in the future for cuts made today. Preventive health programs are an investment in the future well-being of our citizens. Take them away, or sharply reduce them, and we shall face a larger bill for later health care. Similarly, community health centers provide outpatient services at modest cost, reducing institutionalization at much higher cost resulting from delayed medical attention.

Mr. President, the amendment I am offering today is a modest and prudent attempt to stay below the President's budget while relieving the burden on some of our citizens more severely affected. We have a responsibility not only to enact major spending reductions—which we have done—but to be compassionate as well.

Mr. President, I urge the adoption of my amendment, and I ask unanimous consent that a fuller explanation of each of the proposals entailed in the amendment be printed at this point in the RECORD.

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

EDUCATION

Our education system is central to the Nation's economic progress and security. As we design our national policies toward economic recovery, we must recognize that our investment in human capital is just as important and essential as our investment in industrial capital. An educated populous is a national asset which is essential to economic revitalization, and improved productivity.

The cuts in elementary and secondary education programs contained in the bill before us, would be devastating to our Nation's public education system—at a time when it is already hard pressed to maintain its commitment to quality education for all children. The Federal programs provide the extra assistance to our local schools to improve the basic skills of disadvantaged children. We are not talking about frills or luxuries—we are talking about teaching children to read, write, and reckon.

The Title I program, for instance, has a proven record of success. The cuts which are recommended in this resolution would result in the elimination of over a million children from this program this year, and many more in 1982, and is sure to lead to many more dropouts and chronic unemployment.

Cuts in handicapped and other special education services will mean schools simply cannot keep their commitment to educating our handicapped and disabled children—about 12% of the students in this country. The foreclosure of an adequate education for these children means that a significant number of our youths will not be able to achieve their potential as productive and independent members of our society, but instead face the prospects of lifelong dependency.

The cutbacks in elementary and secondary education in 1981 are especially onerous because they place our local school districts in an untenable position. The loss of Federal monies will require the elimination of services to millions of children, and the layoff of significant numbers of teachers for the school year beginning this fall. In many States, school districts will be forced to dishonor contractual agreements which place them in conflict with State laws. For instance, in Rhode Island, notice of layoffs to teachers must be given by March 1, preceding the school year. Most States simply do not have the financial cushion to make up the difference, even if they could move that fast.

In addition, the savings which might be achieved through consolidation of elementary and secondary programs, which I support, could not be realized before Fiscal Year 1983—it would take at least that long to put this consolidation into place.

Even if the regulatory burdens and strings imposed by the Federal Government were relaxed many States have followed the leadership of the Federal Government and enacted State laws modeled on Federal laws. Rhode Island's State handicapped laws are modeled after the Federal law, and the State has committed vast resources of its own to education of the handicapped. But the withdrawal of Federal funds, especially for the next school year, is a terrible blow. Schools will have the same legal obligation—which simply cannot be met with existing funds.

Mr. President, these cuts in elementary and secondary education will cause major disruptions for our local school systems beginning this fall. They simply cannot adjust to such a loss for this coming school year, and in fact, most of their budgets have been set and commitments made. My amendment does not restore all the money to these programs, but will at least make these reductions bearable for our nation's school system so that they can maintain basic services without major disruptions.

LOW INCOME ENERGY ASSISTANCE AND WEATHERIZATION

As my colleagues know, President Reagan has proposed to establish a block grant containing low income energy assistance moneys along with several other related programs. The total amount for this block grant would be reduced by 25 percent.

My reasons for restoring this cut is clear. Energy prices have soared over the past few years, and especially this year due to immediate decontrol of oil prices. Low income families are struggling to make ends meet and be able to keep warm in the winter. The two programs designed to help them upgrade their homes and meet high energy costs are slated to be reduced by a quarter. But compassion clearly demands caution. The livelihood—indeed, the lives—of too many people are at stake to permit indiscriminate reductions.

When this body passed the windfall profits tax in 1980, we directed 25 percent of the proceeds of the tax to be used for low income energy assistance payments. We agreed that a portion of the revenues from decontrol of oil would be returned to those who were unable to adjust readily to rising fuel prices. By restoring a portion of the money slated to be cut from these energy programs, I believe we are making good on our commitment to help lower income people meet rising energy costs. In fact, the most efficient use of Federal monies would be to expand the weatherization program, thereby insulating more houses, reducing energy consumption, and lowering household energy bills.

URBAN DEVELOPMENT ACTION GRANTS

This amendment simply puts the status of Urban Development Action Grants, in 1981, back at the level originally proposed by President Reagan. In the absence of restoration of these funds, the program would effectively be shut down for the remainder of this year.

This program is highly cost-effective. Grants made under UDAG channel private investment into areas where they are most needed—areas of extreme poverty and unemployment where few other resources are available to turn around the depressing cycle of decay and blight. This program is supported by private industry and by cities, and has repeatedly been praised for being expeditious, flexible, responsive and free of red tape. The program encourages private business to revitalize distressed areas with minimum government investment by "leveraging" private investment. Firms participating in the program are required to declare in writing that but for the Action Grant, the firm could not and would not make the investment desired.

This program, it should be noted, does not require an excessive amount of federal intervention. City government and private industry jointly decide the type of project, its size, site, developer, design and financial structure. Local officials have made clear they have more influence and control over UDAG projects than any other federally-assisted projects in their communities.

Furthermore, the results stemming from this program testify to its success:

Each UDAG dollar generates $6.08 of private investment.

Permanent jobs are created at a one time cost of $6,662 each.

Cities realize $.17 in annual tax revenue for each UDAG dollar.

The figures cited above are based on contractual obligations by private business. They do not include "spin off" and indirect investment that often follows revitalization projects funded by this program.

Preserving this program at the level sought by President Reagan in his original proposal makes good economic sense, particularly in view of overall community and economic development cuts imposed upon our cities.

URBAN MASS TRANSIT

When the federal mass transit program was started, states and localities were told they were going to have a 20 year commitment. Now, we are cutting that commitment short. It is important that we give the states as much assistance as possible in coming to grips with their new responsibilities for mass transit.

For example, in my state of Rhode Island, we now receive approximately $6 million in operating subsidies from the federal government. The state contributes another $6 million towards the cost of running the transit system, with the remainder of the costs coming from the fare box. Without substantial increases in fares, or a cut back of the system, state transportation officials project that the state share of the transit costs will rise to $25 million by 1985. And, we are a small, compact state!

Any proposals by states and localities to meet these extra costs incurred by the loss of federal operating subsidies will take time to enact. Bond issues don't get prepared and approved overnight. Enabling legislation for tax increases will not be approved by state legislatures without close and careful scrutiny.

The modest restoration of urban mass transit funds proposed in my amendment will give our states and localities more time to adjust to the reality of lower federal subsidies.

PREVENTIVE AND COMMUNITY HEALTH

The Federal government alone spends almost $50 billion on health, the bulk of which goes to expensive treatment of illness and inpatient care. The preventive health and basic health services programs, which are cut in this bill, represent only $2 billion out of this total, but they represent the scandalously small commitment the Federal government has made to preventing disease and illness. To cut these programs would eliminate programs and services which will save money, not only in the future, but in this year and next.

For instance, community health centers provide outpatient primary services to low-income individuals at very modest costs—the kind of services which reduce institutionalization. The elimination of these services would simply mean that Medicare and Medicaid will have to pay for expensive hospitalization and other medical services which result from delayed medical attention.

In addition, many States, such as my own, are building their capability and commitment to health education and promotion activities, with excellent results. To cut the Federal support for these activities by one-fourth at this time would severely hamper these activities, and will cost the Federal government, State and local governments, business and private citizens untold millions in health care costs in the future.

Mr. CHAFEE. Mr. President, I yield 2 minutes to Senator STAFFORD.

Mr. STAFFORD. Mr. President, as the chairman of the Subcommittee on Education, Arts and Humanities, I am pleased to lend my wholehearted support to this amendment, which would allow for additional funds for critically needed education programs. The additions to these programs made by the pending amendment are consistent with the recommendations made by the Labor and Human Resources Committee to the Budget Committee for education programs. In its March 15 report to the Budget Committee, our committee provided for prudent reductions in funding for education, without abandoning the principal Federal purpose in education—the maintenance and extension of equality of opportunity and access to education.

Accordingly, although the committee acknowledged the President's intent to place our resources where they can do the most good, and keeping in mind that all types of Federal programs must in these difficult times face budgetary restraint, we did not follow the administration policy of across-the-board funding cuts. Such a policy would disproportionately affect those for whom Federal programs in education were designed—the disadvantaged and the disabled—those on whom we believe the Federal Government must continue to place a high priority.

As one who has been quite active as an advocate for funding increases for education, the process of reducing funding has been very difficult. The money we spend at the Federal level to educate our young people is an essential investment in our future. Other Federal programs may be suspended or reduced and perhaps be continued or augmented at a later date if need be.

This is not true for education programs—the problems of our poor and disabled children of today cannot be put off until tomorrow, nor can we expect, as a Nation, to muster 10, 20, 30 years from now great collective wisdom from children who could not participate in education programs which are truncated

today. True, our educational system has come under severe attack, and public confidence in American education appears to be eroded. Yet to reduce the emphasis we place on education is not the answer. Rather, in our budget recommendations, we have tried to identify programs which have proved the most beneficial in promoting access and equity, and reduce spending for those that are less highly targeted to this purpose.

This amendment represents a 12-percent reduction in spending for elementary and secondary education programs from the Budget Committee's baseline for fiscal years 1981, 1982, and 1983, relative to the approximately 20 percent reduction reported by the Budget Committee for these programs. The justification offered by the Budget Committee and by the administration for this level of reduction is that consolidation of these programs will achieve substantial administrative savings at the State and local level, by removing many of the costly requirements of Federal mandates.

Certainly, substantial savings may be gained through the most efficient operation of Federal education programs at the State and local level. However, the plan proposed by the administration to consolidate numerous categorical education assistance programs into two forms of block grants requires substantive changes in education law under the jurisdiction of the Education Subcommittee. This plan has not yet been finalized by the Department of Education, and it is highly problematic whether such a proposal may be enacted in order to achieve the envisioned administrative savings in the current fiscal year.

Thus, any reductions in spending in fiscal year 1981, such as those proposed in the administration's rescissions for fiscal year 1981, will come not from administrative overhead, but at the expense of real services to children, principally the educationally and economically disadvantaged children served by the compensatory education program—title I—of the Elementary and Secondary Education Act, and disabled children served by the Education for All Handicapped Children Act. Under these reductions, approximately 1.1 million disadvantaged children would be dropped from title I in the current fiscal year, and 1.3 million in fiscal year 1982. Similarly, some 750,000 handicapped children would be dropped from programs under the Education for All Handicapped Children Act, precluding disabled children from receiving the services to which they are entitled under that statute.

Mr. President, with respect to the Budget Committee's savings recommendations for student aid programs, I believe that, while there may be some differences between the Budget Committee's assumptions and policy recommendations and those of the Committee on Labor and Human Resources, we can approximate the levels of savings recommended by providing for better targeting for guaranteed student loans and Pell grants. Our committee intends to achieve these savings through legislative modifications in the needs analysis system for Pell grants and campus-based student aid, which would reduce eligibility for nonneedy students. Regarding the guaranteed student loan program, the committee intends to achieve savings in this program through the elimination of convenience borrowing and through the retargeting of GSL's to financial need, while retaining the critically important payment of interest for students while in school, which enables students to make prudent college choices without additional and unreasonable financial burdens.

Mr. President, the second item in the amendment which I would like to express my strong support for is the added funding for the low income energy assistance program. As all of us well know, poor people in this country, and particularly the elderly, have been very hard hit by dramatically increasing fuel prices. Heating is not a luxury in Vermont, it is a lifesaving necessity. The low-income energy assistance program has given much needed assistance to our poorest citizens so they can continue to heat their homes in winter. Last year, when the Congress created an expanded low income energy assistance program, we took great care in constructing a program which gave the States great administrative flexibility, particularly to meet the needs of people who have never participated in Federal or State welfare programs.

A good number of these people are elderly who are struggling to exist on a limited income and are now paying up to half of that income simply for fuel. Without some assistance from the Government these individuals might not survive through the winter. I oppose efforts to cut this program when fuel prices are skyrocketing out of sight.

Mr. President, as I mentioned earlier, I would prefer not having to make any reductions in education program funding, and I would certainly prefer to have this amendment include amounts over and above the additions made, for both elementary and secondary and higher education. I believe that this amendment will be a first step in the Senate's recognition that we must provide for appropriate investments in education to support our national future, and I urge its adoption.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator RANDOLPH be added as a cosponsor.

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

Mr. RANDOLPH. Will my colleague yield?

Mr. CHAFEE. I am delighted to yield 1 minute to the distinguished senior Senator from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I have come over close to the Senator not just because I am privileged, because of his cooperation, to be a cosponsor, but because I think that the presentation of his argument is well reasoned. I believe that there are times in this body when, if we cannot secure, let us say, on one side of the aisle or the other what we desire, when there is an opportunity to strike a balance, in effect, we ought to join very actively and earnestly in that effort; not that I shall be able to help with other Members, but I shall talk with other Members in the hope that this amendment can be adopted.

Mr. CHAFEE. Mr. President, I am certainly very grateful to the distinguished senior member of the committee on which I have served with such pleasure for so many years.

Mr. President, one final comment if I might. This amendment is no Christmas tree. There is a host of popular programs which were rejected by those of us who considered this amendment. Each of us could have added scores of other programs, but we resisted that because we wanted an amendment that stuck to the basic essentials: Education, heat, and energy conservation, health, mass transit, and jobs, and the President's recommended levels for budget cuts. These, we believe, are worth a second hearing.

Second, some have suggested that this is a regional package, a so-called northeastern amendment. That just is not so, Mr. President. Since when is education regional? Since when is rural health regional, or mass transit, which is going to assist Birmingham as well as Pittsburgh, Boston, Spokane, Cleveland, and Seattle? What about weatherization? Perhaps that can be accused of being something for the North. The North stretches a long way. It goes from one coast to the other and down to the Sun Belt. These are the areas that have been hit by the deregulation of oil. These add-ons, Mr. President, go nowhere near restoring the total amount of the cuts that were made.

Mr. President, I am delighted to yield to my distinguished chief cosponsor in this amendment, the senior Senator from Pennsylvania (Mr. HEINZ), who has worked so hard on this amendment.

STATEMENT CONCERNING UP AMENDMENTS NO. 34—TO RESTORE FUNDS FOR CERTAIN PROGRAMS

Mr. HEINZ. Mr. President, I recomend my distinguished colleague from Rhode Island (Mr. CHAFEE) for all the work he has put into perfecting this amendment. I am pleased to join him as the prime cosponsor of this important effort.

Before addressing the merits of specific provisions contained in the Chafee amendment, I would like to put it in perspective. First of all, this is not an amendment that would drive spending in fiscal year 1982 or 1983 above the level recommended by the administration. For example, the Budget Committee brought to the Senate floor a reconciliation resolution whose provisions for fiscal year 1982 ask the Senate to cut spending under extraordinary budgetary procedures by an amount $2.3 billion greater than the President requested. What the Chafee amendment seeks to accomplish is to add back just under $1 billion. If it passes, the Senate will still, under this resolution, be cutting the budget by $1.3 billion more than the White House has requested of the Congress.

Progress on spending restraint is essential if the Federal deficit is to fall and sufficient room in the budget can become available to permit substantial tax reduction. Therefore, I concur with the need to make substantial reductions in the rate of growth of the budget and by the order of magnitude suggested by the President.

Nevertheless, I urge the adoption of the Chafee amendment. I do so because it contains restorations in funding for five programs vital to people, including citizens in my State, and because I believe the spending cuts as recommended call for unequal sacrifice on behalf of the Northeast-Midwest regions of the country. Let me take up now the question of regional fairness.

In late February, I sent OMB Director David Stockman a letter requesting that his staff provide me with an analysis on the per capita distribution of proposed budget cuts by region, along urban and rural lines, and on a large State-by-State basis. I ask unanimous consent at this point to insert this letter in the RECORD at this point.

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

COMMITTEE ON FINANCE,
Washington, D.C., February 23, 1981.

Hon. DAVID STOCKMAN,
Director, Office of Management and Budget, Old Executive Office Building, Washington, D.C.

DEAR DAVE: This is to confirm in writing the verbal request I made of you at lunch a few days ago for a regional analysis of the President's proposed spending reductions.

Specifically, I would appreciate an OMB analysis of the combined package of all proposed spending cuts and increased user fees, by region, for urban areas, and for Pennsylvania. I would also suggest that the analysis be stated on a per capita basis as follows:

1. Regions: Comparison by Federal Regions.

2. Urban Areas: Top 25 SMSA's combined vs. Rest of USA.

3. Pennsylvania: Pennsylvania compared individually to five other large states—New York, Illinois, California, Michigan, Texas.

I believe this analysis is central to the legislative prospects of the Administration's spending and tax reduction package. While many current questions relate to its impact on families with different incomes, equitable questions concerning the impact of the entire package to particular regions, urban areas, and states should not go unanswered.

Sincerely,

JOHN HEINZ,
U.S. Senate.

Mr. HEINZ. It is now more than a month later since that letter was sent, and I am still waiting for the information required to determine the fundamental fairness of the spending cuts proposed by OMB. I have since learned that other Members of the House and Senate from the Northeast-Midwest region have made similar requests. I am unaware of any replies from OMB on this subject.

Therefore, I think it is reasonable to assume that the educated judgment of several budgetary analysts that the spending reduction package does indeed call for unusual sacrifice from portions of the country is correct. Since the Budget Committee, in its report on the reconciliation resolution, has made it clear that they have made comparatively minor changes in the OMB proposals, the presumption of regional unfairness must carry over to the document they have submitted for Senate consideration.

It should be remembered that recent Federal actions have also tended to assist other areas of the country to the detriment of the Northeast and the Midwest. The only area of the budget slated for an increase is defense. I concur with the need to do more here.

After years of retrenchment, it is only prudent to shore up our defenses during these dangerous times.

However, the additional dollars will flow in an uneven fashion toward the Sunbelt if past practices are repeated. I know of no reason to expect that they will not.

There is also the question of oil decontrol, an issue I will return to later in a different context. The decision to permit crude oil decontrol to continue as planned will provide a boon to oil rich States. In fact in one State, Alaska, the effect has been so large that the State government has decided to provide rebates to State taxpayers. Unlike taxpayers in the Northeast who must carry a difficult State and local tax burden, that State can afford to abolish its State income tax. The effect on my taxpayers, however, will be to require them to pay higher utility bills in their capacity as consumers.

What the Chafee amendment does is to restore funds in a way that should reduce this new bias against my region of the country contained in the resolution now before the Senate. It does so by restoring funds to five programs vital to the Northeast and Midwest. I now take these up in turn.

First, the Chafee amendment restores $60 million in fiscal 1981, $450 million in fiscal 1982, and $575 million in fiscal year 1983 for primary and secondary education. The effect of these restorations is to limit the cut in these areas to 4 percent in fiscal 1982, instead of the recommended 12 percent, and to cut by 11 percent in fiscal year 1983, instead of the recommended 20 percent for that year as well.

These additional funds are solely needed for two reasons. First, Federal funding for education remains the most important investment the Government can make in the young people of this country. I do not believe the level of our investment should be allowed to fall sharply at a time when the educational system is not operating as well as we wish it would.

Additionally, lowering the level of Federal support for primary and secondary education means that local governments will have to make up the difference. For property owners, that means higher taxes since that is the way local governments raise a significant portion of their funds. Homeowners on fixed incomes or who are unemployed will be faced with a new burden they did not anticipate and cannot afford to shoulder. This means the cuts are unfair not only to children, but to the elderly and the economically vulnerable as well. This should not be allowed to happen.

Second, this amendment restores funding for low-income energy assistance and for the weatherization program. The Budget Committee recommends cuts that will equal over 50 percent in fiscal 1983. The amendment restores $350 million to these programs, an amount equal to 25 percent more than called for under the resolution. I only wish it would be possible to add more back in this badly needed program. It is the only right thing to do.

When the proper level of funding for low-income energy assistance and weatherization programs is considered, it raises questions of equity and survival. During debate 2 years ago on crude oil decontrol, the Congress agreed to permit phased decontrol of crude oil prices to move forward as previously authorized by law provided a windfall profit tax was put into place as well. The Congress agreed at that time to earmark a portion of the revenue raised by the new tax specifically for assisting the poor and the elderly who would face difficulty in paying their energy bills due to decontrol.

For the Congress it was a question of equity but for many recipients it remains a question of survival. Next winter, they will face the choice between heating and eating. I believe we have a responsibility to honor the commitment we entered into previously.

Retaining funds for the weatherization program is especially important. By insulating the homes of recipients of energy assistance funds, the Government will save money. In the long run, it is a bargain.

Third, this amendment proposes to restore $98 million in fiscal 1982 and $128 million in fiscal year 1983 for the successful urban development action grant program. Under this program, eligible municipalities acquire funds that can be used to secure private sector money of a magnitude many times higher than the Federal grants for development purposes. Given the need to attract population back into the cities and to strengthen our urban tax base, it is ill advised to act on this program for urban renewal below what the President has recommended. We seek, under this proposal, to do no more than to restore the level of funding sought by the Reagan administration, and not a penny more.

Fourth, the amendment restores $50 million and $175 million for fiscal 1982 and 1983, respectively for preventative health services. Of all the approaches available to slow the runaway cost increases in health care, both to the Federal Government and to the Nation as a whole, none offer more promise than preventative health care. An ounce of

prevention is truly worth a pound of cure.

Under the committee proposal, numerous preventative health programs now run at the Federal level would be combined into a single block grant and sent to the States at a funding level 25 percent below the amount that would otherwise be provided under current law. Even if there are significant administrative savings by cutting out administrative redtape, it will be difficult indeed to maintain current services, and this is very serious. Funds now go toward rat control, child immunization, for the prevention of lead poisoning, and for other similar purposes.

Finally, the amendment calls for $25 million and $300 million in additional spending for mass transit in fiscal year 1982 and 1983. If these funds are restored, Federal support for mass transit will stablize at $3.9 billion in each of the fiscal years affected by the reconciliation resolution, fiscal years 1981, 1982, and 1983, although it will still be well below the levels proposed by the Carter administration. Under the committee proposal, Federal funding in fiscal 1983 for mass transit would drop off substantially.

Mass transit should be viewed as an important way not only to achieve pollution control, but as an investment in energy efficiency. We will need many such investments if we are to free ourselves from the dependency forced on us by the OPEC cartel. In relation to current services, even after $300 million is added back into the fiscal year 1983 budget as we propose, mass transit will still take the equivalent of a cut of 10 percent.

No one can argue that mass transit would be spared by passing this amendment. Local operating authorities will still feel the pinch, and their customers will still have to pay higher fares. But at least to a certain degree, the increases will be muted enough to insure significant ridership of major mass transit systems in the country. Without this amendment, the same cannot be said.

To conclude, Mr. President, this amendment deserves the wholeheated support of all Senators. It restores regional equity. It permits the Senate to stay within the budget sought by the President of the United States. And finally, it permits certain programs whose value is readily established to retain their integrity. For all these reasons, I urge my colleagues to support it.

I thank the Senator from Rhode Island for yielding.

Mr. CHAFEE. I thank the Senator.

Mr. President, I ask unanimous consent that the names of Senator RIEGLE, Senator LEAHY, Senator DIXON, and Senator WILLIAMS be added as cosponsors of the amendment.

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

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

Mr. CHAFEE. I yield.

Mr. KENNEDY. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment.

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

Mr. KENNEDY. Mr. President, will the Senator yield me 4 or 5 minutes?

Mr. CHAFEE. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. CHAFEE. We can get some on the resolution, can we not?

Mr. DOMENICI. Yes.

Mr. CHAFEE. Can the Senator wait?

Mr. KENNEDY. That is fine.

Mr. CHAFEE. Mr. President, I yield 4 minutes to the Senator from Maine.

Mr. COHEN. Mr. President, I am pleased to lend my support to the amendment offered by the distinguished Senator from Rhode Island (Mr. CHAFEE.)

The Chafee amendment would restore slightly less than $1 billion in the areas of education, energy assistance, health services, mass transit, and community development grants. Should the amendment be adopted, the spending reductions proposed by the Budget Committee will still exceed those recommended by President Reagan.

I should like to comment briefly on some of the budget modifications incorporated in the Chafee amendment.

In Maine, there are currently over 33,000 children being served by ESEA title I programs. These programs provide funds for children in low-income areas, children in institutions for the handicapped, and neglected and delinquent students. Without adequate assistance from the Federal Government, Maine, along with many other States, will simply be unable to meet the needs of these special students.

Administrators, teachers, and parents alike have repeatedly told me that these special education programs are producing significant results, and that the withdrawal of Federal assistance can only jeopardize the success of these special programs. It would be unfortunate and shortsighted for us to permit this to occur.

Mr. President, I have been encouraged by education representatives from Maine who have told me that they are willing to bear a fair share of the budget cutting burden in order to hold down inflation and eventually bring the Federal budget into balance. The modest budget restoration for ESEA programs embodied in the Chafee amendment recognizes the need for fiscal restraint, but it also acknowledges the crucial role that special education programs play in preparing our children for adulthood.

As a Senator from a cold weather, oil-dependent State, I am particularly sensitive to the hardship that has resulted from the unrelenting increases in energy costs. In just the past 3 months, the price of heating oil has risen from $1 a gallon to nearly $1.40. This has created a crisis of unprecedented dimensions in Maine, a State with a high concentration of elderly and low-income individuals.

Many low-income households now spend nearly 40 percent of their disposable income on energy. Study after study has shown that low-income individuals have reduced their energy consumption more than any other group within our society—often at great risk to their health. Yet a growing number of Maine citizens, despite heroic efforts to save energy, are finding it impossible to meet their basic heating expenses. Many are being forced to choose between heating their homes or feeding themselves and their families.

In recognition of the desperate plight of many elderly and low-income Americans, the Congress last year appropriated $1.85 billion to help these individuals meet their energy needs. It has been helpful, but it has not been enough.

The administration has recommended a 25-percent reduction in fuel assistance for fiscal year 1982. Even if the price of energy remains constant over the next year—an unlikely possibility—a 25-percent reduction in fuel assistance will expose millions of low-income Americans to great risk. Clearly, we cannot permit this to happen.

Of particular concern to me is the President's proposal to terminate the Department of Energy's low-income weatherization assistance program. The President has proposed no future funding for this valuable program and has requested a rescission of $6.9 million for this fiscal year. These recommendations have been accepted by the Senate Budget Committee and are included in the budget resolution we are considering here today.

Termination of the DOE weatherization assistance program will effectively end all efforts of the Federal Government to help low-income individuals reduce their consumption of energy. It is true that communities which receive HUD community development block grant (CDBG) funding may request funding for weatherization activities. However, it is equally true that very few communities include weatherization activities in their community development projects because other activities are considered to be of a higher priority. Since the administration is not proposing any additional budgetary authority for the HUD CDBG to reflect inclusion of weatherization activities, it is doubtful that many communities will receive this type of assistance.

Of greater significance is the fact that 80 percent of CDBG funds went to metropolitan areas and urban counties in fiscal year 1980. The remaining funds went to rural areas. But, of the 139 million people living in rural areas, only 32 percent lived in communities receiving CDBG in 1980. Thus, if the administration relies on the HUD CDBG program for weatherization activities, the vast majority of low-income Americans living in rural areas will never receive Federal weatherization assistance. Since ap-

proximately 42 percent of all low-income households live in rural areas or small towns, this affects a disproportionately large number of people.

It is disappointing that in the face of rising energy prices and overdependence on foreign oil we would terminate a proven, effective method of reducing oil consumption. Although the DOE weatherization assistance program was initially plagued with many problems, it has become a very effective and valuable program.

A recent study compiled by Urban Systems Research and Engineering in Cambridge, Mass., has confirmed that actual energy savings of 16–35 percent have resulted from the weatherization assistance program. In terms of energy saved, the 1 million homes weatherized to date represent a savings of about 2.5 million—5 million barrels of oil equivalent per year. At $36 a barrel, this represents a savings of $90 million to $185 million.

In view of the impressive energy savings resulting from this program, DOE's progress in reducing the number of homes in need of weatherization must not be halted. If this rescission request is accepted, more than half of the States will be forced to terminate their weatherization activities well in advance of the end of the fiscal year.

Maine, which has been operating an ambitious weatherization program since 1973, will run out of funds in June. To penalize the States that have developed the most effective weatherization programs by rescinding these funds, is shortsighted and contrary to our efforts to cut back on energy consumption.

The Senate Special Committee on Aging, of which I am a member will be holding a hearing on "Energy and the Aged: An Evaluation of Alternative Assistance Strategies" on April 9. The administration's proposal to terminate the DOE weatherization assistance program and alternatives will be discussed at the hearing. The future of the weatherization assistance program can be discussed at a later date, but we must decide today whether to terminate weatherization activities prematurely in many States.

There is also a clear need to adequately fund preventive health programs and rural health care activities. Medical services in this country tend to be concentrated in urban America, where there exists the institutional and societal concentration of support for comprehensive care. Urban America has the means to better support fair and adequate delivery of health care, in part because the market demand is present in metropolitan centers. Rural America lacks the necessary concentration and centralization of social structures to support comprehensive health care.

Medically underserved areas are synonymous with rural areas. Rural America has 58 percent fewer doctors, 38 percent fewer dentists, and 29 percent fewer nurses on a per capita basis than urban and suburban America. The only solution for rural residents is to travel long distances, at personal expense, or to do without necessary medical care. The ultimate cost is high in either case.

If our market system of allocating the delivery of health care services does not satisfy the greater needs of rural residents, then the Government has the responsibility to support efforts by States and local governments to reach out.

Recently, in Maine, a Statewide network of 38 rural health centers has developed into a full service delivery system, with a special mission to farm families and their children, and to the rural elderly who are often isolated from their communities. These centers are within reach of one-quarter of the State's population and currently serve more than 100,000 residents annually.

I would emphasize that more than half of the centers were built and funded by local residents who responded to the need for accessible health care in rural Maine.

The continuation of 22 of Maine's rural health centers are in jeopardy if Congress accepts the reduction of the budget in health areas as recommended by the President. Congress must take into account the differences between urban and rural America and respond appropriately. We cannot treat alike regions of the Nation that are inherently different—such action is as unjust as treating differently members of the population who are equal.

If any of my colleagues doubt that the differences between urban and rural America are not painfully felt every day, especially by the rural elderly, I would ask them to consider one graphic statistic: The rural elderly although they pay for their full share of medicare coverage, receive 40 percent fewer benefits than their city counterparts, simply because those benefits are either not available, or are not accessible.

Maine's rural health network has begun to make those benefits both available and accessible for the first time. We cannot speak of comprehensive health care in America until we narrow the gap between medical services in rural America and urban America.

Mr. President, there is no question that the Nation's economy is in crisis. The damage that inflation inflicts is evident in every direction that we look. It is undermining our Nation's economic, moral, and political strength, and destroying the hopes and aspirations of millions of Americans.

The dramatic change in Federal spending patterns embodied in this reconciliation resolution will not, by itself, restore health and vitality to our economy. Inflation will not suddenly disappear overnight when the Federal budget is balanced, as it must be.

But restraining the rate of growth in Federal spending is a critical element in any economic recovery program. It is an imperative that we cannot deny any longer, however painful the consequences may be.

About a year and a half ago, my friend and former colleague from Maine, Senator Muskie, was in the position that the Senator from New Mexico finds himself in today.

Like today, the Senate had under consideration a budget reconciliation bill. Let me quote briefly from Senator Muskie's statement, for his comments are as relevant today as they were 18 months ago:

> I cannot think of a constituency impacted by the reconciliation instructions who have come to any Senator and urged that the Senator support the cuts. But does that mean, Mr. President, that we have to wait in this body and in the Congress until the impacted constituencies ask for their own programs to be cut? Mr. President, how long do you think it would take to get a balanced budget if we were to wait until the cuts met that test?
>
> Mr. President, we are never going to have budgetary discipline, we are never going to get the budget balanced, we are never going to get rid of inflation until the majority is willing to say there comes a time when restraint has to be the measure of public policy. Inflation is robbing veterans, inflation is robbing school children, inflation is robbing senior citizens, inflation is robbing farmers, inflation is robbing the defense, inflation is robbing the housewife, inflation is robbing everybody. And whenever a group with political clout seeks to insulate itself from inflation at the cost of others without as much clout, all that happens is that inflation of rising expectations begins to overwhelm all of us.

Mr. President, the Chafee amendment recognizes the need to reduce the level of Federal spending while responding, in a very modest fashion, to the real and legitimate needs of our most rural and disadvantaged regions of the country.

Mr. President, I should like to address one of the central issues to this debate, and that is the issue of regionalism.

Perhaps the most frequent charge made against this amendment is that it is regional in scope and purpose. I do not believe that is so, because we have urban development action grants and mass transit, and those are not regional so far as Maine is concerned. We have elementary and secondary education, and that is not regional.

Perhaps it is regional when we talk about energy assistance and weatherization, and I make no apologies for being regional in my concern in that respect.

I was trying to think of some parallel or parable I might cite to sum up what I think is taking place so far as the whole notion of equity in this country is concerned.

I think of a situation in which a ruler went to a village and said to the villagers: "You have been wasteful and inefficient. You have spent beyond your means. You have stolen from future generations. You have robbed from your children and your grandchildren so that you might satisfy your own needs, and you have sought personal gratification at the expense of security and stability of future generations. Now you have to pay a penalty. Now you have to endure pain and suffering and make sacrifices.

"So, by virtue of a royal decree, I am

ordering that each of you sacrifice your right hand. No one will be spared. Everyone will be treated equally."

As reasonable men and women, would we conclude that equity had been done? Would we not, first, have to ask whether or not everybody in the village had been wasteful and inefficient? Would we not have to ask whether these programs have worked well in some areas, whether they have benefited the children and the rural poor in some areas better than in other parts of the country?

Second, we would want to know whether each person had two hands. If you take one hand from a person who has two, that is one thing. If a person has only one hand to begin with and you lop it off, you have an entirely different situation.

I submit that that is exactly the situation we face in some regions of our country. On the one hand, we are asked to support oil decontrol, so the price goes from $1 to $1.40 a gallon, and we supported that. Even though we live in one of the most low-income parts of the country, we supported that.

Second, we say that we will have to cut out the home weatherization program. We will have to reduce the fuel subsidy by 25 percent and tell the people to endure. That simply is not equity. It is not equity to say to the people who live in the cold regions of this country, who live in the most low-income areas of the country, "Your fuel prices are going to go up dramatically; and, correspondingly, we are reducing the fuel assistance program and the home weatherization."

As to home weatherization, a recent study compiled by the Urban Systems Research and Engineering, in Cambridge, has confirmed that actual energy saving from the weatherization program, which has affected some 1 million homes, is roughly an equivalent saving of 2.5 million barrels of oil a year.

I should like to call the attention of my colleagues to a favorite subject of mine—Dickey-Lincoln. The Senate has gone on record, year after year, as being in favor of a $1 billion boondoggle or dam construction program to produce roughly 2.5 million barrels of oil a year equivalent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CHAFEE. I yield the Senator 1 additional minute.

Mr. COHEN. We were prepared to spend $1.5 billion to produce a dam to save roughly 2.5 million barrels of oil annually. Here we have a system by which we can conserve it with a much lower investment, with a much more rational plan than trying to produce energy at an extraordinary cost, and we have failed. We are saying that we are not even going to spend a modest amount of money on a conservation program which benefits a much larger number of people.

Mr. President, I support the Chafee amendment. I believe that he has tried to achieve the Reagan administration goal of reducing the expenditure levels of this country and at the same time reach a level of equity which recognizes the needs and differences in the regions of our country.

Mr. CHAFEE. I thank the Senator from Maine very much for his fine remarks.

Does the Senator from Massachusetts wish 4 minutes?

Mr. KENNEDY. That will be fine.

The PRESIDING OFFICER. The Chair advises the Senator that he has less than 4 minutes remaining.

Mr. KENNEDY. I yield myself 5 minutes on the resolution.

The PRESIDING OFFICER. Without objection, the Senator is recognized for 5 minutes on the resolution.

Mr. KENNEDY. Mr. President, I commend my colleague and friend from Rhode Island for the submission of this amendment and for the presentation that he and his cosponsors have made, urging the Senate to accept this proposal.

I will not spend time making a presentation to the Senate in urging the acceptance of the education proposal. Since we have discussed and debated that item, I will just say a brief word about low-income fuel assistance.

I believe it is important to note as has been pointed out, that this kind of fuel assistance applies not only to the colder climates but also to the warmer climates. It affects not only people who suffer from hyperthermia but also those who suffer from hypothermia. It is important to understand that it is basically a national program.

I remind the Senate that when we accepted the windfall profit tax, it was understood generally in the Senate that we would earmark at least one-quarter of the windfall profit tax to be used as fuel assistance for needy people in our country.

The Treasury will recover approximately $20 billion this year from the windfall profit tax, which would make that commitment about $5 billion. The amount that was recommended by the Carter administration in the budget was $1.85 billion. That has been reduced substantially by the Budget Committee; and even with the Chafee amendment, we will not even get near that figure.

So this is a bare-bones program for low-income fuel assistance; and I believe that the needs of our senior citizens in particular and other needy people demand that we accept this lower, but important, figure that is included in the Chafee amendment.

Mr. President, in the area of weatherization, I believe that we have found over the course of hearings is that, the neediest people, the elderly people, people in rural America as well as the inner cities, actually conserve more than the general population. The figures on that indicate that it is about a 25-percent reduction, in spite of the fact that they do not have insulation.

Weatherization is a very modest program to help what is a national objective of conservation of energy and reducing heating costs.

When we look at our neighbor to the north, Canada, we see the very vigorous program they have embarked on in terms of weatherization as a matter of national policy, and we can understand the importance of that program.

The UDAG program is an enormously imaginative program of both public and private efforts to use limited Federal resources to leverage the private sector. There are many communities in my State of Massachusetts that can testify to the enormous success of this program. The amendment represents a modest effort to preserve this vital program.

The case for supporting mass transit has been made and made eloquently today, and I will not repeat it here today. Mass transit is a key component of energy conservation and an essential element of our transportation system. This amendment is necessary to keep the commitment to mass transit alive.

Mr. President, I want to stress the importance of the health prevention and health services component of the Chafee amendment. It was my intention to offer a health prevention and a community health services amendment that was just about identical to that portion of the Chafee amendment.

Because adequate funding of health programs is compelling I shall take just a moment of the Senate's time to stress the importance of programs aimed at disease prevention, health promotion, and primary care. For every health dollar that we spend in the United States only 2 cents is actually spent in the area of prevention, an extremely modest amount. But the return on that dollar in later health costs saved, and suffering avoided, is many times greater.

If we look at the number of children who would have been afflicted by polio and those children who today are safe because of the Salk or Sabin vaccines, the amounts of money that would have been spent on iron lungs. I think the importance of a strong immunization program is readily apparent. A similar argument can be made for a strong program in the areas of hypertension, in rat control and lead paint poison prevention, and many of the other prevention activities that are included in the disease prevention portion of the Chafee amendment.

The President's overall budget request which was followed by the Budget Committee would have reduced the prevention program by some 25 percent from 1981 or 32 percent below current services, and even with this amendment, we are still going to see a significant reduction in funds for preventing diseases. But prevention dollars are probably the wisest money that can be spent for health, and I commend the Senator for

including additional funds for prevention in his amendment.

The Chafee amendment also provides additional funds for community and neighborhood health centers, the migrant health centers, and the black lung clinic. These programs keep people out of high-cost facilities either in urban areas or in rural communities, and provide vital comprehensive primary care.

That is wise expenditure of funds. It actually saves money, whether it is Federal money or private money. It also treats individuals early in the course of their illness and sickness and, therefore, helps avoid more serious complications of disease and also lowers the cost of effective treatment.

I urge my colleagues to support this amendment. Included in it are programs which are absolutely essential, and I think it is important to understand that even with these additional funds we are still going to be well below the amounts that were provided in these areas a year ago.

It seems to me that these different programs highlight the areas of human need that exist in all different parts of our country.

I commend the Senator from Rhode Island for offering this amendment and for his colleagues in being willing to cosponsor it. I thank him for yielding the time.

Mr. CHAFEE. I thank the distinguished senior Senator from Massachusetts.

I ask unanimous consent that Mr. TSONGAS, Mr. PELL, and Mr. CRANSTON be added as cosponsors.

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

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

Mr. CHAFEE. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I rise today in support of the amendment offered by my good friends, the Senator from Rhode Island (Mr. CHAFEE), the Senator from Pennsylvania (Mr. HEINZ), that I cosponsored. I have been working with them on this amendment, and I urge my colleagues to vote for it.

At the outset, let me state that I strongly support the President's program. I am a cosponsor of both the original reconciliation bill introduced earlier this year and of the President's tax cut.

The President's budget message recommended spending cuts in fiscal year 1982 of just over $34 billion for the programs that are addressed in this reconciliation resolution. The Budget Committee was very conscientious in working on the President's program and went the President one further by cutting spending by an additional $2.3 billion. They have produced for us a budget resolution in near-record time and I commend them for it.

Since the Budget Committee wrapped up its budget deliberations, I have been carefully reviewing the budget that has been put forth. It is not identical to that submitted by President Reagan, although it tracks it substantially. The Budget Committee members set out their own priorities in this budget, some of which differ from the President's. In fact, it is the nature of the legislative process that spending allocations may be modified by Congress. One fact remains clear, however: Although we may differ on some specific budget allocations, I stand firmly with my Senate Republican colleagues in cutting overall Federal spending by the amount recommended by President Reagan. As I noted in my remarks on March 25 in this body, it is essential to our Nation's economic health that we pare back Federal spending by this amount.

My concern is that the spending cuts should fall fairly on all groups in the population and among all regions of the United States. My analysis indicates, however, that Illinois, the Midwest and Northeast regions of the country, may bear a disproportionate share of the budget reduction burden. The Chafee-Heinz-Percy amendment helps reduce the burden that will fall on Illinois, but it does not go beyond the context of the President's budget. In other words, even if the Chafee amendment is accepted by the Senate, our budget will have nearly $1.5 billion in additional savings, beyond what was recommended by President Reagan.

The Chafee-Heinz-Percy amendment will make, however, a change in budget priorities. It will reverse the unfairness that is implied in the budget proposals, as was so well expressed by the U.S. Conference of Mayors just a few weeks ago when the Conference noted:

> Federal grants to state and local governments would be cut significantly, from $54.9 billion in fiscal year 1981 to $47.2 billion in fiscal year 1982, a drop of over 14 percent in outlays and nearly 25 percent after accounting for inflation. This will result in a serious reduction in services to the poor and to the working people across the country.
>
> Although total state and local grants, according to the Office of Management and Budget (OMB), represent 14.2 percent of the Federal budget (including payments to individuals channeled through these governments), fully 66 percent of the total cuts in budget authority proposed by the Reagan Administration would fall on these programs. Thus, while the Administration asserts that this is a "growth" budget with a six percent rise in Federal outlays from fiscal year 1981, it is not a growth budget for the cities.

Mr. President, this amendment will bring the budget more into line with Illinois' priorities. This amendment does not contain all the funds that many people of Illinois would like to see restored. What we have here is a package on which we were able to reach consensus. Other programs could have certainly been added, but our general feeling was that addition of more funding restorations would undermine our ability to pass the Chafee-Percy package.

Let me describe for my colleagues the impact that the Chafee-Heinz-Percy amendment will have on my home State of Illinois, and our case will help similarly situated States.

Mr. President, I ask unanimous consent that a table showing the budget restorations in this amendment be printed in the RECORD at this point.

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

CHAFEE PROPOSED BUDGET RESTORATIONS

[In millions of dollars, fiscal years]

	1981		1982		1983	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Labor and Human Resources Committee:						
Low-income energy assistance			300	300	300	300
Health services			150	50	200	175
Elementary and secondary education	575	60	500	450	700	575
Labor and Human Resources subtotal	575	60	950	800	1,200	1,050
Banking Committee:						
Housing weatherization			50	50	50	50
Community development	300			98		128
Mass transit			200	25	300	300
Banking subtotal	300		350	173	250	478
Grand total	875	60	1,200	973	1,550	1,528

THE LOW-INCOME ENERGY ASSISTANCE PROGRAM

Mr. PERCY. Our amendment will restore $300 million for this program in fiscal year 1982. Illinois is the third largest LIEA recipient in the country, with $105 million allocated for this program in fiscal year 1981. The LIEA program, as its name implies, assists low-income households to meet the rising costs of home heating. With oil price decontrol, home fuel bills, as we all know, have continued rising this past winter. The poor have a particularly hard time with these payments and in some cases may be reduced to a choice between a decent meal and heat in the furnace. Particularly the elderly poor are adversely affected. The President has proposed a 25-percent cutback in LIEA, which could amount to as much as a $450-million reduction in the program next year. Our amendment restores a major part of this reduction.

COMMUNITY DEVELOPMENT

Our amendment will add $98 million for urban development action grants (UDAG) in fiscal year 1982. This has been one of the most successful urban development incentive programs ever devised by the Federal Government. It applies to big cities like Chicago, as well as smaller communities. Major projects have been started with the spark of a Federal grant. Over the 3-year life of the UDAG program, Illinois has received $120 million, the fifth largest recipient in the United States. Moreover, Chicago has been the second largest city recipient.

We have also put together excellent development programs for smaller cities in our State. Illinois has the two largest UDAG's for cities under 50,000 population. In Woodlawn we have a project that will spur investment, with a $6.5 million Federal grant. In Quincy, a $6.9 million Federal grant will provide the incentive for $125 million in private investment and several thousand new jobs.

All told, Illinois' 3-year experience with UDAG has been extremely productive, generating 17,000 new jobs.

This program is important to the State's well-being. Our amendment restores this program to the level recommended by President Reagan.

MASS TRANSIT

Our amendment calls for an increase of $25 million in spending for mass transit next year.

Illinois ranks third in the Nation in terms of Urban Mass Transit Administration (UMTA) operating assistance. Last year our State received a total of $86 million for mass transit programs, of which $80 million went to the city of Chicago. The Federal funds that were channeled to Chicago accounted for nearly 12 percent of the Regional Transit Authority (RTA) budget. The administration had proposed to phase out these operating subsidies in 1985.

Our amendment would keep a basic level of Federal assistance.

Without this amendment, the base fare on the Chicago RTA would climb from the present 80 cents to about $1.00, a 25-percent fare hike. It would be false economy to eliminate this assistance. In Chicago, more than 85 percent of those who commute to the Loop, the central business district, take mass transit. The RTA saves an estimated 11 million barrels of oil annually, displacing about 550,000 daily automobile trips.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excellent editorial that appeared in the Chicago Sun-Times earlier this year. It summarizes the need in older cities like Chicago for the maintenance of at least a basic level of operating subsidies.

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

[From the Chicago Sun-Times, Jan. 10, 1981]

PUT TRANSIT POLICY IN BALANCE

When someone is "house-poor" it means he owns a nice big house but can't afford day-to-day living expenses.

Mass transit in Chicago and other older cities could end up in a similarly uncomfortable position if Drew Lewis, the transportation secretary-designate, has his way.

Lewis says the federal government should phase out operating subsidies to mass transit but continue making capital grants. That would mean more money to buy new buses and trains but less for salaries and fuel.

The feds already tilt toward capital. In the last fiscal year, they gave Chicago area mass transit $167 million for capital improvements but only $80 million for operations.

Yet it's the operating deficit that caused the recent fare hike. Ultimately, the Reagan policy could result in an RTA with lots of shiny new buses, trains and stations, but with fares so high that nobody uses them.

Politicians like capital grants because they're highly visible and can be handed out before crucial elections. And heavy capital assistance favors the politically powerful Sun Belt cities that are building new mass transit systems but have relatively small operating budgets.

The nation needs a balanced transportation program. It's fine for the federal government to invest in new transit projects to lure people away from cars. But if also should help keep fares low enough so that those who already are out of their cars don't return to them.

HOUSING WEATHERIZATION

Mr. PERCY. Mr. President, our amendment proposes to add $50 million to the program for fiscal year 1982. The President proposed termination, with some weatherization funds available under the community development block grant program.

Since the inception of the weatherization assistance program in 1975, over 700,000 homes have been weatherized. This translates into an energy savings of nearly 2 million barrels of oil each year in the homes that have been upgraded. Illinois has had the ninth largest weatherization program in the country. Together with the low-income energy assistance program mentioned earlier, these two programs help in our energy conservation effort. With the cold winters we experience in Illinois, they are too important to let them be completely disbanded.

ELEMENTARY AND SECONDARY EDUCATION

We propose to add $450 million for this function in fiscal year 1982. Last year, Illinois received over $260 million in education funds, including elementary and secondary education.

President Reagan has proposed reducing the ESEA program by $61 million or 23 percent of the total amount Illinois receives from the Federal Government. The major Illinois ESEA programs that would be affected by this amendment are these:

First. Title I ESEA for the disadvantaged. Now funded at $137 million in Illinois, the President's proposed budget would trim Illinois' share back to $111 million, a 19-percent cut.

Second. Education for the handicapped. Illinois now receives $49 million and the President's budget would cut this back by 20 percent, to $39 million.

Third. Vocational education basic grants. Illinois would suffer a 25-percent cut as funding would be reduced from $24 million to $18 million.

Under the Budget Committee's plan, Illinois would lose nearly 1,700 teachers and nearly 600 teachers' aides. With the Chafee-Percy amendment in place, however, the jobs of 500 teachers and 200 aides—otherwise eliminated—would be preserved.

I might add that Illinois contributes 100 percent of its State revenue sharing toward education. Last year that amounted to $110 million, but this source of funding has now been eliminated. The funds restored in this amendment today will go a small way toward cushioning these funding cutbacks.

HEALTH SERVICES

Our amendment would add $50 million in fiscal year 1982. The President has proposed consolidating about 20 programs into two new block grants: A preventive health services block grant and a community health services grant.

Under the present system, Illinois receives roughly $43 million for the health services programs that will be merged into the health service community block grants. The State's share in these programs is somewhat smaller than it should be if it were proportional to Illinois' population. Hence, cutbacks in this area—the administration proposed a 25-percent reduction—will have a significant impact. The same is true of the preventive health services block grant program. Illinois now receives about $14 million annually but would be reduced to $10 million under the President's proposal. These health programs provide important medical services with low administrative costs. The reductions in funding will then, by necessity, mean an actual cut in services.

Mr. President, I reiterate that the Chafee-Heinz-Percy amendment does not exceed the Reagan program in its overall scope. In 1975, five Great Lakes States—Illinois, Indiana, Wisconsin, Michigan, and Ohio—sent to Washington $18.6 billion more in tax dollars than they got back. It is unrealistic to advocate a dollar-for-dollar return on the funds we send to Washington, but since 1975, this trend has accelerated and it causes me concern. By 1979, these five States were sending $27.5 billion more to Washington than they were re-

ceiving. Our amendment today takes a very small step to prevent this continued erosion and maintains at least some of the basic services in Illinois.

The addition of these program amounts to the budget is made possible by a Budget Committee action concerning the strategic petroleum reserve. The Budget Committee assumed in its deliberations that a more cost-effective way could be found to fill the reserve, which would give us an important insurance policy against future oil disruptions.

I believe the committee action—by a vote of 13 to 4—is sensible and I agree with my colleague, the Senator from Kansas (Mrs. KASSEBAUM) that a more efficient way can be found. Her committee amendment cut $3 billion out of the budget, allowing nearly $1 billion to continue filling the reserve. It is from part of this savings that we have been able to fund the six programs in the Chafee-Heinz-Percy amendment.

I have opposed amendments this week to restore the funding for the reserve by cutting even deeper into programs that will affect Illinois. Although I believe a strategic reserve is a very high priority for this country, I am committed to my State's own interests and to making sure the budget reductions do not hit particularly disproportionately there.

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

Mr. ROBERT C. BYRD. Who yields time?

Mr. QUAYLE. Mr. President, I yield myself as much time as I may consume.

I think it is important to point out that this is not a regional issue. The speakers in the affirmative for this amendment so far have come from the State of Rhode Island, the State of Pennsylvania, the State of Maine, and the State of Massachusetts.

But it is not a regional issue. It has a broad, diversified support throughout the Nation because we are talking about education, we are talking about fuel assistance, and we are talking about UDAG.

Mr. President, I do not believe that anyone can argue with the merits of the programs that the proponents of the Chafee amendment are trying to put forward.

But what we can argue and what we will contend is that what we are trying to do is to go beyond what the Budget Committee recommended and go beyond what the chairmen of the two major committees that are recipients of those moneys; namely, the Labor and Human Resources Committee, and also the Banking Committee. We are not dealing with line items. We are dealing with functional categories, and the chairmen of those two committees have assured a number of us on the Budget Committee that they can live within the guidelines that the Budget Committee has come up with.

I might also point out that as far as the Committee on Labor and Human Resources is concerned, I and two other Republicans joined Senator HATCH, the distinguished Senator from Utah, in putting back about $1 billion for labor and human resources which is about $1 billion more than what the President recommended.

So, Mr. President, I hope that, when the final vote is taken, we will support the Budget Committee and its deliberation. I hope that we do not get into any regional fractionalization of this particular amendment and I hope that it is defeated, although I certainly understand the sensitivity and the sincerity of those Senators that are offering it. As I say, they are offering it for good programs but it has been deliberated and I certainly hope that it is defeated.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. I yield to the distinguished chairman of the committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes at this point.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. DOMENICI. Mr. President, let me first say to my good friends who have offered this amendment it is with regret that I must oppose the amendment. I think the Senators involved know of the great respect that I have for all of them and in particular the prime sponsor of the amendment, Senator CHAFEE.

Let me say to the Senate we Senators can stand here and say that, with reference to the Labor and Human Resources Committee, they are returning money for elementary and secondary education, or they are returning money for low-income energy assistance. That just is not true.

What we are doing here is saying to a committee that has a broad spectrum of jurisdiction that we are going to add approximately $1 billion in outlays for their programs.

We can stand here and say that is not what we intend, but the truth of the matter is that it is what will happen.

They have everything from the National Science Foundation to the CETA program, with elementary-secondary education, some of the community health programs, and many other things in between.

The Senate should know what we did in committee, and we have said it a number of times, but it bears repeating. At the request of the chairman of the committee, Senator HATCH, roughly $1 billion was added back to this committee, so that it need not cut as much as the President asked. They already have been immunized from $1 billion worth of cuts that the President asked.

If we want to talk about what the distinguished chairman, Senator HATCH, did recommend in his assumptions, we have to start with the proposition that he put back $1 billion. He said it should go for the handicapped, it should go for vocational education, and that it should go for youth employment in CETA, roughly a third each. We already did that. Had we not done that, someone would have been down here saying we should put $1 billion back. I mean when do we get to the point where we have exercised some good judgment where we found some of the programs, some of the timing of the President's programs, lacking?

We thought $1 billion in this committee's instructions was a very good transition fund because many people are concerned that we might be moving away too fast from the 52 categorical grant programs in education, elementary and secondary, which GAO says 13 to 15 percent is consumed in administrative costs. We assumed that we should put in a few hundred million dollars because maybe we cannot get that whole package put together as quickly as we want, and we might need some extra money so that States do not suffer.

For those who want the entire billion dollars to go for education, they can go before that committee, the committee that the distinguished Presiding Officer sits on, and they can say that billion dollars should all go for education. One of the assumptions was that $4.7 billion for CETA, which the President recommended, is not enough. So one assumption was that about $400 million should go there.

Maybe the committee will not put it in CETA. They may put it in elementary and secondary education. That is their prerogative, not the prerogative of the Budget Committee.

I wish to tell Senators in the event that Senator CHAFEE prevailed and the committee indeed took all the money he wants to put in elementary and secondary education, I will make Senators this prediction: There will be no block grants for education.

I thought that is what we were kind of voting on, to try to change America's policy and try block grants.

Why will there not be block grants? Because, as a matter of fact, when you are finished adding back the money the Senator asks for in 1981 you will be minus 1 percent. People are running around saying "Programs are getting chopped." That simply is not true. You will be minus only 1 percent in 1981. You will be minus 6 percent in 1982 and, believe it or not, in 1983 you will add more than the current level of funding for education. You will have 3 percent higher under the Chafee amendment.

Now, I ask you, what will make both Houses of Congress go to a block grant? The only thing that will make them experiment with block grants and save that huge administrative funding that is in there, and get rid of some of the strings that are causing its effectiveness to be minimized, is if they have significantly less money so that they can deliver the right amount of money without the strings.

I ask you if minus 1 percent in 1981, minus 6 percent in 1982, and plus 3 percent in 1983 will force a policy change? That is what bothers me. The Senator argues this is going to elementary and secondary education. I am assuming that in this argument, although the truth of the matter is it need not because your committee, Mr. Presiding Officer, will make that decision. But if it did, there will be no change in American policy on education. It will be, to borrow one of these phrases that has been much used, "business as usual" just as sure as we are here. There may be 4 grants con-

solidated, and we will invent 14 more, and we will cut them all 1 or 2 percent, and we will be right back where we started from.

So the truth of the matter is this committee has received $1 billion in additional money, and that is before the Senate. If we vote this amendment in, it will be $2 billion additional. Obviously, there will be others who would say, "That still is not enough." But I thought this was an exercise in trying to change the policy of this country, trying to take programs that were not working and see if we could do them differently with less money.

As far as fuel assistance, I am sympathetic, but I am here to tell you that according to two major GAO studies, one 3 years ago and one 1 year ago, that program does not work, and there is no question about it. Congress has even acknowledged that, but we do not know how to make it work. We have changed that substantive law, I say to my good friend from Massachusetts, each year for 3 consecutive years, because we found out we were not getting the money to the poor people under fuel assistance. Something was happening in the middle. In fact, one time we sent checks to everyone who was on social security and SSI regardless of need, many of whom were not even paying their bills because their landlords were. We did not even know how to run that program that well. We did that for 1 full year.

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

Mr. DOMENICI. I am going to finish in 30 seconds and I will find some time for the Senator.

I urge that those who really want to see this concurrent resolution work by forcing our committees to sit down and do more with less money, to try their ingenuity so that they can get the job done better with less money, that we ought to stick with the Budget Committee.

In the outyears obviously, 1983 and 1984, we will just have to see what happens. But for now the significant and important years are 1981 and 1982. We are not going to force significant change if we add a full $1 billion back to this committee.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 3 minutes for our side under the resolution. I would just like to ask a question.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator is recognized for 4 minutes.

Mr. KENNEDY. As I understand it, the CBO has estimated that it would take $52 billion in 1982 to provide sufficient funds to maintain programs in the Labor and Human Resources Committee at current services; is that the Senator's understanding?

Mr. DOMENICI. Yes; $51.5 billion to $52 billion.

Mr. KENNEDY. All right. The Human Resources Committee made a $41 billion recommendation to the Budget Committee. The President had actually requested $39 billion. CBO says $52 billion is necessary for current services. The Budget Committee has gone from $39 billion up to $40 billion, which is still $12 billion less than CBO estimates for current services, and $1 billion below the level recommended by the Human Resources Committee.

As I understand the Chafee amendment, it would take the $40 billion and add somewhat less than $1 billion. This is below the Human Resources Committee and $11 billion below what is necessary to maintain current services.

I think it is important when we are talking about adding things back, that we also understand at least the point of departure.

Am I basically correct in the understanding of the figures as far as the chairman of the Budget Committee is concerned?

Mr. DOMENICI. Senator, I will say you are basically correct. I have to start——

Mr. KENNEDY. They have to be rounded off.

Mr. DOMENICI. I start with a little different baseline, and I will answer you in a moment. I do not want to use the Senator's time. But the Senator basically is correct.

What he is saying is there is a significant cut, and all that we did was to add $1 billion back to that significant cut, and Chafee would add $1 billion back. I will give the Senator the committee numbers in a moment.

Mr. KENNEDY. Fine.

The only point I make is even with the Chafee amendment the Senate will have gone about 95 percent of the amount of budget cuts the President actually requested, and there will be about an $11 billion difference between what was actually approved by the Senate and the current services level. The Chafee amendment still represents about a 20-percent reduction in the programs under the Human Resources Committee.

Mr. DOMENICI. I yield myself 2 minutes, and then I understand the Senator from Alaska wanted 5 minutes; Senator HATCH wants about 5 minutes; and Senator GRASSLEY wants about 5. I think that is the extent of time needed on our side.

Mr. CHAFEE. Yes; we have some who wish to speak on this side.

Mr. DOMENICI. Let me take a couple of minutes and make this point. So that the Senate wil have the numbers in terms of the baseline that the Budget Committee uses, the President asked that this committee cut $11 billion in budget authority for 1982 and $8.5 billion in outlays of its authorizing jurisdiction.

The committee itself felt they could not quite do that, and they said they could achieve a reduction of $10 billion in budget authority and $7.9 billion in outlays.

The distinguished chairman of the committee prevailed, and they are now ordered to do precisely what they said they could do. They met; they said, "We cannot do everything the President asked." They voted. The vote might have been slim, I do not know the numbers, Senator KENNEDY. You are on the committee. It might have been 9 to 9 or 10 to 8, but they voted.

What we have before the Senate is precisely what a majority of that committee said they could do. They could not do as much as the President wanted them to do. Therefore, the Budget Committee voted with the chairman of the committee being instructed, and put back $1 billion, which brings them to the exact point that they said they could do by a majority vote.

In addition, I would remind the Senators that under certain assumptions that have been made——

The PRESIDING OFFICER. The Senator has used his 2 minutes. He is recognized for an additional 2 minutes.

Mr. DOMENICI. Certain programs within their jurisdiction will be increased. The handicapped will be increased, not decreased. There are others that will be.

I do not say that to deceive anyone because that is up to the committee, but the assumptions made in the Budget Committee with the add-ons yield some plus-side figures for the handicapped program, and the like, and I repeat, we are merely asking them to do precisely what they told us they could do.

Now, does the Senator from Iowa wish to speak?

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator.

Mr. GRASSLEY. I thank the Senator from New Mexico for yielding.

The amendment of the Senator from Rhode Island is one he says does not have a geographical direction to it, and I will accept his statement on that.

I want to say to the Senator from Rhode Island that my point of view is somewhat parochial; not parochial from a geographic standpoint, but parochial in terms of unwaivering Republican support for the President's economic recovery.

We have been very successful in our efforts to achieve fiscal discipline, because we Republicans on the Senate Budget Committee have had the support and leadership of our chairman, the distinguished Senator from New Mexico. Even though I have consistently voted against every amendment offered that would have increased spending, I found many that I would have liked to have supported. In my many years in the House, I did support many of these spending programs, but this is not a business-as-usual situation. Our current economic situation in this country is so bad, that we have got to change our voting habits. We must rethink our positions of support for these many programs that we have traditionally supported.

We have to only look at the fairness of the total situation. Are each of the regions of this country bearing a fair share? Are the interest groups in this country bearing a fair share of the burden against inflation? Is each one of the programs which have been established by previous Congresses bearing its fair share?

The Budget Committee has tried to do this. We have tried to indicate this as we have said, "No," to the popular programs we previously had supported. It has not been easy. We will have failed

if this amendment is approved after so many amendments have been voted down.

The assumption behind this amendment is that a package of programs is more likely to get enough votes to be adopted. I look at that as being too much business as usual. That is too much logrolling. That is not what the people expect of us as a result of the November 4 mandate.

I think the greatest weakness in the Senator's amendment, however, is that it assumes that we can spend the $3 billion savings achieved through denying SPRO increases.

Let me suggest to the Senator that an oil reserve is not a typical Government expenditure. It is, in essence, storage of some of the Federal Treasury's resources. It is like putting money in the bank. But the Senator proposes to take that money out of that bank, and to spend it on recurring programs. The Senator might just as well take gold out of Fort Knox, if there is any there, and spend it on these same programs.

What we are looking at here, in terms of changing the direction of public policy, is overall reduction of program that have recurring expenditures. The Senator suggests increasing expenditures for those programs that are recurring expenditures, and suggests payment, if I understand the logic and the approach of the amendment, with money that has been saved by not filling the oil reserve in future years.

I do not think that is a wise tradeoff I think that it is only jacking up the recurring programs to too great an extent. Not only will it discourage block grants, but most importantly, it will encourage other spending amendments coming down the road.

From my parochial standpoint as a member of the Budget Committee, I think that we have been successful in saying "no" to the business-as-usual people in the Congress who want to spend more.

The PRESIDING OFFICER (Mr. GORTON). The time of the Senator has expired.

Mr. DOMENICI. I yield 1 additional minute.

Mr. GRASSLEY. If the Senator from Rhode Island could be on the Budget Committee, if he could see the Republican side of rollcall votes go down, and he could see Mr. ANDREW, Mr. SYMMS, Mr. GRASSLEY, Mr. QUAYLE, Mr. GORTON, and Mr. KASTEN cast their votes, he would see that most often there was a block of "no" votes against increased expenditures. The Senator would know that approach came as a direct message from the voters in the last election, and that this is a form of policymaking that is different than usual.

I would suggest to the Senator from Rhode Island that his amendment is not something different. Rather, it is too much the business-as-usual approach that we do not need. It is time to say "no" to that, and that is why I am saying "No" to this amendment. I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I yield 5 minutes to the distinguished majority whip.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am saddened that I have to oppose the amendment of the distinguished Senator from Rhode Island. I do so knowing that the items that are in his amendment and which he seeks to restore are for programs that I have supported now for 13 years.

As I told him earlier today, I do so because of the conclusion I came to last year, that our basic problem involves the interest on the national debt.

We are in the position now where the interest on the national debt is $95 billion. As a matter of fact, the increase in the interest on the national debt between fiscal 1981 and fiscal 1982 will be $10.8 billion even if we follow every recommendation of the President and even if the interest rates are averaging 10 percent for that period of time on the outstanding long-term debt of the United States. The last assumption does not appear to be a valid one at this time.

That $10.8 billion increase is more money than we now have available for the Department of the Interior, the Department of Commerce, and the Department of Justice, the three Departments that have a great deal to do with my State and, I think, the whole Nation.

We find program after program that has either been reduced or eliminated. It has been done primarily because of the necessity to stop the Federal Government from going into the money markets and borrowing money for deficit spending which drives the interest rates up. The interest rates must come down or we will not be able to right this economic ship of ours.

It is with great reluctance that I oppose Senator CHAFEE's amendment.

In other days, and I do hope there will be other days in the future, when we can restore funding to some of these programs, he will be a great leader in establishing priorities for those programs. But right now there just is not money for these programs if we are to maintain the discipline we need to correct the problems related to inflation, the high unemployment, and high interest rates occurring simultaneously. If you put those together with low productivity, I think the situation today is worse, really, in my opinion, than it was in 1929.

Mr. President, we are approaching $1 trillion in debt. In 1929 we had $19 billion in debt. I cannot see any way for us to treat a severe recession-depression in future years as past Congresses were able to treat the period from 1930 on. I think we have to have the discipline that is required to be able to say "no." Many of us are saying "no," not only to programs we have supported in the past, but some of us to programs we initiated in the past.

I would urge my friend to keep that in mind as we do oppose this amendment. I urge the Senate to defeat this amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BRADLEY. Will the Senator yield 30 seconds?

Mr. DOMENICI. I yield 30 seconds.

Mr. BRADLEY. Mr. President, I wish to support the amendment offered by the Senator from Rhode Island. Part of this package is an increase in funding for low-income energy assistance by $300 million in fiscal year 1982 and fiscal year 1983, and an increase in funding for mass transit.

In 1979 Congress enacted this program to provide funds to help low-income households meet rising home heating or cooling costs. For fiscal year 1982, 95 percent of the $1.8 billion is distributed by formula to the States as a block grant. The remaining 5 percent is allocated to the crisis assistance program of the Community Services Administration.

The Reagan administration has proposed to consolidate the low-income energy assistance program with other emergency assistance programs and to reduce funding by 25 percent, or $450 million from the energy assistance funds.

This program is intended to offset the effects of escalating oil prices on low-income people. World prices continue upward. The new administration's immediate decontrol of domestic oil has also hit every American household with stiff price increases. This seems hardly the time to reduce funding for those Americans least able to absorb these price shocks.

Even if oil prices had not increased as dramatically as they have in the past, it is not obvious that a 25-percent reduction in this program is consistent with the explanation behind it. Programs proposed for block grants, it is said, can be reduced by 25 or 30 percent because overlapping layers of administration and bureaucratic controls will be eliminated through consolidation. Under current practice 95 percent of the low-income energy assistance funds go to the States as block grants. The remaining 5 percent goes to the CSA for a separate program. It is difficult to identify the overlapping administration here.

Mr. President, the decontrol decision was a most difficult and agonizing one for me. I have supported decontrol because it is the right energy policy and the right economic policy. However, rising prices are a terrible tax on low-income people in New Jersey and every other State. The windfall profits tax that I helped pass 2 years ago captures a large portion of the higher oil prices for the Government. In fact, one of my amendments will tax away 70 cents of each dollar increase in oil in production before 1978. The Congress agreed that a portion of these funds would go to low-income people to cushion the effect of higher prices. To go back on that promise is wrong. It is also wrong from a humanitarian point of view.

If these points do not move my colleagues, let me point out that over the next several years good energy policy and good economic policy will call for moving away from Government allocation

and control and that might have the unavoidable effect of raising energy and other prices. If we now go back on the promise we made to cushion the effect on low-income people, we may be unable to generate support for the tough energy and economic decisions still to come.

I urge my colleagues to support the amendment.

Next, Mr. President, I urge the Senate to adopt the amendment of the Senator from Rhode Island because it restores $25 million in outlays for 1982 and $300 million in outlays for 1983 for mass transit.

There are four reasons why the Senate should adopt this proposal.

First, economic development. The administration maintains that the cuts in spending are necessary for economic development, but they fail to recognize the enormous short-term economic problems which will result when transportation lines are forced to cut back on services, and, they fail to recognize the enormous long-term economic gains which could be realized if we rebuild our industrial base in an energy efficient manner through the use of mass transportation. If we are to redevelop our older industries and strengthen our industrial base in general, we must have efficient transportation. To develop these efficiencies we must abandon the economic assumptions of past decades which emphasized the use of the private automobile. Instead, we must respond to the economic realities of today by supporting and maintaining mass transportation.

A second reason to support this amendment concerns our national energy needs in particular. The administration seems to have a Dr. Jekyll-Mr. Hyde attitude toward using the price mechanism to solve our energy problems. The administration is willing to let producers face higher energy prices to encourage production, they are willing to let consumers face higher energy costs so there will be efficient allocation of energy resources, and they are willing to let the State and local governments bear the burden for energy costs. But, when it is up to the Federal Government to respond to the higher energy prices by investing more in mass transportation systems which will efficiently allocate our energy resources, then the administration loses faith in the price mechanism's ability to force prudent responses to energy realities. Just as consumers are expected to respond to the higher prices by paying for home insulation and by investing in fuel-efficient automobiles, so, too, the Federal Government should respond to the price mechanism by investing more in mass transportation.

The administration seeks to reduce Federal support for mass transportation because they do not believe that those who use mass transportation are doing enough to support mass transit. This assumption is simply not true. In my State of New Jersey the bus fares pay for 70 percent of the costs of the bus service, and, these fares are scheduled to increase by over 50 percent in the next few months. Rail fares will face a similar increase this year and another major increase in the beginning of next year which will double rail fares over current levels. These fare increases are necessary not because of the withdrawal of Federal support, but simply because the New Jersey Transit System is facing enormous increases in energy costs and enormous operating deficits will result unless the State officials act responsibly by raising fares. So, a third reason why the Congress should restore funds for mass transit is because passengers and local governments throughout the Nation are already doing their share to support mass transit; the Federal contribution to mass transportation systems is in conformity with the Federal interest in maintaining those systems.

The final reason why I believe the Senate should restore these funds for the 1983 fiscal year is to keep the truly needy from suffering. The administration claims that operating subsidies are not targeted toward the needy because both the rich and poor can take advantage of mass transit. However, if our national commitment to mass transit is reduced, it is the working poor who will suffer because for the working poor mass transportation is not a convenience, it is a necessity of life. We have a national interest in providing inexpensive mass transportation for these people and our Federal policy in the past has been to encourage the States to maintain transportation fares at rates which are as low as possible so that these working people can succeed. Now is not the time to change our Federal policies by abandoning our commitment to mass transportation.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I rise today to offer my support for Senator CHAFEE's proposal.

His proposal, and indeed the entire budget debate over the last few days, addresses the classic dilemma of the day—how much can we afford to do?

Every program under discussion was born of the best motives—the desire to respond to genuine human needs. Americans are a compassionate people—we always have been and we always will be. But what happens when we go too far in trying to solve human problems through direct Government intervention?

We create a monster—a bureaucracy with ever-expanding, overlapping agencies—that intrudes increasingly in our lives. The Federal Government has, unfortunately, reached a point where it does more to the American people than it does for them.

In our compassionate desire to provide food for the hungry, economic aid for the poor, and hope for those in despair, we have lost sight of the horrible side effects of over promising. The side effects are readily evident in today's economy.

There is nothing compassionate about 20-percent inflation rates, double-digit inflation, and 7½-percent unemployment. Yet, this is the economic cost borne largely of excessive Government.

The public has come to recognize these costs too. In November, the people of this country overwhelmingly indicated at the polls their desire for change. They recognize that we cannot sustain the rapid growth in social programs on a deteriorating economic base. Over time, a deteriorating economy leads to still fewer opportunities for our people.

We are now trying to reverse this downward tide. The Congress is following the President's lead in limiting Federal spending. It is clear that this process will, at least in the short run, hurt those least able to help themselves. Because we cannot cut back on the cost of servicing the national debt, and because there is strong bipartisan support for reversing the decline in our national defense capabilities, spending cuts will affect programs which transfer resources to the more vulnerable segments of society.

Does this mean that our national commitment has declined? Emphatically not. It reflects instead a change in strategy. The justification for budget restraint is economic growth. Such growth should be the real hope for those who have not yet shared in the abundance of America's wealth.

It is this change in economic strategy that we in Washington are trying to effect. How do we do it? Where do we reduce spending and by how much?

These questions have no consensus answers. They never do. What Senator CHAFEE, and I, and others believe is that in some areas we risk going too far, in cutting back too much. The less than $1 billion proposed to be added back in 1982 spending is a very modest restoration. Others would restore much more, and some will insist on holding the line where we are.

I believe that Senator CHAFEE's proposal is a modest one when compared to the more than $40 billion we are trying to cut. With regard to the programs affected, there will still be significant reductions imposed—reductions which will create hardship enough as they are absorbed.

I would urge my colleagues to support the proposal of my colleague from Rhode Island.

Mr. President, what we are engaged in is an act of economic necessity for this country. That is an effort to try to get get some control on Federal spending, to try to reduce the Federal deficit and, hopefully, over a period of time, to erase that deficit altogether and create a balanced budget.

This is not an effort, Mr. President, in pure philosophy. It is an effort, instead, to try to improve the economic health of this country for the benefit of all its citizens.

Most of us who seek political life as a career do so because we have a degree of compassion and concern for our fellow man which we want to serve. In that process over a period of decades, we in politics, and particularly at the Federal level, have undertaken a host of programs which we felt, at the time they

were created, were designed to serve those who were in need.

However, we now find that we have overextended ourselves. The Federal debt is now pushing $1 trillion. We have gotten ourselves in the situation where each year the Federal deficit runs about $50 billion or so. Interest rates hover around 20 percent and inflation rates are in the double digits.

There is nothing compassionate, Mr. President, about that kind of circumstance. There is nothing compassionate about high interest rates, high inflation rates, and the human misery that they create.

Now we have embarked on an undertaking to try to reduce that deficit and to try to restore the kind of soundness to our economy which offers hope for the American people.

In doing so, we are called upon in this budget resolution to make cuts in various programs of the Federal Government. Because of the fact that we are locked into servicing the national debt, we cannot reduce the amount that is required to service the debt.

Because of the fact that there is a very strong consensus in the Senate, as I personally think there should be, for having a solid and improved national defense, we are not going to see cuts in the national defense budget. Instead, we are increasing national defense.

Therefore, those budget cuts, lamentably, we have to make, but we do have to make them because we have to be responsible for our country. Those budget cuts, Mr. President, tend inevitably to focus on parts of the country that can afford them the least. That is to say, we reduce the amount of money otherwise available for transfer payments, which, by their design, are aimed at improving the economic condition of the most needy people in our society.

Similarly, and there has been much comment on this in the press, it is clear that when we go about the process of balancing the budget or reducing the budget deficit, it has a geographical impact. Clearly, that is the case.

It has been pointed out by the Senator from Rhode Island and others that these particular changes in the budget that are encompassed in this amendment are not regional. They are not. They touch everybody.

However, Mr. President, it is clearly true that when we restrain the budget, when we cut the budget, that very exercise has a greater impact on those cities which are bankrupt than those cities which are well off.

It has a more adverse effect on those States which are declining economically and have seen jobs move elsewhere than it has on those communities which have seen their State and local tax revenues constantly increase over the last few years, the so-called Sun Belt.

So, there is no doubt, Mr. President, that while we undertake the necessary job of reducing the weight of the Federal Government and the burden of the Federal deficit, the very process of doing so, while necessary, does have a disproportionately adverse effect on the poor, on those who are in need, on those who have become dependent on the Federal Government, and on those regions of the country that are in economic decline.

What we are involved in here, in the Senate, right now, is a balancing act. We are attempting to bring into some kind of balance on one hand the desire to reduce Federal spending, or, at least, to control the growth of Federal spending, and, on the other hand, the need to mitigate the damage, the harm, that is caused in the budget-cutting process among those people and those regions that are most in need. That is precisely what the amendment of the Senator from Rhode Island is intended to do and, in my opinion, does.

The areas of restoration in the Senator's amendment focus primarily on people who are most in need—low-income energy assistance, community services, elementary and secondary education, most especially title I, aid for school districts which primarily serve low-income people; housing weatherization, community development, mass transit—programs which affect most notably people who are most in need.

Mr. President, several weeks ago, a meeting was held in the Capitol Building between Senators and Members of the House representing the Northeast and the Midwest with OMB Director Stockman and others. At that time, the question was put to Director Stockman: "Is there flexibility in the budget? Is there room to maneuver? Is there enough flexibility on the part of the administration so that we are not locked into the precise details of the administration's program?"

The Director of OMB said at that time:

> Of course, there is flexibility. What we are interested in is the end result, but, of course, the job of Congress is to use its judgment on precisely what is cut and what is not cut.

What concerns me about the statements on the other side of this amendment is the degree of inflexibility on the part of the Committee on the Budget. Suddenly, it is the position of the Budget Committee that we are, in fact, locked in, that we are committed to the details of the Budget Committee's work. That is contrary to the position of Director Stockman with respect to the administration's program.

In point of fact, Mr. President, without this amendment, we are now some $2.3 billion below the President's program. Even with the Chafee amendment, we would be approximately $1.4 billion below the President's program. We have met the target and then some. The issue before us now is whether we can at least do something to mitigate the harm that is caused to those individuals and those regions of the country that are least able to overcome them.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I yield time to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I ask unanimous consent for leave to speak 10 minutes and I shall probably do it in less.

Mr. DOMENICI. Mr. President, the Senator does not need unanimous consent. We shall give him 10 minutes on the bill.

Mr. SPECTER. I thank the Senator from New Mexico.

Mr. President, I support the amendment now pending on the floor, both because of the important programs which it involves and, more fundamentally, because I believe it is a signal that there is due consideration by the United States on very severe changes in budgeting which are being affected by the resolution which is now before this body.

I think that the Budget Committee has done a remarkable job in fashioning the resolution which is before us today. I believe that, beyond the work of that committee, it is very important that consideration be given in greater detail by the Senate as a whole and the amendment which has been proposed has been fashioned after very substantial deliberation and consideration. In my judgment, it is a very modest reinstatement of funding on a very few lines and ought to be adopted.

Mr. President, I have grave concern about the timetable that the Senate has followed in coming to the judgment which it has and which it will doubtless conclude within the course of the next day or two. It was only on February 18, when President Reagan delivered his state of the Union speech, that we had the outline of his proposal. Then, until March 10, we had some further specification of facts.

It is my view that the people in this country have very little understanding of the scope of what is going to happen as a result of the resolution of reconciliation process which, I think, will soon be passed by the Senate and doubtless will be agreed to in some substantial form by the House and will become law.

I have spent a day in Pittsburgh and a day in Harrisburg and a day in Philadelphia, talking to people in various groups—from the business community, from the labor community, blacks, farmers, mayors, elected county commissioners.

I found there is, at the moment, relatively little understanding of the scope of changes which are going to be occasioned by what will result from this matter which we are now considering.

I believe that when the full effect of this resolution is felt, there is going to be a sharp amount of dismay around the country. Nevertheless, I think that it is important that the President's figures be adhered to, because of the very desperate economic status which confronts the Nation. I think those who have spoken—and eloquently, indeed, they have spoken—about the necessity for budget cuts so that we can move against inflation and move against the interest rate and move against unemployment, are exactly right.

But in this complicated admixture, I do believe that it is important that this body give consideration, in some greater detail than has been considered up to the moment, to the impact of these cuts on the people who have received these services and have come to rely upon them for a great many years and, it may well be, have come to rely upon them in a way

which is totally adverse to the national welfare.

I do think that the amendment which is now pending before the Senate is a modest reinstatement of some items in categories which are very, very important, in categories which have a broad national effect so that they are not regional in import. I believe it will serve as a signal to those who will be significantly affected by the budget cuts that there has been careful consideration and there has been an effort to do what is possible and what is practical by the Senate within the constraints of the President's program, which, I think there is virtual unanimity, should be adopted, with some regard for those who are going to be affected.

For those reasons, Mr. President, I support this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I ask unanimous consent that Messrs. BRADLEY, METZENBAUM, BURDICK, HART, EAGLETON, MOYNIHAN, and SARBANES be added as cosponsors.

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

Mr. CHAFEE. Mr. President, how much time does Senator SARBANES want?

Mr. SARBANES. Two minutes.

Mr. CHAFEE. I yield him 2 minutes on the bill.

Mr. SARBANES. I thank the Senator for yielding.

Mr. President, I rise in strong support of this amendment.

Mr. HOLLINGS. Mr. President, I yield such time as is necessary to the Senator from Maryland.

Mr. SARBANES. Mr. President, I thank the Senator.

I want to underscore two parts of this amendment, Mr. President:

First, that part which restores funds for the urban development action grant program. This program has been a tremendous stimulant to economic development and to jobs creation, the very objectives which everyone is asserting we wish to accomplish in the Nation. It is a program which has been particularly successful in obtaining private investment for projects in areas of economic difficulty and has led to permanent employment for many of our Nation's citizens.

The UDAG program is a program that has worked extremely well in my State. It has met its objectives, and it should be continued. In the short time the program has been in operation, almost half a million jobs have been created nationwide, of which just under 300,000 are permanent.

The UDAG has been most successful in leveraging private investment. For every dollar of Federal money, more than $6 in private funds have been invested, totaling roughly $12 billion nationally in private investments. It has helped to strengthen the economic base of countless numbers of cities across the country.

Maryland participation in this program has been enormously successful. We have the highest investment ratio in the Nation. For every Federal dollar that the projects have received in Maryland from the urban development action grant program, private industry has provided just under $9. We have almost a 9-to-1 leverage ratio with respect to the urban development action grant program. It is a program which has worked well to bring forth private investment, jobs, and a strengthened economic base.

I urge the Senate to approve this amendment and to carry forward this very important program.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the National Journal of March 21, discussing economic development aid and particularly the urban development action grant program.

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

ECONOMIC DEVELOPMENT AID—SHELL GAME OR THE KEY TO URBAN REJUVENATION?

(By Rochelle L. Stanfield)

BALTIMORE.—The signs are everywhere: the shoppers and lunchtime crowd strolling through the new waterfront shopping mall called Harborplace; the construction crews completing work on a hotel and city aquarium; sweet, rich odors issuing from a spice factory. This city, 10 years ago a crumbling symbol of urban distress, is rejuvenating itself.

The reason is what city planners call economic development: public investment to stimulate private business as a means of reversing decline.

For Baltimore, a significant portion of the public investment came from Washington. Democratic Presidents and Congresses have pushed federal economic development programs for 20 years, and President Carter made them central to his urban policy.

But now the President is a Republican who believes in turning such responsibilities back to the cities. After all, he might point out, when the construction of the Baltimore & Ohio Railroad in 1828 helped this city's harbor recoup some of the business that the Erie Canal had siphoned off to New York, the public money that supported the project was local, not federal.

In the view of Dave Stockman, director of the Office of Management and Budget (OMB), that's the way economic development should always work. Even when federal economic development assistance succeeds, he argues, it does so only at the expense of over-all national economic growth. "We have a great shell game going on here," he told the House Public Works and Transportation Subcommittee on Economic Development on March 11, "but I'm not sure who is helped."

Local officials here believe they are helped—and that they need the special attention that Stockman opposes. "There is a naive assumption that general economic growth will improve the economic condition of everybody, including cities," said Bernard L. Berkowitz, president of the Baltimore Economic Development Corp., who, when he was the city's physical development coordinator, guided Baltimore's economic development strategy. "Our experience over the last 20 to 30 years contradicts that."

Berkowitz may have not real allies in the Reagan Administration, but some are more sympathetic than Stockman. Housing and Urban Development (HUD) Secretary Samuel R. Pierce Jr., for example, feels that while the cities should bear the major responsibility for economic development, a federal role remains.

For the moment, Pierce seems to have made some impact on White House policy. In the budget that he submitted to Congress on March 10, President Reagan proposed eliminating the Commerce Department's Economic Development Administration (EDA), whose 1981 budget is $668 million. But he modified an earlier proposal to submerge HUD's urban development action grant (UDAG) program by combining it with other grants, deciding instead to keep it going at least through 1982. At the same time, however, he cut the UDAG budget from $675 million to $500 million and trimmed or eliminated many of the 65 other federal aid programs that support economic development activities.

The decision to save urban development action grants followed a fierce response to Reagan's earlier proposal. No similar support has developed for EDA—but it may.

"The country is in the mood to cut, but no one has lost their job yet," said Baltimore Mayor William Donald Schaefer. "Come April 1, when we have to lay off 300 to 500 employees because of these cuts, you'll begin to hear a loud cry."

FEDERAL INTERVENTION

When economic development programs work as intended, they help provide the elements necessary for private investment—competitively priced land, public facilities such as sewers and roads, an attractive local tax structure and a skilled labor force. Reagan's proposed cutbacks in economic development assistance surprised many urban advocates who believed he would appreciate programs designed to stimulate private enterprise.

"People prematurely thought this Administration would like economic development programs, but economic development is government intervention, and they like no intervention at all," said William B. Stafford, intergovernmental assistant to the mayor of Seattle, Wash.

Reagan outlined his approach to economic development in his Feb. 18 message on the economy: "We believe we can do better just by the expansion of the economy and the job creation which will come from our economic program."

A corollary holds that economic development programs don't really stimulate employment. "EDA doesn't create jobs," Stockman told the Economic Development Subcommittee. "It reallocates them."

OMB's "black book" of proposed budget cuts, which circulated in Congress in February, argued that this reallocation is downright harmful. If an urban development action grant influenced an employer to locate in a city, it said, "it would impose an economic cost on the over-all economic efficiency of private-sector investments. In theory, the UDAG program compensates the private sector for shifting investments to high-cost or less economically efficient areas. This reduces the net economic (although not necessarily the social) gains from any given amount of investment."

Urban advocates have no use for this line of reasoning. The federal government couldn't withdraw from local economic development even if it wanted to, they argue. For every conscious federal effort to promote economic development in particular cities or regions, there is a "neutral" federal program with important effects on local economies, such as highway aid.

"Market forces don't account for all the difference between growing and declining areas," said Robert C. Embry, assistant HUD secretary for community planning and development during the Carter Administration and now a partner in a Baltimore energy conservation firm. "Federal money has been very important. Where would San Diego be if not for all the federal spending on military bases there? And Houston, if not for the oil depletion allowance?"

"The federal government has created some of the imbalance," added M. Walter D'Alessio, executive vice president of the Philadelphia

Industrial Development Corp. "Government has some responsibility to resolve the problems."

William W. Blunt, Jr., a Washington consultant who headed EDA during the Nixon years, wonders about the logic of aiding individuals, as Reagan proposes, by retaining "safety net" programs such as social security and medicare, but not supporting the economic bases of the cities in which they live.

"Wouldn't it be more consistent to figure out a way to help the marketplace, through marginal incentives, to provide people with jobs?" he asked. "That's what the Economic Development Administration programs do."

Even if Reagan is able to pump up the economy, some local officials doubt that the benefits would be distributed in the best possible way. "Say the tax cuts and deregulation give confidence to the investors and a lot of economic development happens in the cities," said Seattle Mayor Charles Royer. "I frankly would rather have UDAG so we could give that development some direction, have something to say about who benefits."

ACTION GRANTS

So would a lot of other city officials. In fact, action grants, which were authorized only in 1977, have quickly become the most popular form of economic development assistance.

Only about half the nation's localities are sufficiently "distressed" to apply for action grants, and HUD by no means accepts all applications. HUD officials say they insist that local governments obtain promises of at least $2.50 in private investment for every federal dollars; in practice, they say, private industry invests $6 for each action grant dollar. Through the first three months of fiscal 1981, HUD approved 963 action grants for about $1.8 billion.

Here in Baltimore, Equitable Trust Co. planned an office complex and convention center in the inner harbor development area but would not go ahead unless another company built a hotel. Hyatt International Corp. had considered building a hotel but feared it would lose money. So an action grant provided a second trust to assure a profit even if the hotel's occupancy rate was only 65 per cent, and on the strength of that, the Rouse Co. built the shopping mall called Harborplace.

"Not many people realize that no federal money went into Harborplace," said Embry. "And all the money that went into the hotel is being paid back."

Because of success stories such as Baltimore's, action grants have attracted the support of city and state officials, neighborhood groups, civil rights organizations, bankers and developers. "If that many constituencies are for a program, it must be doing something right," said Sandra B. Solomon, government affairs director of the National Urban Coalition.

Supporters were taken by surprise when Stockman recommended the program's termination. "I didn't realize it was so controversial," said Embry. "It had fairly universal praise, and Congress increased its budget [from $400 million to $675 million in 1980] at a time of fiscal austerity."

But the program is not without its detractors. "UDAG reinstates all the ugly aspects of grantsmanship: long lines, expensive consultants, furtive efforts to know the decision maker . . . and no certainty that the communities in need will succeed," Carla A. Hills, HUD Secretary in the Ford Administration, wrote in a letter to The Washington Post on Feb. 21.

After its enactment in 1977, neighborhood groups were skeptical of a program they believed to be developed solely to benefit downtown development, the recipient of much of the early money. Neighborhood advocates complained that a disproportionate amount of the funds helped build hotels, and some called it federal aid for Hyatt. But Embry said that of the nearly 1,000 action grants made during the Carter Administration, only 90 assisted hotel construction and only five of these were for Hyatts.

In 1978, Congress disarmed the neighborhood organizations by setting aside a separate pool of action grant money for neighborhood projects. Although some of its members remain wary, the neighborhood movement is part of the constituency clamoring for the continuation of the program.

Nonetheless, Stockman picked up on this problem in his black book, arguing that "this categorical program exposes the federal government and the Administration to local criticism and objections to particular development projects. There has been adverse publicity in the past over excess emphasis on some types of projects (e.g., luxury hotels)."

Neighborhood groups have also complained that action grants create mostly dead-end jobs, such as those required to operate a hotel. But Embry believes that's the price for making work for the unskilled. "The more upward mobility you build into the jobs," he said, "the fewer poor people will be hired for them."

Others deny that most of the jobs are dead end. Royer points to a $250,000 action grant that enabled Fluorocarbon Inc. to finance a $900,000 expansion and remain in a low-income section of Seattle.

"Fluorocarbon employs 325 people, two-thirds of whom walk to work," said Royer. "The action grant saved those jobs, skilled and unskilled, and will create 70 new jobs as the company expands. Otherwise, the company would have moved out of the city."

Another criticism of the action grant program, leveled by the General Accounting Office (GAO) in early 1979, is that the development supported by the grants would often have occurred without them. Stockman made a similar charge in his black book.

Program advocates are quick to respond, however, that the grants are critical to their economic development packages. "The hotel was essential to our inner harbor development," said Schaefer. "And the developer would not put up the hotel without that UDAG."

Although HUD requires cities to certify that potential development projects would not go ahead without action grants, the proof is difficult to supply. And even if a city can show that an investment would not be made in a specific location in the absence of federal funds, it is nearly impossible to show that the investment would not have been made somewhere else.

The congressional sponsors of the action grants "did not intend for these subsidies to attract funds from the suburbs into a central city," Dennis J. Dugan, associate director of the GAO's program analysis division, told a Princeton University conference late in 1979. "So the question is whether this is new investment that will actually be created or whether it would be created elsewhere in the economy."

D'Alessio says the competition for investment is not necessarily with the suburbs but sometimes with foreign countries. He points to a $1.5 million action grant with which Philadelphia enticed the Budd Co., a maker of rail cars, to remain in Philadelphia and retool. The alternative was for Budd to give up the rail car business and let its business go to Kawasaki of Japan, according to D'Alessio. "So Budd invested $20 million and UDAG put in $1.5 million and now it's able to supply rail cars to Korea," he said.

For city officials, Stockman's toughest criticism is that action grants for the most part duplicate what the cities can do with their community development block grants.

The Reagan Administration prefers the block grant approach. "The UDAG program, with its emphasis on intensive, direct federal intervention in local investment decisions, is inconsistent with the basic block grant philosophy of delegating decision making," Stockman's black book asserted.

In general, the mayors agree. But in this case, they appreciate the fact that because not every city receives action grant money, those that do get more than their proportional share.

"UDAG says to private industry, 'If you put in $100 million, we'll put up $10 million,'" Schaefer said. "But if all you get [from the federal government] is $1.95, that doesn't help very much."

Embry argues that a heavy federal hand is what makes UDAG projects successful. "The applications that come in and the projects that are finally agreed to are like night and day," he said.

After the cities protested Reagan's announcement on Feb. 18 that he favored folding action grants into the community development block grant program, the Administration backed off. For 1982, Reagan's revised budget sets aside $500 million for action grants as a discrete piece of the $4.17 billion block grant program.

But the action grants' future beyond 1982 remains in doubt. Pierce told reporters he was thinking about folding them into the "urban enterprise zone" proposal that the Reagan Administration is preparing as a means of using tax and regulatory breaks to attract business to distressed areas.

"Although UDAG may have been successful," he said, "in combination with enterprise zones it may be even more successful."

EDA PROGRAMS

If many local officials howled over the prospect of losing action grants, few of them so much as whimpered at the proposed termination of the Commerce Department's Economic Development Administration. That may have been out of recognition that only one of the two programs could be saved and that EDA grants are spread much thinner than the action grants.

Whatever the reason, the silence may have prompted Reagan to single out EDA in his televised speech on the economy on Feb. 18.

"By terminating the Economic Development Administration, we can save hundreds of millions of dollars in 1982 and billions over the next few years," he said. While no "consistent evidence" shows EDA's success in creating jobs, he added, it has been "effective in creating an array of planners, grantsmen and professional middlemen."

While EDA's budget is about the same size as that of the action grants program, its scope is much broader because of its technical assistance program, which helps localities develop the capacity to package economic development deals and to make the city inviting to private business.

"EDA is the only agency of the federal government that can provide that kind of assistance," said James T. Peterson, a former EDA official and now the executive director of the Council on Urban Economic Development, which lobbies on behalf of local development officials and consultants. "UDAG is a deal. It's important, but it doesn't add to the environment conducive to investment."

Cities use EDA grants primarily to build public facilities—access roads, sewer connections, parking garages—that industry needs to operate. Baltimore is getting about $10 million over three years to assist in the development of half a dozen industrial parks.

Without federal aid, Berkowitz said, these developments would have been impossible. "No private developer would undertake our Fort Holabird or Raleigh industrial parks without the EDA funds that paid for the infrastructure. It's highly unlikely that the city would have had the funds available to carry those projects out."

The Reagan Administration complains that so many areas of the country are eligible for EDA assistance—currently about 80

percent—that the money cannot be concentrated where it is most needed. But it is precisely this feature that has made EDA popular in Congress, whose Members relish the opportunity to cut the ribbons on all the facilities built by EDA funds.

In fact, the House 11 years ago inserted a provision into EDA's authorization that forbids the removal of any locality once it has been declared eligible for EDA support. Only about 60 percent of communities are now statistically eligible for EDA grants, but another 20 percent continue to receive funds because they were once eligible.

"We've always been plagued by the ambivalence of wanting to concentrate resources on truly needy areas and the need to build political support," said Harold Williams, the acting assistant Commerce secretary who runs the agency.

The Senate tried in 1979 to limit eligibility, but the House wouldn't go along. That was one of several issues that scuttled legislation to reauthorize EDA and forced Congress to enact stopgap authority that expires on Sept. 30.

That will simplify the Administration's effort to kill the agency. Already, OMB has frozen EDA spending in advance of a request to Congress to cut off its spending authority for the rest of this fiscal year.

But others aren't ready to write off EDA yet. A small bipartisan phalanx of supporters in the House lectured Stockman on its virtues at the March 11 hearing of the Economic Development Subcommittee. In the Senate, former Environment and Public Works Committee chairman Jennings Randolph, D-W. Va., and former Regional and Community Development Subcommittee chairman Quentin N. Burdick, D-N.D., are mounting a campaign to save EDA. But their view is not expected to prevail.

ENTERPRISE ZONES

Despite the Administration's opposition to action grants and EDA, its officials maintain that they favor federal support of economic development activities and are preparing an American version of the British program of "urban enterprise zones."

Reps. Jack F. Kemp, R-N.Y., and Robert Garcia, D-N.Y., introduced enterprise zone legislation last year that would have reduced taxes and regulatory burdens of businesses located in distressed areas. At a recent National League of Cities meeting, Kemp said he did not want an enterprise zone program to replace other programs or to be set up as a short-term experiment.

Economic development advocates complain that enterprise zones would do nothing to assist in the acquisition of land or public facilities or to train skilled workers. In a paper prepared last year for HUD, George Sternlieb, director of Rutgers University's Center for Urban Policy Research, wondered whether the program might create tax havens for industry without spurring job opportunities.

At the League of Cities meeting, Kemp conceded that he would be "hard pressed to give a date certain when so many jobs would be created. This is a general philosophical statement."

But as an approach to government, it seems to be the direction that the Administration wants to take.

Mr. SARBANES. Mr. President, I also wish to underscore the portion of the amendment to restore funds to the low-income energy assistance program and the weatherization program.

I support the restoration of funds to the low-income energy assistance program and the weatherization program. The administration has recommended that both programs be put into block grant programs and suffer a large cut in funding. These cuts, approximately $450 million in low-income energy assistance and $440 million in weatherization assistance, come at a time when the Labor Department recently announced that the Consumer Price Index increased by a full percentage point last month due to the rising prices for oil and gas that resulted from the President decontrolling domestic crude oil on January 28.

The dimensions of the problem are staggering. The upward spiral in the prices of petroleum products that began 3 years ago has led to increases in home heating oil from 48.5 cents in January 1978 to $1.26 last month, an increase of 260 percent. The average price for a gallon of heating oil increased 11 cents in just the month of February with the Washington area experiencing the highest heating oil price averages in the Nation at $1.30 a gallon.

Congress authorized the low-income energy assistance program and the weatherization program at a time of unprecedented energy costs in order to help America's citizens maintain a minimal level of heat in their homes for their health and safety. The impact of the heating increases has not been gradual. It struck with full force when the first heating bills of the 1979–80 season came due and will strike with an even greater force when the next heating season starts. The times have not changed to warrant a reduction in this assistance.

With these increases, many families face the distressing dilemma each month of whether to pay for food, health care, or heat. Rising energy costs are taking a bigger share of every family's budget. All Americans are adversely affected by the higher costs of heating oil; but an acute impact is felt by lower income citizens, elderly persons living on fixed incomes, the handicapped, as well as millions of working Americans.

The rising energy costs are further compounded by certain factors which bear disproportionately on lower income households. Credit and deferred payment plans are less likely to be available, and lower income homeowners are less likely to have the resources or to be able to obtain the loans necessary to undertake energy-saving home improvements. Housing stock is likely to be older and less well-built, therefore less energy-efficient and more in need of energy conservation measures.

Studies have shown that conservation does save energy. A Princeton University study in July 1979 states that a successful conservation effort could—

By the mid to late 1980's save half the energy now consumed for space heating, equivalent to two and one-half million barrels of oil per day or two-thirds of our present dependence on Arab and Iranian oil.

At this time of increased energy prices and dwindling energy resources, we should continue to pursue methods of preventing the unnecessary usage of energy through conservation and weatherization programs. Adequate assistance should also be available to those who are unable to provide the necessary level of heat that insures their health and safety.

Mr. President, I thank the distinguished Senator from Rhode Island for sponsoring this amendment. I urge the Senate to approve it.

Mr. WEICKER. Mr. President, I yield myself 10 minutes on the resolution.

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

Mr. DOMENICI. I yield 10 minutes to the Senator.

Mr. WEICKER. Mr. President, I am a cosponsor of the Chafee amendment to Senate Concurrent Resolution 9, the reconciliation resolution. I believe it represents a balanced and cost effective package of restorations which vastly improves this legislation. It is the business of Government to make those critical investments in the Nation's strength that otherwise would not be made. This amendment addresses six programs which make a valuable contribution to the well-being of our citizens and the long-term strength of our economy.

First, Mr. President, the amendment would make a restoration of $300 million in budget authority and outlays for both fiscal year 1982 and fiscal year 1983 for low-income energy assistance and $50 million in budget authority and outlays in fiscal year 1982 and fiscal year 1983 in low-income home weatherization.

These programs were created to help offset the harsh impact of rising energy costs on the poor, the elderly, and the handicapped. My colleagues may recall that initially it was the intent of the House-Senate conference that 25 percent of the windfall profit tax-revenue be dedicated to low-income fuel assistance alone. To that end, we authorized more than $3 billion for fuel assistance in fiscal year 1981. Yet, barely half that amount was appropriated and now even that small effort is being attacked as too lavish. For the family at, or barely above the poverty level, the family spending 25 percent to 35 percent of its income on energy, this program holds out the hope of survival until we finally develop a sound energy policy and restore a vital economy.

One essential part of a sound energy program must be an expanded and effective weatherization program. Such an effort has and must continue to provide the opportunity for the longer term beneficial effects available through conservation. We have recognized this opportunity for the middle and wealthier classes by providing numerous tax incentives for weatherization and other forms of residential retrofit, the low-income weatherization program has simply extended this concept—on a very modest basis—to the poor, the elderly, and the handicapped. Clearly, as weatherization takes effect the demand for fuel assistance will moderate and energy demand can be reduced.

Together, these programs—modest though they be—hold out the hope that the poor, the elderly, and the handicapped will not freeze in Hartford or fry in Houston while the Government gropes about for an energy policy.

Second, the Chafee amendment would add the following amounts for elementary and secondary education: $575 million in budget authority and $60 million in outlays in fiscal year 1981; $500 mil-

lion in budget authority and $450 million in outlays for fiscal year 1982; and $700 million in budget authority and $575 million in outlays for fiscal year 1983. These additional funds will allow for the maintenance of the Federal Government's commitment to insure a free and appropriate education for handicapped youngsters. This commitment, only recently made, and even more recently honored, says to school age boys and girls who happen to be handicapped, that their special needs will be met and the special help that will allow them to realize their full potential will be available.

Third, the amendment proposes restoration of $150 million in budget authority and $50 million in outlays for fiscal year 1982 and $200 million in budget authority and $175 million in outlays for fiscal year 1983 for preventive and community health block grants. These funds would add to the amounts proposed by the Reagan plan for such services as home health, community health centers, mental health services, and a number of preventive health programs, and make an important contribution to meeting the health care needs of the American people.

Fourth, the amendment would restore $200 million in budget authority and $25 million in outlays in fiscal year 1982 and $300 million in budget authority and outlays for fiscal year 1983 for urban mass transit capital grants and operating assistance.

Through the passage of the Urban Mass Transit Act, Congress has committed itself to encouraging the development of State mass transit programs. Under the administration's proposed reductions for transportation, operating subsidies are to be reduced by 30 percent a year starting in 1983 and capital assistance is to be limited to existing rail modernization programs and purchasing buses. Such drastic reductions in operating subsidies will be borne by the taxpayer through fare box increases and higher State and local costs. In order to maintain vital mass transit services, the States need time to redirect their resources and services. Thus, a more gradual reduction in funding, through passage of the Chafee amendment, would ease the transition period for States.

Finally, Mr. President, the pending amendment provides for an increase for UDAG/CDBG housing grants of $300 million in budget authority in fiscal year 1981, $98 million in outlays in fiscal year 1982, and $128 million in outlays in fiscal year 1983. This amendment seeks to provide the most successful urban development program enacted by Congress with the funds necessary to continue program activity.

Since its activation in 1977, this program has generated $172 million in private investments in the most distressed areas of Connecticut alone. The key to this success has been this program's ability to bring together both public and private interests in a cooperative effort to revitalize urban areas. This program has created thousands of new permanent jobs, rehabilitated deteriorated housing as well as stimulated new housing construction, expanded tax bases for municipal governments, and regenerated a spirit of urban vitality in cities such as Hartford, Boston, Baltimore, and Chicago.

Mr. President, these programs which the Senator from Rhode Island has identified in his amendment are, without exception, sound and effective instruments through which the Federal Government provides for those in special need and reinforces the economic fabric of the country. They represent investments which pay back concrete dividends in the equity and efficiency of our economic system. It would be shortsighted indeed, Mr. President, for us to bankrupt such programs in the name of economy. I urge adoption of the amendment.

Mr. President, the Budget Committee has many functions but substance or looking into substance is not one of them. The Budget Committee deals with the bottom line dollar figure, and I might add that that is the same exercise engaged in by the Office of Management and Budget.

It is very clear to those of us on the authorizing and the appropriations committees that the Office of Management and Budget did not look into the substance of programs to achieve the administration's figures. I have no quarrel with that, so long as somewhere along the line in this procedure someone does look at substance.

The next thing we have are the figures going to the Senate Budget Committee, again with no interest in substance. I have no quarrel with that, so long as somewhere along the line inquiries are made as to the substance. That time was when various presentations were made both before the authorizing and the appropriations committees.

When inquiry after inquiry was made of those representing the administration as to why a particular program is being cut, no answer was forthcoming, except that they were given a dollar figure, and that is not a reason. That might be part of the reason in an overall economic game plan, but it is not the reason for either excluding or increasing money for a particular program, a particular agency, a particular project.

Quality should have a bearing on whether those moneys are retained or eliminated, whether or not a particular mission is achieved. Quality is a reason for eliminating or increasing moneys appropriated. But substance has been totally lacking from this argument on economics and on the budget, on the economic condition of the Nation.

There is a great deal of difference between investments that the Federal Government makes and giveaways, money that is conceived as going down a rathole. Investments that bring a far greater return in terms of productivity, in terms of the gross national product, in terms of the enhancement of the human condition have been totally lost in this argument.

Now we have before us the amendment of the distinguished Senator from Rhode Island. After much thought and after much precision of inquiry as to substance, he comes forth with this amendment, and we are asked to defeat it in the name of some figure that started off on this chain from the Office of Management and Budget to the Budget Committee of the Senate—a simple bottom-l ne dollar figure.

That is no reason to oppose this. Why is it that the opponents of this amendment cannot get up here and say how UDAG has not worked? They cannot, because it has. Or why the investment in elementary and secondary education has not worked. It has. No argument can be made against it.

So on down the list—in the name of "because the administration sends it to us, because the Budget Committee set a dollar figure." I have yet to see any rational arguments presented against this amendment—certainly no arguments of substance.

Earlier in the day, somebody made the comment that this amendment of the distinguished Senator from Rhode Island was business as usual. I will tell you what was business as usual in this whole budget exercise—the fact that the Defense Department gets its way with nary a question. If you want to talk about business as usual, that is the biggest part of the budget, and that was business as usual.

There is not one of us here who feels that if you look into the various aspects of fraud and abuse in the agencies of Government, you cannot apply a percentage to each agency. The difference is that if you talk bottom line figures and apply that percentage to the budget of the Defense Department, you get the biggest dollar figure at the bottom line.

If you are going to scrutinize a budget, if you are going to examine it by a set of criteria that relies on what is achieved, then that scrutiny must be applied right across the board.

Let me give an example of the contradictions between what the administration is saying in terms of its general policies and what it is doing in terms of economics.

The administration says that national security in the defense of this Nation is of the highest priority, while this administration cuts the budget for education and for science.

We are never going to outman the Russians. That is a biological impossibility. You are never going to put your hardware hub to hub to the extent they do.

The great offensive weapon of this Nation, the great advantage we have enjoyed always, sits up here in the minds of Americans, which give us technological superiority, which make up for what we do not have in terms of manpower or in terms of inanimate weapons of conflict.

So, while at the same time you are saying that national security and defense are of the utmost priority, you cut back on those budgets that in effect have established the greatest advantage in terms of security and in terms of defense, in terms of our preeminent position in the world. What kind of sense does that make?

Where will the technological superiority of this Nation go when you cut back on education, when you narrow the

scope of what it is our young people can learn?

I recall that at the time of the decontrol argument, in the midst of the energy crisis—which I believe we are still in, and which probably has more to do with our economic instability than whatever it is the Government is or is not doing—I recall during that debate a person saying that we have to up the supply side of energy, and I agreed with that. We have to put the capital into the hands of private enterprise to bring more of the product on stream. I agreed with that.

But I said in addition to producing more we have to use less, and there is only one way we are going to do that and that is to conserve. Everyone said that decontrol, which I voted for, will raise the price and make people conserve.

That is fine, except for those who cannot afford the price of this basic necessity of life. So it was agreed at that time that whereas we take care of the supply side we would also take very special care of those who would be hurt by that decision. That was the genesis, if you will, of low-income energy assistance. It was not a giveaway program. It was meant to compensate for another policy that was agreed upon by this body. They are saying that now that we have decontrol and the capital is in the hands of private enterprise, now let us forget about that whole disadvantaged segment of our society.

This is the substance that has not been debated on this floor. This is the substance that was never a matter of consideration of the administration as they went through their budget. But this is what needs to be talked about.

This proposal of my distinguished colleague from Rhode Island is modest indeed. It recognizes the economic difficulties that the Nation is in and which were also pointed out by our distinguished colleague from Massachusetts.

The PRESIDING OFFICER. The 10 minutes have expired.

Mr. WEICKER. I request 3 additional minutes.

The PRESIDING OFFICER. Who yields 3 additional minutes to the Senator from Connecticut?

Mr. DOMENICI. I yield 3 additional minutes.

Mr. WEICKER. I thank my distinguished colleague from New Mexico.

As was pointed, about 94 percent of the President's request has been granted. Is everyone afraid to move as far as the remaining 6 percent is concerned? Everyone talks about a mandate. I know about the mandate of the election of 1980. I will tell you what the mandate was. It was very simple and narrow. It was a rejection of an incumbent President who was perceived as being incompetent. That is No. 1. And, No. 2, the blue collar workers in this country, most of whom are Democrats, either were out of work and wanted to get back into the work force or wanted to have their paycheck mean something, so it was narrow in an economic sense. We did not go ahead, the Nation did not go ahead and vote against education. We did not vote against the cities. We did not vote against the poor, and we did not vote against those that are ill.

There was no rejection of the social conscience that is this country, and my friends on this side of the aisle make a big mistake if they misinterpret those election results because, believe me, we will be a majority for a very few days indeed.

I hope that everyone is through clicking their heels and obeying orders from on high, that we all start to function as U.S. Senators and understand what it is that our constituencies look for.

Understand, for example, that if an economics argument is made on this floor on the basis of inflation and the economy, we will stand up and say, all right, defense spending is the most inflationary of all.

No one is seeking to cut back on defense. What we are saying is apply the same criteria to defense as we have in every other program of Government which has gone under the microscope.

Do not just take your cues from someone's campaign or philosophical slogans.

Indeed what is at fate here is not a political party but human lives. If we can cut back in some of these areas, and education stands out in my mind, decisions made for 1 year or 2 will have their impact 10 years, 12 years, and 15 years from now. Then we will not be able to catch up.

So I hope that we join on both sides of the aisle in passing this amendment and restoring the Senate as an equal partner in the decisionmaking process rather than continuing to go by the Teutonic philosophy that orders are orders. The mind is what is important, not the ability to raise one's hand in agreement.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

The Senator from New Mexico.

Mr. RIEGLE. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield sufficient time on the resolution to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, I have great regard for my colleague from Connecticut, but I was wondering why he was looking at this side of the aisle when he was talking about the short-sighted reduction. Many of us on this side have tried in the Budget Committee to do something about the problems that he spoke about. Many of us share his sentiments and his concern. I know there may be some things about this side of the aisle that do not look completely attractive, but I will help the Senator move his desk over here because we would like to have him on this side. He is sitting right on the aisle there. He is not that far away. It will not be a long move.

He has raised some important points.

Mr. President, I rise as a cosponsor of the amendment, although I feel the amendment does not go far enough to correct or correct the severe regional inequities that are imbedded in the budget resolution before us. I am sure that some of my colleagues on that side of the aisle know that the amendment does not go far enough. The Senator from Rhode Island (Mr. CHAFEE) and the Senator from Pennsylvania (Mr. SPECTER) and others have just spoken with feeling and perceptiveness about the defects of the budget document as it is presently before us. It would do damage to some areas of the country and to some groups of people, while other areas and other groups would not be asked to bear their share of sacrifice. Senator CHAFEE's amendment will help correct some of those defects. It certainly by no means solves all those problems.

I do not know why the Budget Committee on the basis of very little discussion or analysis recommended cuts that went even below those recommended by the President.

This amendment would still leave the Senate's budget resolution harsher than the administration's recommendations.

Mr. President, I support reductions in Government spending at about the level recommended by the President. I have serious objection, however, when I consider the details of how the administration recommends that we make these cuts. It is clear that many of these recommendations are based on very sketchy and glib analysis.

Mr. RIEGLE. Mr. President, I know that my colleague from Rhode Island (Mr. CHAFEE) and my colleague from Pennsylvania (Mr. SPECTER) have both played important roles in the Northeast-Midwest coalition. I am privileged to serve with the Senator from Rhode Island as a cochairman of the Northeast-Midwest coalition.

They will both understand the devastating significance of the fact that the administration's package of budget cuts was put together without any analysis whatsoever of its probable impact on different regions of the country.

The Budget Director, Mr. Stockman, was asked for his analysis of how different regions would be affected by what he is proposing. He was frank to say that no regional consideration or plan went into this document. He admitted that OMB and the White House made all of these sweeping recommendations without ever considering how they would hit different regions of the country, different States with different problems.

In the Budget Committee we asked Mr. Stockman if OMB would do a careful regional analysis after the fact. He promised that he would or that Senators could take those issues into consideration when the Senate developed its budget. We are still waiting for that analysis. We have not gotten it yet.

I would not be surprised if we never get a solid analysis from OMB on this issue. The reason why that is unlikely is that OMB's priorities in this budget, as it now stands, do great damage to the Northeast and the Midwest.

These are areas of the country that historically have been massive net losers in the Federal flow of funds. Year after year, Federal taxes have drawn more funds from Northeastern States and Midwestern States than Federal spend-

ing programs have returned. Other regions have been net winners for decades. For instance, from 1975 through 1979, the Northeast and Midwest lost $165 billion through Federal budget policies. The South and West gained $112 billion during that same period. My own State of Michigan has been losing over $7 billion each year.

Some States in our region get back only 66 cents for every dollar that they contribute to Washington, there are other States around the country that get back $1.45.

Our area of the country has been financing its own underdevelopment through this very negative flow of funds. This budget makes that imbalance even worse because the proposed budget cuts will fall heaviest on those programs that are important in the Northeastern and the Midwestern part of the United States.

This amendment before us makes a modest step in the direction of trying to restore some regional equity in this budget.

If we look at the tax side of the administration's proposals, which are not included in the resolution here today, we will find even more imbalance. The administration's ideas about stimulating investment do not address the problems of the Nation's industrial base. The administration's package does not include refundability of the investment to a credit or an extension in the period for a tax-loss carryback. Many of the industries that are concentrated in the Northeast and the Midwest are badly hit by the need to make enormous investments to maintain America's comprehensiveness in the world. Under the administration's tax proposals, these industries will not be able to take full advantage of the tax incentives. Many of our basic industries and companies are presently in a loss position.

We cannot resolve that problem here today, but it needs to be noted because it exacerbates the damage of the uneven set of cuts that is proposed in this budget.

So I support these modest restorations for the low-income energy assistance, for health services, for elementary and secondary education. All of these are vitally needed.

I also support funding for weatherization and mass transit operational subsidies. All of these are important priorities within the budget. I hope we can have a successful vote from both sides of the aisle.

The UDAG program has demonstrated solid results all across the United States in over 1,000 different projects. It has stimulated over $6 of private investment for every single Federal dollar invested, or a total of $12 billion in private investment. It has created and retained 470,000 permanent jobs at a one-time cost of $6,600 per job. That is a very cost-effective record. It has created those jobs in the most needy places in the United States. This program alone has produced over $320 million in annual local tax revenues, or 17 cents of local tax revenue for each UDAG dollar that has been spent.

Mr. President, the administration wants to launch a new policy of turning responsibility back to local governments. It makes no sense to suddenly throw the plans of those governments into turmoil.

Many communities in my own State are stretched financially to the breaking point. They desperately need their community development grant share to meet basic community services. Most will be hard pressed to make a gradual adjustment to lower funding levels. But it is certain that many communities would suffer a severe fiscal blow from a sudden reduction this late in the year.

Under the administration's proposed CD block grant funds would be diverted to carry out activities that are now financed by the weatherization self-help program, the 701 planning grant program, and the section 312 rehabilitation loan program. CD block grants would have to be stretched to cover cuts in those programs of $160 million in fiscal 1981 and $380 million in fiscal 1982.

Therefore, rescinding the CD block grant amounts at this stage of the year simply is not practical, it is not responsible.

That means that the cuts would fall squarely on the UDAG program. Today, the unobligated balances for UDAG stand at $318 million. But rescinding fiscal 1981 funds for UDAG would seriously damage local efforts to create new jobs in economically distressed areas across this country.

Over 450 UDAG applications involving about a billion dollars in requested funding is now pending. Private firms, private lenders, and local communities have invested time and money in bringing these projects to an advanced stage of development. They have in good faith relied on the availability of funds that have already been appropriated. Announcements for the next round of grants, involving about $100 million in projects for large cities is scheduled for tomorrow, April 1—that is only hours from now. The April round of awards for small cities, will be announced only a few weeks from now.

The Budget Committee's proposal would kill a large number of development projects that are ready to go and would produce private sector jobs in distressed areas.

UDAG has demonstrated solid results in over 1,000 projects. It has stimulated over $6 of private investment for every Federal dollar or a total of $12 billion of private investment in recent years. It has created or retained 470,000 permanent jobs at a one-time cost of $6,660 per job. It has produced over $320 million in annual local tax revenues or 17 cents in local tax revenue for each UDAG dollar.

UDAG helps locate new industry in areas where there is much poverty, high unemployment, and weak financial conditions. It creates jobs that reduces unemployment and welfare costs. It makes fuller use of existing roads, water and sewer systems, and other underused infrastructure.

The UDAG program has proven that the Federal Government can act in a timely and sensitive way to reinforce private sector initiatives that strengthen local economies. UDAG gives communities and private firms great leeway in initiating projects that make sense at the local level. A small, highly professional staff helps refine ideas and acts promptly to facilitate private development.

UDAG has received widespread praise from informed analysts.

The House Appropriations investigations staff said UDAG is successful.

A special advisory panel of the Urban Land Institute, comprised of noted private businessmen concluded that UDAG creates new private investment, jobs, and taxes, the private investment would not occur without public aid, and

UDAG is working well.

Dr. James Howell—senior vice president of the first National Bank of Boston, a respected economist and a Republican—testified before the Senate Budget Committee that:

> Over the years, I have come to realize how vitally important grant programs can be to the stimulation of private sector capital formation in cities where the cost of doing business is out of line with other areas and where there is widespread social hardship and poverty.

The Council for Northeast Economic Action studied 11 old New England cities and found that government funds were needed to leverage private investment in 53 percent of all private sector deals—and only three Federal programs accounted for 90 percent of those cases. Those three programs are: industrial revenue bonds; SBA loans; and UDAG.

Local officials and private businessmen who have been involved with UDAG clearly judge it to be a valuable program.

I ask unanimous consent to have letters regarding UDAG printed at this point in the RECORD.

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

CITY OF DETROIT EXECUTIVE OFFICE,
February 17, 1981.

To: Don Campbell.
From: Dorothy Brodie.
Senator DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I would like to share with you my concern over the current discussions concerning cutting the federal budget through the elimination of the Urban Development Action Grant (UDAG) program and the elimination of or substantial underfunding of programs of the Economic Development Administration. The availability of these programs has been critical in our efforts to revitalize our City and in fact, were it not for these programs, many projects now underway throughout Detroit could not have been successfully undertaken.

The UDAG program, as you know, leverages and stimulates needed private development in distressed urban areas. In cities like Detroit, it has served as a means of reducing the cost penalty that exists to businesses that choose to develop in built-up cities vs. cleared suburban land. Costs such as those associated with the demolition of existing structures, the rehabilitation of buildings, or the relocation of utility lines are but a few examples.

Detroit has most recently used the UDAG program to fund the Central Industrial Park project. This project, better known as the

General Motors Plant Project, is the most important undertaking within the City in recent history. The plant, to be completed before the 1984 model run, will directly employ over 6,000 workers and result in an additional 25,000 workers being employed in related industries thus relieving the human suffering caused by our 16+ percent unemployment rate.

The plant will also serve as the nucleus of a revitalized industrial area both in the cities of Detroit and Hamtramck. The new private investment represented by this project will provide a significant increase in tax base to the City from property, income and business taxes.

The public costs associated with this effort are approximately $180 million. This will provide 465 acres of cleared land to GM within the cities of Detroit and Hamtramck at private costs comparable to those encountered in a "greenfield" suburban site. Without the $30 million of UDAG funds, the public work would have been jeopardized, more likely causing GM to relocate its current Detroit assembly out of our City.

The second project important to the City that would not have been undertaken but for the UDAG funds, is the Washington Boulevard "Trolley Plaza". This residential project is the first effort by the City and the private sector to provide market-rate housing directly in the Central Business District. The 350-unit apartment, now under construction, is serving as the focus for the general revitalization and redevelopment of Washington Boulevard as a major residential and retail area. Shortly after the UDAG funding was provided for the project, an additional 600 residential units were committed to the area and the feasibility of converting the abandoned Heritage Hotel to residential use generated proposals from interested developers. In addition to serving as a catalyst for downtown housing, the project is important for providing the market to the proposed Cadillac Center Shopping Mall.

Finally, the UDAG program has enabled the City to revitalize the Oakman Mall, one of the City's oldest neighborhood shopping centers. Oakman Mall, serving a stable residential area, has been subject to the same market and demographic trends that have resulted in the abandonment by businesses of many commercial areas within the City. Oakman Mall suffered particularly when Sears Roebuck closed their store a number of years ago. The Mall is now being redeveloped with Sears and other tenants occupying renovated retail space. The neighborhood is now looking forward to being served by a fully redeveloped shopping area.

In the three projects where UDAG funds have been critical to funding and particularly to leveraging private funds, EDA funds have also, no less importantly, been involved. EDA's programs are expected to fund much of the demolition and site improvement work necessary to the construction of the Central Industrial Park project. The City has made a pre-application to fund those work items. In addition, the Washington Boulevard Plaza where the Trolley Plaza is being constructed, was constructed as an attractive public activity space providing a residential atmosphere with EDA funds. Finally, Oakman Mall public right-of-way improvements including new lighting and pedestrian ways were again funded by EDA. There are many other examples in the City where EDA funds and UDAG funds have been jointly used to fund public and private portions of projects.

In addition, the City of Detroit, like many other cities across the country, has benefitted from the variety of EDA programs such as direct loans, loan guarantees, public works grants and technical assistance. Without this federal agency's assistance, many economic development activities critical to the business vitality of Detroit would not have occurred.

Critical to Detroit is the recent Auto Community Adjustment Program which the Economic Development Administration has initiated. The current planning phase is to be followed by the award of implementation grants to assist us in the revitalization of our auto-dependent economy.

My support for the continuation of these programs is without reservation. The programs have become a vital part of this and other cities' revitalization efforts. Both UDAG and EDA's staffs understand the challenges and problems which confront urban areas today. I hope that their experience and fine programs continue to be available to assist cities like Detroit in building their futures as economically and socially vital centers to live and work.

Sincerely,

COLEMAN A. YOUNG,
Mayor.

CITY OF HAMTRAMCK, MICH.,
February 13, 1981.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senator, Dirksen Office Building, Washington, D.C.

DEAR SENATOR RIEGLE: The government of the City of Hamtramck and its citizens are thankful and appreciative as the recipient of a 30 million dollar Urban Development Action Grant from President Ronald Reagan's administration. We are hopeful that the additional grant of 5 million dollars will receive approval of the present administration.

This grant will aid our distressed city and alleviate the stress and depression of our citizens caused by the closing of the Dodge Main Plant of the Chrysler Corporation. It will culminate in the building of the new 500 million dollar facility by General Motors Corporation that will result in the preservation of at least 7,000 direct jobs and make their automobiles competitive with foreign imports. If our additional grant is approved, I can assure you of at least 25 million dollars of private investment and an additional 1,000 new jobs in our economy.

In my opinion this is the best federal program to assist industry as the recipient communities must prove and provide a 5 to 1 benefit ratio. If the program cannot be preserved in its present manner, some type of joint funding by local government and federal government should be adopted.

I am confident you will urge your colleagues to preserve this program, which provides a measure of encouragement to our young generation who are seeking employment in the private sector.

Respectfully yours,

ROBERT KOZAREN, *Mayor.*

CITY OF SAGINAW, MICH.
February 16, 1981.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senator, Dirksen Office Building, Washington, D.C.

DEAR SENATOR RIEGLE: The current debate concerning proposed domestic spending cuts, particularly at such cuts might affect the Urban Development Action Grant (UDAG) program, is of supreme concern to the City of Saginaw.

The City of Saginaw, hardhit by the continuing downspiral in the automobile industry with its resultant negative effects upon the local, state and regional economy, stands as a viable example of the positive aspects of the UDAG program, both in what the program has allowed us to accomplish in the past and the potential it holds for our future.

A UDAG loan in the amount of $1.5 million was awarded the City of Saginaw in 1978, that being the amount needed to bridge the financial gap between an economically doable project and one that had remained, with all attendant frustrations, in the planning stage for some eleven years.

Most importantly, HUD's approval of the loan said that the federal government was satisfied that the total $5 million project was sound and manageable and would, indeed, generate additional private investment in the central city, in the instance of the City of Saginaw, a total of approximately $41 million.

I am most pleased to point out that the long-awaited reality of the hotel further resulted in an infusion of positive thinking in regard to our central city which has today transferred into an investment and development climate responsible for a projected total of $130 million worth of new construction and redevelopment.

Additionally, the reality of the hotel was the primary ingredient in the forging of an effective, working relationship, partnership if you will, between the private and public sectors in the City of Saginaw.

That partnership is credited as an influencing factor in our city being able to secure the interest of a Toronto, Canada, based development firm, Aslea, Inc., which today has plans for construction of a major mixed-use project within our central city consisting of new retail, office towers, and public space and with an estimated cost of $61 million.

It is interesting to note that the development, which will have significant and positive economic and social impact upon not only the City of Saginaw but the entire Tri-City area (Saginaw, Midland and Bay City, Michigan), includes plans for a 200-unit hotel as a part of Phase Two activity.

The project, called Saginaw Center and Creations, as perceived will result in some 1,600 new and permanent jobs within our community, as well as create approximately 600 construction related jobs over a ten-year time period.

The earlier hotel project resulted in the creation of 200 new permanent positions and another 100 positions during the construction phase.

It is crucial that I point out that the financial packaging of the project to date centers on the availability of an Urban Development Action Grant in the amount of approximately $5 million, to be leveraged against a projected private investment of some $41 million, for Phase One construction.

The availability of such federal assistance has been a major factor in the City of Saginaw being able to secure the interest and initial planning investment (in the area of some $70,000 for market feasibility studies and architectural concepts) of a firm as strongly qualified as Aslea, Inc., which ranks as one of North America's largest and most successful development firms.

Aside from the potential positive impacts upon the community in the way of more jobs, economic diversification and increased tax base, the hotel project and now Saginaw Center and Commons has been a great boost for all downtown businesses and has created a renewed interest in city investment and development generally.

Put another way, the progress we have made to date could not have been possible without the UDAG program, or the use of public funds to stimulate private investment.

The private-public partnership we have forged to unite the community with a single purpose of economic growth and stability would not have evolved to the point it is today.

To quote from a recent editorial in the Saginaw News:

"Cities such as Saginaw, hoping to energize urban redevelopment, cannot do it by wishing it. The job requires imagination, innovative ideas, energy, support from those with ability to invest, and a lot of cooperation between government and the private sector.

"We've finally seen these elements come together for a new downtown hotel after years of disappointment. It's more than just

a new building. It's a tangible sign of better things to come."

Sincerely,

——— ———, *Mayor.*

CITY OF LANSING, MICH.,
February 9, 1981.

To: Don Campbell.
From: Lansing.
Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: Over the years, there have been some strange programs concocted in Washington, D.C. However, there have been some excellent ones, and these have far surpassed the oddities.

One of the excellent ones is the economic assistance provided by the Economic Development Administration of the U.S. Department of Commerce. Actual positions of employment can be created, or retained, not "make believe" jobs. Not only has the Economic Development Administration assisted us in retaining 1,600 real jobs in one industrial project alone, but the assistance is leading to one of the largest expansions by private industry in the history of the City of Lansing. Officially, the expansion will be announced within two weeks. Imagine, if you will, the tremendous and positive effect such will have on the lives of people, and on the economy of this Capitol City of Michigan!!

Another excellent program is the Urban Development Action Grant Program, first researched by the Ford Administration and implemented by the Carter Administration. U.D.A.G. provides a highly meaningful tool for cities to improve and to create real jobs, through the formula of merging private dollars with public funds.

The City of Lansing has received approval of two U.D.A.G.'s, one for the Number One Block of the Central Business District, which is generating $50 million in new investment, the second for a badly needed, and major housing project just south of the State Capitol Complex.

As a result, the City will greatly benefit in a number of ways:

A new tax base is being created;

Approximately 1,300 real jobs will result from the development of the Number One Block, providing self-sufficiency and dignity for a lot of people;

A whole new interest is developing in our Central Business District and private development is already underway.

Sir, if cities are to survive, the aforementioned are outstanding routes—I commend them to you.

Respectfully,

GERALD W. GRAVES,
Mayor.

DETROIT, INC.,
Detroit, Mich., February 18, 1981.

DEAR SENATOR RIEGLE: We want to strongly endorse the continuation of the UDAG funds in the federal budget. The monies have been essential to the revitalization of Detroit and have been a cornerstone for economic redevelopment, neighborhood stabilization and retaining jobs in our city. Among those projects have been the retention and reconstruction of neighborhood shopping malls and industrial centers. The UDAG program has been among the most effective of all federal programs which have been designed to stimulate a partnership between the private and public sectors in rejuvenating our older cities. $75 million in UDAG grants have generated nearly $300 million in economic activity in our city, and is responsible for the creation and retention of thousands of jobs here in Detroit.

We commend your efforts to retain these vital funds and strongly urge your colleagues and the Senate Budget Committee to support this program.

Sincerely,

WALTER E. DOUGLASS,
Chairman.
JOHN J. RICCARDO,
President.
LINDA KATO.

KEMP, KLEIN, ENDELMAN & BEER,
February 18, 1981.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.
Attention: Don Campbell.

DEAR SENATOR RIEGLE: I am writing you in reference to the Reagan Administration proposal to substantially diminish or abolish the Urban Development Action Grant Program. This program is a categorical grant approach to the serious problems which confront cities today regarding the revitalization of deteriorating downtown central business districts. It is our firm belief that a return to the old "Block Grant" formula as was implemented by previous Administrations would seriously impair the efforts of cities in attempting to arrest this deterioration.

Essentially, the good things that can be said about UDAG far outweight its faults. First of all, the UDAG concept has resulted in a minimum of red tape and a maximum "turnaround time" between the point at which initial discussions with the applicant take place and the point at which the monies are disbursed. Another asset of this program is the fact that a specific amount of that money has been targeted for distressed cities, unlike the effect of the Block Grant Programs of the mid-70's which was to provide significant assistance to wealthier communities and areas which were not distressed. Another benefit which has arisen under the UDAG program is the availability of consulting services for local governments in determining how best to apply the UDAG money in planning and implementing downtown revitalization projects. Finally, the UDAG concept has been highly successful in leveraging the private commitment of investment capital in our most distressed urban areas. This is evidenced by our ongoing "Pontiac Plan".

The most important accomplishment of the UDAG Program from our perspective has been its effect in insulating Mayors from pressure exerted by local community groups. Under the old Block Grant formula, monies disbursed to a locality, became the target of scores of local community groups which insisted upon directing the funds to "pet" activities, such as housing, weatherization, and others. Under the UDAG formula, the monies are earmarked for specific projects. The success of this kind of approach is, again, dramatically demonstrated in the "Pontiac Plan" which is now being constructed in downtown Pontiac with UDAG participation, and which has leveraged private development and created new entry-level jobs.

At this point, I wish to return to a discussion of the adverse effects of the previous Block Grant approach utilized by prior administrations. First of all, monies which were disbursed to localities were not distributed according to a specific pre-selected formula. As discussed above, this fact caused considerable turmoil at the local level as various special interest and community groups vied for control of the funds. Consequently, during the mid-70's Block Grant funding came to be recognized by community groups in Pontiac as a source of housing assistance. This greatly diminished the percentage of the Block Grant funding which could have been devoted to economic redevelopment. In addition, much of the Block Grant assistance was distributed to non-distressed localities—such as Orlando, Florida; Phoenix, Arizona; and Houston, Texas. The UDAG legislation alleviated this problem by earmarking a certain percentage of UDAG funds for distressed cities.

Another drawback of the old Block Grant formula was the fact that it denied funding for several developments in the City of Pontiac which are now eligible for funding under UDAG. Specifically, these projects which were not allowed funding under Block Grant formulas included auditoriums, convention centers, museums, and concert halls. As you may know, an important element in the success of the Pontiac Plan includes the eventual construction of a museum, auditorium, and a hotel-convention center on that site. Consequently, any return to the Block Grant approach to urban assistance would have to take into consideration this additional drawback of the old policy.

In the event that Mr. Reagan's Block Grant formula is accepted by the United States Congress, significant changes would have to take place in order to make it more successful than the program which was implemented in the mid-70's. One recommendation which we would make in this regard is to earmark a stated percentage of Block Grant money (for example, twenty-five percent) for distribution to the State—which could then turn around and distribute that money to localities according to UDAG-type formulas. Another recommendation would be to establish more specific formulas which Washington would apply in providing the funds directly to localities. In other words, a formula for Pontiac would emphasize the channeling of Block Grant money to downtown redevelopment based upon a study of the city's needs made in consultation with City leaders. This would, hopefully, reduce the amount of confusion at the local level which in the past has been brought on by special interests vying for Block Grant funding on behalf of favored projects.

Obviously, my position is clearly in favor of retaining the UDAG method of urban assistance. It employs concrete formulas which can be utilized to direct funding to specific and needed urban redevelopment projects. It provides an insulating layer of federal decision making which serves to reduce the amount of local level struggle between special interest groups for funding which may not directly or effectively address the more immediate problems of a community. In addition, UDAG has been extremely successful in reducing the delays and confusion in decision making both in Washington and at the regional level regarding the eligibility of applicants for UDAG assistance and the provision of that assistance.

In conclusion, as Mayor for the City of Pontiac—and as an individual who has had extensive experience in the implementation of federal urban assistance policies during the past decade—it is my strong recommendation that every effort be made at the national level to preserve the UDAG program. This program has proved to be effective, efficient, and totally relevant to attempts which have been made in the past twenty years to restore our deteriorating urban centers. The Block Grant approach as it was conceived and implemented had several drawbacks—all of which served to weaken the effectiveness and efficiency of such progress as they were applied to distressed urban centers. In the final analysis, it has been established to my complete satisfaction that the categorical approach—with strict formulas—is the most effective way to target federal assistance for the redevelopment of distressed cities without causing unnecessary and inefficient delay. The Block Grant program proved to be a cruel hoax in meeting the problems and satisfying the needs of disadvantaged and low income

Americans. The UDAG approach, on the other hand, has resulted in drastic progress toward putting people back to work, diversifying the industrial base of distressed localities, and, perhaps more importantly, giving people hope. We feel that the strongest endorsement of this program is now being constructed in downtown Pontiac: The number one distressed City in the nation.

Sincerely yours,

On behalf of the Pontiac City Commission and Citizens of Pontiac.

WALLACE E. HOLLAND,
Mayor.

PEOPLES NATIONAL BANK & TRUST CO.,
Bay City, Mich., February 16, 1981.

U.S. Senator DONALD RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I am writing to express support for the continuation of the Urban Development Action Grant program in Bay City, Michigan.

Our involvement with U.D.A.G. supported activity is the Wenonah Park Plaza project here in Bay City.

This project is crucial to the revitalization of downtown Bay City. Without the parking provided by the Action Grant, this project's feasibility would be in grave doubt. With the grant, Bay City's downtown is looking forward to a tremendous boost.

Peoples Nation Bank is one of several local businesses which are limited partners in the Bay City Development Partnership, lead development entity for Wenonah Park Plaza. We have also committed to act as lead bank in $4.5 million of construction financing for the residential condominium component of the project.

Total private investment in Wenonah Park Plaza will be $40 million. The Action Grant is $8.2 million. Bay City voters have authorized up to $10 million in general obligation tax increment bonds to support the project and other downtown improvements.

This is an excellent example of the positive results that can be produced by a timely injection of federal funds in an economically distressed community. Millions of dollars of private capital are being sought for our downtown area. Public and private sectors are cooperating for the maximum mutual benefit.

I believe that this is an endeavor worthy of continuing.

Thank you for your efforts in this regard.

Very truly yours

CLIFFORD C. VAN DYKE,
Chairman and President.

FLINT AREA CONFERENCE, INC.,
February 17, 1981.

Sen. DONALD W. RIEGLE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: As you may know I serve on the Board of Directors of the International Downtown Executives Association, an organization which represents more than 300 downtown organizations whose boards are comprised of the leading industrial, business and financial interests in their respective cities. On January 29 and 30 that Board met in Washington to discuss urban policy issues and the Reagan administration. An immediate consensus formed: The fundamental issue was continuance of an Urban Development Action Grant program. Whether Dallas, Philadelphia, Manhattan, Detroit, Syracuse, Atlanta, Denver or Springfield, Illinois, the number one issue was maintenance of a categorical program providing an opportunity for private sector participation in the revitalization of our cities. By any name, a program such as the Urban Development Action Grant is necessary to protect existing investment and promote reinvestment by the private sector in our central cities. That message was delivered in a luncheon meeting with Craig Fuller, Secretary to the Cabinet.

The Urban Development Action Grant program has acted as a catalyst for reinvestment in Flint creating jobs and diversification for a very distressed local economy. While news media from across the country concentrated on the plight of our city—the highest unemployment in our nation—we were about rebuilding. That would not have happened without the stimulation of a UDAG-type program. Two major grants totaling $15 million have leveraged over $80 million in new private investment in Flint. It is a simple truth that without his program, neither project would be underway.

The Urban Development Action Grant program in Flint has been efficient, effective and productive.

There is little argument with a desire to cut the federal budget across the board. It is reasonable to expect that federal aid to cities must be reduced as well as federal aid to agriculture; but eliminating or emasculating the most effective and efficient program of a department seems neither wise nor fulfilling of purpose.

You may expect our fullest support for any efforts you may initiate which are directed toward retention of the essence of an Urban Development Action Grant program.

Sincerely,

JAMES S. SHEAFFER,
President.

CITY OF FLINT, MICH.,
February 19, 1981.

Senator DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: The purpose of this communication is to request your support of the Urban Development Action Grant Program which, as you know, is currently under the threat of elimination as part of the Federal budget cuts being proposed by the Reagan Administration.

The Urban Development Action Grant Program has had a tremendous impact on the City of Flint. The $16 million the City of Flint has received in Action Grant funds has generated six private dollars for every Action Grant dollar received. The four projects currently being funded by the Action Grant program will generate over 1,400 new jobs. The annual increase in the City's tax base is approximately $2 million a year.

The spin-off benefits to neighborhoods as a result of the Action Grant program are substantial. Approximately $1.5 million annually will be available through the recapture of Action Grant funds for neighborhood revitalization.

Without the Action Grant program, $142 million (total cost of all four Action Grant projects) would not have been committed for investment within the City of Flint. The Action Grant program has provided the necessary impetus to move critically-needed projects from the planning stage into successful implementation.

The Action Grant program has lived up to its promise. The program has provided the incentive necessary to attract private investment to distressed cities such as Flint. The program is restoring the vitality of the City of Flint by creating jobs, by increasing the tax base, and by making this City more livable and economically viable. However, there is still much more work to be done. As a part of Flint's overall economic development strategy, a number of exciting, dynamic projects are planned. These projects need the investment incentives provided by the Action Grant program if they are to be realized.

I know you will join me in support of the Action Grant program by strongly voicing your support, on behalf of Flint and other Michigan cities in the U.S. Senate. Thank you.

Sincerely,

JAMES W. RUTHERFORD,
Mayor.

THE FRIENDLY CITY,
Hazel Park, Mich., February 17, 1981.

Senator DONALD W. RIEGLE,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: As you may know, the City of Hazel Park received approval for a UDAG project in December, 1978. During this period the cost of borrowing began to skyrocket which created a situation whereby our project became economically infeasible. As a result, we were notified by HUD in September, 1980 that our project was being terminated. The termination letter provided that we could reapply at a later date. Since that time, we have been in touch with the proposed developer of the project who is most anxious to proceed as soon as the cost of borrowing declines.

This project based on our projections would have a significant impact on the City of Hazel Park. We are a City of some 20,000 people within an area of 2.8 sq. miles. The City is nearly 95% built up with no potential of expansion. The homeowners of the City carry 70% of the tax burden. This project is anticipated to increase our industrial tax base by some $7,500,000 resulting in approximately $525,000 in additional taxes, equally important 105 new jobs would be created. As you can see this project will have a significant impact on our City.

I trust this information is of some benefit to you in your effort to assure that this worthwhile program is continued.

Sincerely,

STEPHEN ZERVAS,
Mayor of City of Hazel Park.

I think it is essential that we address the national priorities on a bipartisan basis. We must cooperate to correct some of the proposed inequities. I congratulate the sponsors on the other side.

The bipartisan cosponsorship of this amendment is important. Limited though the amendment is, it moves in the right direction.

Mr. CHAFEE. Mr. President, I ask for 1 minute on the bill. I have 2 minutes, is that correct. 2 minutes left?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. The Senator has been given all this time and he still has some of it left?

Mr. CHAFEE. I had to conserve it carefully. I have to use it now. Make it 2 minutes on the bill and 2 I have left.

Mr. President, it seems to me the essential question is this: Are the President's individual budget assumptions sacred? Can we not budge from them at all, or is that it? It comes down from on high?

Well, the Budget Committee did not think so. The Budget Committee took the President's proposal, and what did it do with it? It added $1 billion for the Human Resources Committee. That did not bother the Budget Committee. They went above the President.

Then they cut $3 billion from the strategic petroleum reserve. They thought that was all right to make a $3 billion cut to vary from the President's proposal.

Then they cut $300 million from UDAG. That is all right, go against the President. Then they added $300 million to the Export-Import Bank. That is all right, too.

So it seems to me we start with the fact that it is all right to vary from the President's budget. Who said that? The primary architect of that budget himself, Mr. Stockman. Mr. Stockman wants to

come in equal or below the President's figures. We are equal or below the President's figures if this amendment is approved. We will be $1.4 billion below the President's figures if this amendment is approved now.

What about the Budget Committee? Are they sacred? Can no changes be made? Well, we had an amendment offered here to add $1.5 billion by the assistant majority leader. That did not happen to pass, but there were no problems in offering it.

The Budget Committee itself, we had a vote, cut $300 million from foreign aid, added $300 million to the school lunch, and that went flying through, no difficulties.

So I think we have to agree there is nothing sacred about what the Budget Committee has done. We can make variations here.

This proposal, Mr. President, is no wild-eyed scheme. These are very modest proposals. These do something for areas that have been hard hit, and we come out below the President. We come out with reductions from the plan.

For instance, it has been mentioned about elementary and secondary education, that there will not be any incentive to go to block grants.

Well, let us look at the figures. After this amendment is approved, if indeed it is approved, we come out 11.4 percent below the program. Not exactly where the President was. He was at 19.5, but we are 11.5, that amount of cut. That is not too bad. That goes up to a 19.5-percent cut in 1983.

So these are very, very substantial reductions, Mr. President.

In UDAG we just do what the President asked. What could be better than that?

Look at the other proposals. On housing weatherization, a very modest add-on, and we had eloquent testimony, a speech here from the senior Senator from Connecticut, that when we went to decontrol we took into account the fact that some changes had to be made to take care of those who were hit by decontrol. So we have added in low-income energy assistance as well. That seems to me to be a very wise move. We do not come to what would have been in the normal plan, but we come up some.

So it is with health services.

Mass transit is a modest increase, $25 million for 1982, with a little more in 1983.

So, Mr. President, I hope the Senate will approve this amendment and that it will go through with support from both sides. Let me once again remind my colleagues that it brings us below the President's budget, and that is the goal we are trying to achieve on the floor today.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield time to the Senator from Utah.

Mr. HATCH. Mr. President, I do not want to take more than 30 seconds. I would just remind the Senate that we fought this battle in committee, especially on elementary and secondary education programs, on help for the handicapped, and on youth employment and training and it was a very hotly contested matter in the committee. As I recall, much to the chagrin of the administration, we added $998 million. We felt the add-backs in these three programs were essential.

We fought that hotly contested battle and there was a 10-to-12 vote. Essentially what we are talking about here today is whether we can get through this process and support in essence the President's program. I suggest that the Budget Committee and the Labor Committee have worked hard to do as much as they can do on this matter.

● Mr. LEVIN. Mr. President, I support the amendment offered by the Senator from Rhode Island. It is a modest amendment that restores some equity to the instructions recommended by the Senate Budget Committee.

One small but extremely important program necessary for the survival and, potentially, revitalization of our metropolitan areas, is urban development action grants (UDAG). The program is vital not just to my home State of Michigan but to virtually every State in our Nation. The program has been in existence for just 3 years. The program has provided funds for 1,008 projects from Andalusia, Ala., to Whitehall, Wis.

If the Senate proceeds with budget reductions exactly as proposed by the Budget Committee, the net effect will be a proposal to rescind $300 million from the urban development action grant program. The $300 million approximates the total remaining balance of funding for fiscal year 1981; hence, no additional funding could be provided for economic development projects in distressed cities and urban counties during this fiscal year, including the awards to metropolitan cities scheduled for early April announcement.

Unlike other Federal grant programs, action grants are designed to stimulate private businesses to invest in distressed cities and pockets of poverty—cities and areas most in need of assistance and least likely to be able to benefit from economic recovery without this added incentive. No proposal is approved unless there is firm evidence that private investments will result, and an average of $6 of private money has been leveraged for each $1 of UDAG funding provided.

If $300 million is rescinded, the following will be the impact on distressed cities:

One hundred and fifty-eight economic development projects will not be able to be funded during 1981.

A loss of $1.8 billion of private investment in these cities.

A total of 45,500 new permanent jobs will not be created in these cities. UDAG creates new jobs at a cost of $6,600 per job.

The cities will forego $5.1 million of increased annual local taxes. UDAG creates 17 cents of annual tax revenue for each dollar provided.

The above numbers do not consider the so-called spinoff investment, jobs, and taxes normally associated with UDAG projects; nor the construction jobs provided or jobs retained in the cities.

Such a rescission would not reduce Federal outlays during fiscal year 1981, and there would be a minimal saving during fiscal year 1982. This is because action grant projects are structured with the maximum protection for Federal dollars—UDAG funds go into an economic development project only after private funds are spent, or only on a ratio with private expenditures.

You may have seen an editorial that appeared in the Wall Street Journal on Wednesday, March 25, 1981. The editorial entitled "Throw Away the Crutch" conveniently ignored the contractual benefits to be gained by our urban communities. The article also states the use of the UDAG program as one to "carry political favor." The cited example was an announcement in Detroit "just prior to the November elections."

It has long been a practice for the Secretary of HUD to release preliminary approval announcements within 2 weeks after every quarterly review. Such has been the case in Detroit. A review of the record is clear:

In 1978, the first year of UDAG, the September round was announced on October 5, 1978.

In 1979 the September round was announced on October 19, 1979.

In 1980 the September round was announced on October 9, 1980.

As you can see a grave error has been made by inferring that these announcements were "to curry political favor."

What is being proposed for the essential UDAG program and our Nation's urban areas is not throwing away a crutch—but rather amputating both legs.

When Congress first approved UDAG in 1977, it declared the program's mandate to be "the revitalization and conservation" of America's older cities. Whether through restoration in historic districts in such cities as New London, Savannah, Chicago, Wilmington, Pittsburgh, and Seattle, through adaptive use of old buildings in Evansville, Concord, Akron, Dayton, and Winooski, through renovation of an old office structure in Birmingham or an historic hotel in Richmond, or through new construction which fosters economic growth and revitalization in Lowell, Troy, San Antonio, and Grand Rapids, action grants have spurred revitalization while at the same time making a difference for the cause of urban conservation.

The Chafee amendment also restores funds for education programs. While the primary role for education remains with local and State government, the Federal Government has assumed a special function in helping to provide funds for those groups of students who are disadvantaged, who participate in vocational education programs, who are handicapped and who have other needs that have not or cannot be met by local or State school programs.

It is important that the Federal Government continue in this role—it has helped many of our young people to be trained in meaningful careers, to have an opportunity in life that they might

otherwise not have and to have a chance at an education that in times past, because of a disability, they might never receive.

We have a chance to allow more children in this country to reach his or her full potential, regardless of their background. It is a goal which Congress has endorsed on numerous occasions in the past and one which we ought not abandon.

Mr. President, the Chafee amendment also restores vital funds for preventive health care services. The administration has proposed, and the Budget Committee has accepted, a 25-percent cut in the fiscal year 1981 funding level for categorical preventive health care programs. When inflation is taken into account, this 25-percent reduction in funding will translate into significant reductions in the level of services provided to Americans for immunizations, protection against lead-based paint poisoning, and other important health programs. These services are designed to avoid the serious consequences of illnesses which can result in a much greater strain upon the taxpayer. Children who are affected by lead-based paint poisoning, for example, can cost the taxpayer thousands of dollars due to the long-term medical care consequences of mental retardation.

The administration has maintained that no reduction in services will result from the 25-percent cut in funding because consolidation of preventive health programs will reduce administrative costs. I am dubious about unproven allegations of percentage savings to result from decreased administrative and regulatory costs and I am concerned that the administration's block grant proposals may simply be a facade for making substantial cuts in important health programs.

The Chafee amendment also provides funds for the low-income energy assistance program.

If the budget is to protect the truly needy, no amendment is more likely to test that resolve than this one. Home heat is no frill, no benefit generously bestowed, but rather a necessity of life. If our citizens cannot pay their inflationary fuel bills, should they be evicted into the streets? Should utility companies cut off their heat and hope that no one freezes on cold nights? The only alternative we have is to fund low-income energy assistance.

Decontrol of oil prices has helped cause fuel prices to increase. To cut low-income energy assistance when the need for it has increased would be cruel indeed. Low-income assistance is needed more than ever before to help our poorer citizens survive.

Whatever one might think of the energy program of the administration, I hope that we can agree to protect those who are on the cutting edge on fuel cost increases.

Finally, Mr. President, the Reagan administration has proposed that mass transit operating assistance be phased out by fiscal year 1985. The amendment offered by Senator CHAFEE today will provide for a $50 million increase over the amount recommended by the Budget Committee in fiscal year 1982 and a $105 million increase over the amount recommended in fiscal year 1983 for operating assistance.

I support the Chafee amendment because I believe we need to provide greater funding during the transition period before withdrawing all Federal support for operating assistance. Whether or not Congress ultimately decides to remove the Federal Government from the partnership established with the States and localities in operating mass transit systems, we should continue adequate funding while State and local governments build new revenues to replace current Federal funds.●

LOW-INCOME ENERGY ASSISTANCE FUNDS SHOULD BE RESTORED

● Mr. BIDEN. Mr. President, I support the Chafee amendment to restore $400 million for low-income energy assistance.

Mr. President, the low-income energy assistance program was created to help senior citizens and other persons on fixed incomes pay their fuel bills which had increased rapidly as a result of oil decontrol and OPEC price increases. Many senior citizens were faced with fuel oil prices which had almost doubled from the previous winter.

Although we have had emergency assistance available for a number of years, the dramatic increases in home heating fuel costs have made a broad program of fuel assistance necessary to keep families from freezing to death. During the winter of 1979–80, $1.6 billion was made available for that purpose. This winter $1.85 billion has been available to help senior citizens and poor persons heat their homes.

I am deeply concerned about the impact of President Reagan's budget cuts on low-income households next winter. Not only has he cut funding for this program by 25 percent but he has accelerated the decontrol of domestic energy prices which will only drive up home heating fuel prices further.

The recent economic reports indicate that escalating fuel prices were a major cause of February's inflation increase. This trend will only continue as decontrol proceeds. The reduction of fuel aid combined with decontrol will hit this Nation's elderly with a double impact.

I would like to share with my colleagues some statistics indicating the characteristics of fuel aid recipients in Delaware. These statistics were collected by the State Office of Economic Opportunity as of February 27, 1981:

A total of 27,530 persons in 9,731 households have been served.

3,525 elderly households were served.

829 handicapped households were served.

5,300 households or over 50% had incomes below $6,000 a year.

7,400 households or approximately 75% were poor enough to be receiving some other form of public assistance such as SSI, Food Stamps, AFDC or General Assistance.

I think it is clear from these statistics that the majority of persons served under this program are truly needy. A significant reduction in the funding of this program means that many persons would not get served next winter. The consequences of such cuts will have severe effects on the health and well-being of our senior citizens. That is why I am cosponsoring this amendment and why I hope my colleagues will support restoring money to this program.

URBAN DEVELOPMENT ACTION GRANTS MUST BE SAVED

Mr. President, also I am pleased to see that Senator CHAFEE has sought to restore $300 million to the urban development action grant program.

In my opinion, the urban development action grant program is one of the most effective programs ever created by the Federal Government. Since its inception UDAG has funded over 1,000 public/private development projects with $1.9 billion. UDAG has generated an additional $12 billion in investment from the private sector. Much of this investment has come in distressed urban areas or declining neighborhoods.

Over 470,000 jobs are being created or retained by the projects funded. Of that total, 291,767 will be new permanent jobs. Approximately 27,000 new housing units will be constructed and over 29,000 units will be rehabilitated. UDAG projects have generated $324 million in additional local property tax revenues.

The UDAG program has been extremely successful in my home State of Delaware. A $2 million UDAG grant to the city of Wilmington resulted in the construction of the second major hotel in the city. The grant was used as a second mortgage for the hotel and generated an additional $7.3 million in private investment. This project created 586 jobs including 252 minority jobs.

A second UDAG grant was crucial in keeping the headquarters of a major chemical company from moving out of Wilmington to the suburbs. Approximately 1,350 jobs were retained in the city which would have been moved outside of the city. The project generated $74 million in additional private investment and serves as an anchor to one end of the Market Street Mall in the city.

Wilmington has also received two other UDAG grants. As a result of these UDAG grants there has been a renaissance in new construction downtown.

The benefits of the UDAG program are immense. This program has been extremely successful. With cuts in other economic development assistance programs in the Small Business Administration, the Department of Commerce and the Farmers Home Administration, I believe it is essential that we maintain funding for a separate action grant program.

I support this amendment and I urge my colleagues to join me in supporting this amendment.●

Mr. LEAHY. Mr. President, I am pleased to cosponsor this amendment to restore funding to a number of essential programs. These programs for preventive health care, weatherization and fuel assistance, elementary and secondary education, mass transit, and community development address a range of issues which I consider to be important national priorities. I strongly support this amendment, even though in many cases the funding levels for these programs will still be less than current levels.

Preventive health programs provide essential health services to low-income Americans residing in both rural and urban medically underserved areas of the Nation. The community health centers, black lung clinics, and migrant health centers programs together provide health care to 6 million Americans, the vast majority of whom live below the level of poverty and have little or no health insurance. If funding is not maintained, more than 2 million Americans no longer will have access to basic health care.

This amendment will lessen the reduction proposed for fuel assistance and weatherization, but these programs will still be far below what is actually needed to enable low-income and elderly Americans to keep pace with their energy costs. In Vermont, these people simply cannot conserve any more, and I do not think I need to convince anyone here today that when it is 25° below zero, you simply have no choice but to heat your home. The weatherization and fuel assistance programs have alleviated suffering and hardship for thousands of poor and elderly Vermonters, and in many cases have meant the difference between life and death.

While the President's reduction in mass transit funds will place a heavy strain on urban transit systems, it will force the closing of all rural bus lines in Vermont. This would literally doom the rural people of this Nation to further isolation and limited economic opportunities. It is unfair for the working and low-income people of rural America, and it ignores the real and continuing need to conserve energy resources.

I am particularly pleased that this amendment includes funds for elementary and secondary education programs. This will more adequately insure that programs for handicapped and disabled children will not bear the greatest burden of our efforts to cut Federal spending. It is important that these children have an equal opportunity to learn and participate in our public school system.

Finally, the funds that will be restored for urban development action grants are important to renovate and maintain the vitality of our Nation's cities and towns. This program serves the important national goals of stimulating private investment, creating jobs, encouraging local initiatives, and in many cases, retaining our architectural heritage.

Mr. President, adoption of this amendment will make a significant difference in the lives of millions of Americans in all regions of our country, rural and urban alike. I strongly urge my colleagues to join me in supporting this amendment.

Mr. GLENN. Mr. President, the Senate Budget Committee has proposed to cut the urban development action grant (UDAG) program. I oppose this cut. Moreover, I fully support the amendment to the budget resolution now before the Senate which would restore $300 million for the urban deveolpment block grant program. Without it, no additional funding could be provided for economic development in our distressed cities and urban counties during the remainder of this fiscal year. This includes grant awards which are scheduled to be announced in early April. Applications are presently pending totaling approximately $1.2 billion. In Ohio, there are 21 pending UDAG projects totaling $56.2 million.

There are several reasons to support the restoration of this modest amount to the UDAG program.

First of all, it is consistent with the administration's revised budget request. The administration proposed to continue funding at the present authorized levels. It also has proposed to continue the program at a funding level of $500 million during fiscal year 1982.

Second, the restoration is an inexpensive way to revitalize our distressed cities and urban counties. It would stimulate private sector investment by leveraging private dollars at a ratio of 6 to 1. Moreover, it would generate new permanent jobs and local tax revenues.

Third, the loss in funding would have an adverse impact on distressed cities. It is penny wise and pound foolish. These cities would lose $1.8 billion of private investment and 45,400 new permanent jobs. The cities would also lose $5.1 million of increased annual local taxes since UDAG creates $.17 of annual tax revenue for each dollar provided. In addition, cities would lose the "spin-off" investment, jobs and taxes normally associated with UDAG projects.

Since the first grants were awarded in 1978, 1,042 projects have received preliminary approval of action grants totaling nearly $2 billion. These projects have leveraged over $12 billion in private investments for each UDAG dollar. The projects are creating or retaining over 470,000 jobs, over half of which are permanent. They also will generate over $324 million of new local tax revenues for distressed cities and urban counties. Since 1978, 51 Ohio UDAG projects have been approved totaling $105 million. This amount has leveraged $593 million in private investment —nearly a 6-to-1 ratio of private to public dollars—and has created or retained over 15,000 jobs.

Finally, the loss of UDAG dollars leaves distressed cities and urban counties without an alternative to spur economic development during the remainder of fiscal year 1981.

Without UDAG, there is a "gap" which operates as a disincentive to economic development through private investment in our distressed cities. This gap results from the higher costs faced in built-up areas and the high cost and lesser availability of private loan funds because of the higher risk factor perceived by lenders in distressed areas.

Moreover, the community development block grant (CDBG) program lacks the flexibility to fill the gap which would be left by the loss of UDAG funding. CDBG, which is primarily designed for neighborhood revitalization rather than economic development, is not responsive to the timing requirements of business. Cities must specify how their CDBG funds will be used three years in advance. Once earmarked, CDBG funds can not be moved from one activity to another without a formal amendment and HUD approval. As a result of these political and other considerations, larger cities have used less than 3 percent of their CDBG funding for economic development in the past, while smaller cities have been virtually unable to undertake any economic development with CDBG funds.

Mr. President, I hope that my colleagues will join me and the other cosponsors of this amendment to restore $300 million to the UDAG program.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds.

Mr. President, I want to thank Senator CHAFEE and those who are sponsoring his amendment, who have for all these days been supportive of the Budget Committee. I want to thank you and those cosponsors of your amendment who have been supportive. But, obviously, I cannot support your amendment, and I hope it does not prevail.

I repeat we are not a line-item committee. If we start talking about programs, we are accused of being that. When we do not talk about it, we are accused of not talking about substance.

The truth of the matter is that the principal committee that received new funding from the Chafee amendment, that is Labor and Human Resources, received the biggest add-on in the Budget Committee of any committee in the Senate, $1 billion. That is already there for them to spend. This merely adds another $600 million or $700 million to that committee, and it really is not necessary at this point to carry out the program.

Last, UDAG. I repeat, you do not have to add anything to UDAG. UDAG can be funded at any level you want. All you have to do is to get the Banking Committee to agree, because in that particular instruction we put money into the Export-Import Bank by a vote. There is no assurance that the committee is going to do that. They might very well take that out and put it into UDAG.

So I think most of the arguments have been answered, and I hope we will vote and dispose of this.

I do not think the Senator has asked for the yeas and nays.

Mr. CHAFEE. I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. CHAFEE. Let me just say to the distinguished chairman of the committee——

The PRESIDING OFFICER. All time has expired.

Mr. CHAFEE. I am reminded of what our very distinguished chairman of our Finance Committee said. As I look at this wonderful Senator from New Mexico he reminds me of that old song "Your lips say no, no, no but your eyes say yes, yes, yes."

[Laughter.]

Mr. DOMENICI. I did not even know I was looking at you, Senator. I do not know how you can have seen my eyes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island, unprinted amendment No. 34. The yeas

and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order. Will Senators please clear the well?

Mr. RANDOLPH. Mr. President, the Chair instructed the well to be cleared. It has not been cleared.

The VICE PRESIDENT. The Senate will be in order and the well will be cleared.

The clerk may proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—40

Andrews	Eagleton	Metzenbaum
Biden	Ford	Mitchell
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Heinz	Percy
Byrd, Robert C.	Huddleston	Randolph
Cannon	Inouye	Riegle
Chafee	Jackson	Sarbanes
Cohen	Kennedy	Specter
Cranston	Leahy	Stafford
Danforth	Levin	Tsongas
Dixon	Mathias	Weicker
Dodd	Matsunaga	
Durenberger	Melcher	

NAYS—59

Abdnor	Gorton	Nickles
Armstrong	Grassley	Nunn
Baker	Hatch	Packwood
Baucus	Hatfield	Pressler
Bentsen	Hawkins	Proxmire
Boren	Hayakawa	Pryor
Boschwitz	Heflin	Quayle
Byrd, Harry F., Jr.	Helms	Roth
	Hollings	Rudman
Chiles	Humphrey	Sasser
Cochran	Jepsen	Schmitt
D'Amato	Johnston	Simpson
DeConcini	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Long	Thurmond
East	Lugar	Tower
Exon	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	Murkowski	Zorinsky

NOT VOTING—1

Williams

So Mr. CHAFEE's amendment (UP No. 34) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER (Mr. QUAYLE). Senators wishing to have conversations will please retire from the Chamber.

The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, it would be my hope we could take up and dispose of one more amendment tonight and then perhaps lay down another amendment to be the pending business when we return in the morning. I would hope that we can do that by 6 or 6:30. It is my intention later to ask unanimous consent for the Senate to recess over after that until 9:30 in the morning.

There are a variety of reasons why we should not stay late tonight. First is the premiere reason that I think we are making good progress.

The distinguished minority leader inquired whether that was a Republican ceremony. I assured him it was a bipartisan ceremony.

In any event, Mr. President, I do not intend to ask the Senate to remain late tonight. I do expect one more rollcall vote this evening. Following that, and the laying down of another amendment, which I anticipate may be the amendment of the distinguished Senator from Connecticut (Mr. WEICKER), we will go over until tomorrow.

Mr. PELL. Will the Senator yield?

Mr. BAKER. I yield.

Mr. PELL. Will the votes be bunched up tomorrow so that the first vote will not occur before 1 o'clock or 2 o'clock tomorrow afternoon?

The PRESIDING OFFICER. Will the Senator suspend?

Will Senators please retire to the cloakrooms to conduct conversations?

The Senate will please come to order so that we can hear the majority leader and the Senator from Rhode Island.

The majority leader.

Mr. BAKER. I thank the Chair.

Mr. President, as much as it grieves me to say so, I must tell my friend from Rhode Island that, while we stacked votes today and yesterday and we did on Thursday and Friday, I believe, if my memory serves, I really do not believe we can tomorrow. I appreciate his inquiry, but votes will occur throughout the day. I know some Members are committed to the most solemn sort of obligations tomorrow, but it is with great regret that I say I do not believe granting of such a request will be possible.

Mr. PELL. I thank the majority leader.

Mr. METZENBAUM. Mr. President, will the majority leader yield to me?

Mr. BAKER. Yes.

Mr. METZENBAUM. Could the majority leader give us some idea of how late he intends to work tomorrow?

Mr. BAKER. It is my hope that with the schedule I have just announced—that is, one more vote tonight, one more amendment scheduled today and one more pending for tomorrow, with the session starting at shortly after 9:30, we might finish this resolution sometime in the afternoon tomorrow. If we do not, it is my firm intention to ask the Senate to remain in session tomorrow night to try to finish.

Mr. METZENBAUM. I thank the majority leader.

Mr. BAKER. I thank the Senator.

Mr. President, under the arrangements we have followed, more or less, so far, I believe it is the opportunity on the minority side to offer an amendment at this time.

The PRESIDING OFFICER. The Senator from Maine is recognized.

UP AMENDMENT NO. 35

(Purpose: To restore funds for the Economic Development Administration)

Mr. MITCHELL. Mr. President, I request immediate consideration of my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MITCHELL), for himself, Mr. RANDOLPH, Mr. ROBERT C. BYRD, Mr. COHEN, Mr. LEVIN, Mr. BURDICK, Mr. BAUCUS, Mr. MOYNIHAN, Mr. WEICKER, Mr. RIEGLE, and Mr. KENNEDY, proposes an unprinted amendment numbered 35.

Mr. MITCHELL. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following, "$14,496,000,000, and outlays by $2,885,000,000, in fiscal year 1981; to reduce budget authority by $52,801,000,000, and outlays by $36,895,000,000, in fiscal year 1982; and to reduce budget authority by $58,973,000,000, and outlays by $47,594,000,000".

On page 2, beginning with "$13,300,000,000" in line 24 strike out through "$1,800,000,000" on page 3 in line 1 and insert in lieu thereof "$13,129,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981, by $3,150,000,000 in outlays for fiscal year 1982, and $1,743,000,000 in outlays for fiscal year 1983".

On page 7, beginning with "$2,350,000,000" in line 3, strike out through "$1,872,000,000" in line 7 and insert in lieu thereof the following, "$2,179,000,000, in budget authority and $68,000,000, in outlays for fiscal year 1981; $4,711,000,000 in budget authority and $743,000,000 in outlays for fiscal year 1982; and $2,780,000,000 in budget authority and $1,772,000,000".

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senator from Ohio (Mr. METZENBAUM) be added as a cosponsor to my amendment.

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

Mr. ROBERT C. BYRD. Mr. President, I should like to be a cosponsor, also.

Mr. MITCHELL. I believe the Senator already is, Mr. President.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

(Mr. RUDMAN assumed the chair.)

ECONOMIC DEVELOPMENT ADMINISTRATION

Mr. MITCHELL. Mr. President, this amendment instructs the Committee on Environment and Public Works to rescind $171 million, rather than $342 million, in budget authority for fiscal 1981 for the Economic Development Administration, and to add $224 million for 1982, and $255 million in 1983.

This is not a full restoration of funding for the Economic Development Administration. Full funding, based on the Carter budget assumptions, would require budget authority of $664 million in 1981 and $720 million in 1982.

I am proposing to retain a much-reduced program. My amendment represents a cut in operations of 25 percent for the remainder of this fiscal year and a cut of about 50 percent for the next 2 years.

Mr. President, our economic problems demand that we restrain Federal spending and make serious cuts in programs. This amendment does just that. It makes a substantial reduction in the Economic Development Administration but it does not eliminate the program.

I am committed to reducing spending.

It is an important signal the Federal Government can and must send about its intention to combat inflation. No individual program or project is by itself important enough to jeopardize that effort.

I shall support reductions in spending even greater than those proposed by the President. He has asked for spending cuts of $42.9 billion in fiscal 1982. I shall vote for cuts of about $45 billion.

I cosponsored and supported an amendment to reduce all Federal procurement spending by 2 percent across the board—a modest percentage reduction in a huge Federal expense—which, if adopted, would yield an additional saving of $2 billion. I have no doubt that every Government department which engages in procurement can reach that goal and surpass it, if the will to do so is there.

When the first concurrent budget resolution reaches the floor I shall propose further cuts; $1.3 billion can be saved by eliminating the so-called commodity straddle—an unproductive tax-avoidance scheme that benefits a few wealthy persons, creates no jobs, provides no money for investment, modernizes no industrial plant and serves no useful purpose.

I shall propose further cuts, consistent with my conviction that we must eliminate unnecessary spending, marginally useful spending, spending the private sector should make, and spending that is less than a priority.

The President has said that because of the magnitude of the program cuts he is requesting, they must be equitable and rational to merit public support. He has said they must not take from those who cannot afford it; they must be borne equally by all sectors of society; and they must be fair to every region of the country.

I agree with those criteria. They are realistic standards by which to choose among the many demands on Federal funds. I have used those standards to judge the program cuts. It is in that spirit that I have reviewed the proposal to terminate the Economic Development Administration.

Mr. President, the EDA was created to promote the long-range economic development of areas with severe and persistent unemployment and with low per capita income. EDA aids in the development of public facilities and private enterprise to create new, permanent jobs and to preserve existing jobs which might otherwise be lost by the shutdown of an industry in such an area.

The act is grounded in the reality that, no matter how successful national economic policies may be in stimulating overall economic growth and reducing inflation and unemployment, important structural problems will remain. Many of our Nation's urban and rural communities and multi-State regions will still be experiencing unemployment, lagging economic growth, industrial decline and underutilized production facilities and resources.

Beneath the national statistics there are always economic disparities. National economic growth and health is never distributed evenly across the regions, communities, people, and businesses of the country.

In 1980, when the national unemployment rate was 7.2 percent, State unemployment rates ranged from a low of 3.9 percent to a high of 12.6 percent.

Unemployment among black youths in cities hovers around 37 percent.

From 1960 to 1978, employment growth rates in the South and West were two to three times those of the older industrial regions of the country.

Rural poverty and underdevelopment are problems throughout the country.

Mr. President, EDA represents an effort to correct those disparities. It has created some 1.4 million jobs in its lifetime: Jobs that would not have been created if there had been no incentive for industries to relocate, and no money to save businesses that need time to regain their competitive ability. And it has done so at a modest cost.

The Government Accounting Office found that EDA loan value per job created is only $6,700—without taking into account loan repayments, which run at 90 percent for EDA programs. The net cost of EDA jobs is actually therefore about $1,000—the most recent study claims a per-job cost of $662. And the per-job cost offsets the unemployment insurance, welfare benefits, food stamp costs and all the other income-support costs that Government incurs when people are unemployed. The cost of that income support is substantially higher than $1,000 per year.

EDA creates permanent jobs. State and local governments today receive some $6.4 billion in additional tax revenues each year as a result of the continuing economic revitalization caused by EDA projects.

The proposal to terminate EDA is unfortunate in two respects: On the merits and in the abrupt manner suggested. The fact is that we cannot suddenly end a program like EDA without having some unintended and unfortunate effects.

The revenues cities and States have already received from EDA-caused economic revitalization may be safe for the future. But there are many communities around the country which have begun projects, which have committed their own funds, and which have raised public and private funds for projects, all of which will now, at best, be thrust into limbo, at worst, terminated.

If we abruptly kill EDA, we may be forcing localities to waste money they have raised for a specific purpose.

Maine is embarking on a major program of constructing fish piers to help develop one of our oldest and most important industries. The city of Portland, Maine, has raised some $6.5 million for a major improvement in the commercial fishing pier system in our State. It has already received the first $2 million installment of funds from EDA. But under the OMB criteria, Portland will receive no further money or loan assistance on what is a $15 million investment. Portland may be able to proceed without EDA funds, although that is far from certain. But several other Maine communities, like Kennebunk, Stonington, and Searsport, will almost certainly not be able to.

Forty other projects around the country face the same kind of quandary: Lexington Market in Baltimore, Md., stands to lose $1.2 million; South Charleston in South Carolina stands to lose $1.5 million for its relocation of an auto building plant; the Southwest Farmers Co-op in Alabama will not receive the $700,000 it was counting on for a methanol plant, the town of Tarboro in North Carolina will not be able to construct a needed sewer.

My amendment would permit ongoing projects, those already approved by EDA, to be funded, so that the communities relying on these programs would not find their own investments wasted and their time gone for nothing.

Mr. President, my amendment will also permit completion of the 11 projects in which Urban Development Action grants are contingent on EDA financing of the public portion of the project.

These projects—ranging from a rail relocation in Columbia, S.C., to a General Motors facility site in Detroit—depend on the continuation of the EDA.

These are all projects that have been approved; for which private money has been committed, and for which localities have raised their own contributions.

The business development loan guarantees that EDA has authorized for the current fiscal year would let businesses create almost 16,000 new jobs this year. The direct loans would create almost 4,000 more.

These would be private sector jobs, not short-lived public works construction jobs. They would save and improve businesses that can survive if they get the help they need. And they would save and improve the cities and towns where they are located, reducing dependence on Federal welfare funds.

Mr. President, EDA is directly responsible for creating and saving thousands of jobs in Maine. In a State with chronic unemployment problems and an economy aggravated by high energy costs, this is a substantial contribution. Many Maine communities do not have the indigenous resources to attract substantial private investment. EDA has provided that seed money.

Maine's fishing industry must have modern facilities to take full advantage of the 200-mile fishing zone. That is why the State is embarking on the pier construction project. Maine fishermen are small and independent operators. The costs of financing modern fish piers without Government aid are beyond their economic ability—so Government help is needed to construct piers, to speed the transport of a perishable product and to increase the proportion of the catch that can be profitably marketed—to raise the productivity of this industry.

In northern Maine, in the Saint John Valley, the potato farming industry has undergone a 20-year economic decline. Maine was once the Nation's principal potato producer; it is now fourth in the Nation. Maine once supported 4,000 farmers; today 900 remain. The recent development of a new kind of potato that can be grown in the State and is suitable for modern processing methods has given this depressed region a chance to rebuild its economic base. To take advantage of that chance, improved grad-

ing, packing, and marketing are essential. What is needed is a modest Government investment—$600,000—for a central packing plant. The township of Fort Kent and the local farmers will raise the rest of the money. Without that help, the region will be unable to climb back to economic health. That does not strengthen the national economy.

Economic expansion and job creation in distressed areas will undoubtedly be somewhat stimulated by a general economic upturn. But the 20-year decline of the Maine potato industry was not arrested, even though our national economy has not been in a continuous decline since 1961.

Mr. President, Government itself causes serious problems for businesses in poorer regions. A potato processing plant in Caribou, Maine, was under court orders to close because of pollution violations. Only EDA assistance permitted installation of the pollution-control investments needed to stay in business. That plant employs neary 100 people in a remote corner of the State. There is absolutely no doubt that its closure would have increased the unemployment and income-support costs of the Federal Government. The administration is committed to regulatory reform, a goal I also support. But regulatory reforms would not have removed the court order which almost forced the Colby Starch plant to go under.

The 15 percent unemployment rate in Waldo County, Maine—once one of the Nation's largest poultry producers—has not eased, even when the national economy has taken a turn for the better. The factors that have eroded its economy will continue to impose a harsh cost on the area. Waldo County is a victim of the massive energy price inflation of recent years, and there is no sign that this inflation is easing.

Regional and local economic dislocations and hardships do not vanish in a national economic upturn.

The fact is that our national economy contains regions where incomes remain low, where unemployment remains stubbornly high, and where energy price inflation is felt more harshly than elsewhere—and where help is needed to stimulate local economic growth.

Mr. President, the contention that cuts must come from all parts of the budget and go to all regions of the country is a fair one—but just as we cannot reduce needy individuals to destitution, we ought not aggravate the problems of economically distressed areas.

I asked the administration how it plans to deal with economic development in areas of chronically high unemployment and low per capita income. The written response I received said: "The administration intends to deal with economic development at the subnational level by improving the national economy."

So the administration's plans rest on the hope that by improving the Nation's economic performance, every region of the country will share in that improvement.

That assumption has no historic basis in fact. It has not been true for Maine over the last 20 years. And, for over a century, it has not been our national economic policy.

In 1850, when it became apparent that the success of the Eastern States in building their rail networks promised an increase in wealth for the entire eastern seaboard, Congress enacted the Railroad Land Grant Act—truly landmark legislation—to encourage, by Federal subsidy, the expansion of the rail network in the South and West. And for 21 years thereafter, long after the transcontinental line met at Ogden in 1864, Congress continued to grant rail land rights. 131 million acres of land were granted for that purpose—a Federal subsidy for Western and Southern economic development whose worth cannot be calculated at today's prices.

Beginning in the 1880's, hydroelectric power was aggressively developed with Federal aid. The first major alternating power project was constructed on the Willamette River, in the State of Washington. The first three-phase project was constructed at Mill Creek, in California. Ironically, the justification for concentrating development in that part of the Nation was a familiar one: The high cost of energy. In those days, it was the cost of transporting coal, but the problem of energy costs and their effects on economic growth was recognized then, and the Federal Government acted to offset it, to the immense benefit of the West.

By 1902, 30 years of homesteading acts had not been enough to encourage the settlement of the arid parts of the West, so Congress enacted the Reclamation Lands Act of 1902, a regional economic program which has changed the face of the country. Under the Reclamation Act, water projects were built in 17 Western States to irrigate arid land. Some of our great cities—Phoenix, Denver, Los Angeles—could not exist without that water. The Imperial Valley in California, the most productive farmland in the Nation, could not produce without it. Thousands of acres throughout the West today would be barren and arid without the life-giving aid of the water brought to them by Federal financing. And, as one result, Western lands with less than 9 inches of rainfall each year now produce an agricultural product worth $4.4 billion.

In the 1930's, when the great depression was at its worst, Federal funds were poured into regional efforts to help provide employment and economic growth in the West and South. The massive Bonneville hydro project on the Columbia River was built to provide employment in the Pacific Northwest. Today, a potato processing plant in Washington State pays one-fifth the rate of electricity that a similar plant pays in Maine, because of Bonneville power and the other Federal hydro projects in Washington.

The greatest of the regional development programs, the Tennessee Valley Authority, is still benefiting its seven-State area. Its series of dams, reforestation projects, power plants and fertilizer plants have lifted a region which was in the depths of poverty in 1933—its people then earned 45 percent of the national average income—to a thriving and economically productive region today. In 5 years, from 1933 to 1938, the Federal Government spent $190 million on the TVA—a sum whose present-day counterpart would run into many billions. And as a result of that Federal financing, the people of Tennessee today pay for their electricity half what the people of Maine pay for theirs. The TVA project permanently increased the level of employment in the region. It created the economic base that has enabled the entire Tennessee Valley area to grow and prosper.

Mr. President, this massive Federal assistance to the South and the West over the past century has given those areas a basis from which today's rapid rate of economic development flows. It was grounded in the recognition that not all regions of the country have identical needs, that they do not move forward in lockstep, and that help is needed at different times by different parts of the country.

Today, as we observe the prosperity of the Sunbelt, we should recall that the present economic boom owes its existence to many decades of generous Federal aid.

That Federal aid was paid for by the tax dollars of the people in the East and North. It was not paid grudgingly. It was paid in recognition of the reality that we are one nation and what helps one region helps all Americans.

Today, we have a modest program which extends assistance to areas of chronic unemployment and low per capital income: The Economic Development Administration. And because of the forces of history and the actions of the Federal Government, the region that needs help now is the East and the North. Today, this is the region of high unemployment and low per capita income.

EDA is a small effort to redress the balance, to recognize that our Nation's older regions incur higher costs to maintain the investment in cities and industries that were built in earlier decades.

I can think of no action more destructive and less in keeping with the President's own standards of fairness than its termination.

It effectively says that those who have already benefited from Federal programs, those who have reaped the benefit of Federal assistance on a massive scale, those whose economies are advancing, are to be the final beneficiaries of Federal concern. The proposal to terminate EDA simply says to the regions whose tax dollars built that prosperity, "We've gotten ours. Now you fend for yourselves."

Mr. President, that is a narrow, shortsighted attitude, contrary to our national experience and, in the long run, counterproductive. It will be a tragic error to end one of the very few programs that is designed to and does, in fact, redress the balance that exists in economic growth rates.

The States of the East and North today receive 84 cents back for every Federal tax dollar they contribute. The States in the West and South receive $1.09 for each of their tax dollars, so the imbalance in Federal aid is continuing to grow notwithstanding the different levels of economic growth.

The State of Maine has a per capital income that is 20 percent lower than the national average. When the cost of energy is included, Maine ranks 50th in per capita income. Manufacturing jobs in the State have grown by 3.6 percent in the last decade, compared with an average growth rate of 26 percent in the West and 18 percent in the South.

New England has lost 35 percent of its defense jobs in the past decade. The older regions of the Nation receive just 38 percent of Federal procurement dollars, compared with 62 percent for the South and the West.

In our national economy, such regional differences abound. Areas of economic blight remain and communities experience decline, even when the national economy is healthy.

The Economic Development Administration has been a successful program. The only valid criticism of it is that it has not been targeted narrowly enough. It has been criticized because past Congresses made it so diffuse that it theoretically covers 80 percent of the country. That is a valid criticism. I think the program should be better targeted; it should be limited to areas that are truly suffering chronic high unemployment and low per capita income.

The amendment I am offering will help achieve that result.

Mr. President, although EDA is theoretically entitled to fund projects in almost every part of the country, the agency has been responsible and restrained: More than 2,400 counties are eligible for EDA funds. In the last year, EDA funded programs in 800 of them. At the minimum, 75 percent of its funding goes to economically distressed areas as measured by a substantial employment loss, a population loss, a per capita income that is 75 percent under the national average, or long-term unemployment, as measured by 16 or more quarters of unemployment above the national average.

A 1970 amendment forbids the agency to remove the eligibility designation of any county once it is declared eligible for aid. That congressional decision was made 10 years ago. I believe it ought to be reversed this year.

But it would be wrong to discard the best of a program because it contains some shortcomings. That makes neither fiscal sense nor long-term economic sense. It is not fiscally responsible to terminate a program that creates jobs, saves welfare costs, generates State and local tax returns, and raises the level of national economic output.

We should not destroy a useful program, one which has shown an ability to reach and really help many depressed communities at minimal cost, simply because it needs improvement. Let us, rather, make the improvement; narrow the focus; halve the overall spending, and let it continue to perform its purpose: To create needed jobs for working people.

That would be the effect of my amendment. I believe it deserves the support of the most fiscally conservative among us. This is not a program whose costs are a drain on the economy. It is not a program that simply transfers income from one sector of the population to another, with no gain. It is a program that raises the level of economic activity and spurs private economic growth.

We all agree that the national economy will not grow and prosper without an infusion of funds for investment. How then can we believe that chronically depressed areas can prosper without assistance?

If the booming economies of the South and West need the stimulation of additional tax breaks and investment dollars, then surely the economically depressed regions need help, too.

Mr. President, the changes in our Nation's economic structure reflect the passage of decades. They are not all due to the National Government. But just as the National Government has historically recognized and responded to its responsibility to aid the South and the West, so, today, we should recognize our responsibility to the distressed regions in the older parts of the country. That, too, is a legitimate responsibility of a national government. If we fail to recognize that responsibility, if we fail to respond, we will surely become again a nation divided.

And, Mr. President, it is as true today as it was in 1860, that a nation divided against itself cannot stand.

Mr. President, I request the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Thank you, Mr. President.

I yield to Senator COHEN.

The PRESIDING OFFICER. The senior Senator from Maine is recognized.

Mr. COHEN. I thank the Chair.

Mr. President, I am pleased to join with Senator MITCHELL in offering this amendment which will keep the Economic Development Administration in operation, albeit at a substantially reduced level of funding.

I should point out that I would take one issue of exception to what my junior colleague has said.

As was pointed out to me by the junior Senator from the State of Washington, the Willamette River does not run through Washington but rather through Oregon. Perhaps if we make that correction for the record, the junior Senator from Washington will lend his considerable support for this particular amendment.

But in view of what has happened in the recent vote on the last amendment offered by my colleague from Rhode Island, I am afraid that the handwriting is on the wall and it does not appear to be forgery. It appears that this Chamber is going to turn a deaf ear and a blind eye to the inequities that are going to be inflicted upon the areas of the country that are economically malnourished.

I still wish to take only a moment, nonetheless, to at least make the case for the record if for nothing else.

Over the years, EDA has been a genuinely positive force in promoting economic development in the State of Maine.

I think, as Senator MITCHELL has correctly pointed out, this program was never designed to apply to regions across the board. It was to be targeted to those areas which were most in need of economic assistance.

We only have to take a look at the fact that in New England we pay among the highest fuel costs in the country, we have the highest unemployment, we have one of the coldest and longest winters, and we have a large number of families on food stamps and in need of fuel assistance.

I saw an item in today's newspaper that 15,000 more families are now going to apply for fuel assistance in the State of Maine.

We have an older industry that is now on the verge of collapse, the poultry industry in Maine, principally because of the high cost of energy, the high freight rates that have to be paid, the feed costs that must be paid, and the attractions to the Sunbelt now are so overwhelming that this industry threatens to go under, thereby laying off thousands of more workers in my own State.

Often, the agency's willingness to assist a troubled industry or business in Maine has spelled the difference between productive employment for Maine workers and the economic disruption which results when a marginal enterprise fails, or when a good business opportunity is missed for lack of financial or technical assistance.

Since 1966, under the direction of a fine State and regional staff, EDA has provided economic assistance to 429 projects in Maine. Through the cooperative efforts of EDA, State, and local government, and the private sector, thousands of good jobs have been created throughout Maine that might not otherwise exist today. I will cite a few examples of where a helping hand from EDA has truly made a difference in Maine. That is why EDA is so important to the State of Maine, and let me just recite a couple of examples of success:

The city of Biddeford, a traditional Maine mill town with distressed industries, was assisted by EDA in the 1960's and 1970's in developing an industrial park to rebuild its industrial base. With less than $2 million in Federal investment, seven industries have located on the park with over 1,200 jobs created or saved.

The city of Presque Isle was faced with a military base closure in an area with a one-crop agriculture economy. With EDA assistance, the city purchased the property and developed industrial land. Today, over 20 businesses and industries are located on the park with over 1,500 jobs.

A bankrupt potato processing facility at Easton was purchased by a private firm with EDA assistance. Today, the

plant has been expanded, nearly 700 workers are employed, and farmers have been provided a market for their crops.

At present, in the EDA pipeline are projects that can assist basic Maine industries in redevelopment efforts. I list the Portland Fish Pier Complex and the Fort Kent potato packing facility as examples. In both cases, local communities, along with private investors, have made commitments and will suffer from the rescission and the ultimate phasedown of the agency.

I am, of course, aware of the criticisms that this administration and others have leveled against EDA. I do not think that any of us who take the floor today in support of this amendment will argue that EDA is not without its problems. But in many instances, the problems which plague EDA today are not of the agency's making. It is Congress, in my view, which bears the greatest responsibility for the present state of affairs at EDA.

Too often, EDA officials have disapproved an application for financial or technical assistance, only to be overridden by a powerful Member of Congress or a well-placed official at the White House. Too often, the Congress has assigned new responsibilities to EDA without providing the time and resources necessary to respond to the congressional mandate. The $6 billion local public works program is perhaps the best example of this phenomenon. And too often, Congress has broadened the constituency of EDA, leading to the ludicrous situation where 85 percent of the United States is now classified as "economically depressed" for purposes of qualifying for EDA assistance.

Mr. President, EDA does not pass the laws of this Nation. It does not define its own mandate. It has not set out to create the vast constituency that now competes for the limited technical and financial assistance provided by the Agency. If we support the elimination of EDA as proposed by the administration, we are not striking back at an insensitive and wasteful Federal agency. Rather, we will eliminate a needed and fully justifiable Federal agency which has become overburdened and misdirected by forces beyond its control. We will be reacting to the symptoms of the problem, and turning our back on the root causes which, in my view, can be readily corrected.

Mr. President, one of the principal objectives of President Reagan's program for economic recovery is to significantly reduce the credit activities of the Federal Government. In part, this policy shift reflects the administration's view that the private sector should assume more of the risk associated with new investment. I support this view. The Federal Government should be the lender of last resort, not the Nation's principal banker.

But this view does not deny that there are instances when a Federal agency such as EDA can and should play an active role in promoting economic development or readjustment. Many of Maine's traditional industries—fishing, shoes, potatoes, and poultry—have been severely injured by high interest rates, soaring energy costs, and Federal transportation and trade policies. Does not the Federal Government have an obligation to play at least a limited role in assisting these industries in their efforts to adjust to Federal policies? How is the Nation, and my State, better served by turning a deaf ear to those industries which deserve assistance and will almost certainly continue to decline without it?

Mr. President, the pending amendment does not argue for the status quo at EDA. It clearly acknowledges that the agency has problems and that a restructuring of EDA's mandate is necessary.

I urge my colleagues to support this partial restoration of funds for EDA. The case for abruptly terminating the agency is just simply not there. Let us keep EDA in operation until we can work together to adopt the needed reforms that will permit it to once again serve those purposes for which it was originally created.

Mr. President, I shall try at least to summarize the major point made by my colleague from Maine.

There is something that is fundamental to our system in this country, and that is that if we take persons who are similarly situated and we treat them differently, that is a denial of equal protection of the law.

It is also true in our system if we take people who are not similarly situated and we treat them equally, that is also a fundamental denial of equal protection under our system.

What we are doing in this particular budget approach is that we are taking regions that are not similarly situated and under the guise of treating everyone equally we are then inflicting an unequal treatment upon them since we have different needs, different economic conditions, and different climate conditions. We cannot simply say that everyone is going to be treated equally when in fact they do not need to pay high energy bills in the West, they do not need to pay high fuel bills in southern California, by way of example, or even pay for air-conditioning in the summertime because it is not necessary. But people have to have oil to heat their homes in the State of Maine and because of the high cost of energy, industries are reluctant to locate there, which in turn produces a lower incentive, or a disincentive, to create jobs in our State.

We need an agency, such as EDA, with the modifications that have been suggested and recommended, to correct the fundamental inequities that now are suffered by our region.

Mr. President, I urge the support of the amendment offered by my colleague from Maine and hope that we can reverse the precedent set by the last vote.

The PRESIDING OFFICER (Mr. WARNER). Who yields time?

The Chair recognizes the Senator from West Virginia and inquires who is yielding time to the distinguished Senator from West Virginia.

Mr. MITCHELL. Mr. President, how much time is remaining of the proponents?

The PRESIDING OFFICER. The proponents of the amendment have 3 minutes remaining.

Mr. MITCHELL. Mr. President, I ask unanimous consent that that time be yielded and additional time on the resolution itself.

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

The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, the principal sponsor of the pending amendment is the able Senator from Maine, Mr. MITCHELL, and he is joined by his able colleague, Mr. COHEN, also of the same State. I wish very frankly that every Member of this body could be sponsoring this legislation. This is the type of legislation that the Reagan administration really believes in.

If we will dissect it from the beginning to the end, it is absolutely a proposal that could well come from our national leader and those of his party.

This legislation has lived and developed, progressed and given substance to the very best that is in the strengthening of the American economy through Republican as well as Democratic administrations with Republicans in the White House as well as Democrats who have had those positions.

The legislation originally was enacted in 1965. It came from what was then the Public Works Committee and is now the Environment and Public Works Committee. It was a part of a two-pronged program, joined with the Appalachian Regional Commission, where we were to leave Washington, D.C., and to go out, I say to the knowledgeable Senator from Louisiana, Mr. LONG, who is in the Chamber just now, to leave Washington, D.C., and let these projects and programs come into being from the communities and the States of this Republic.

That is exactly what we did in 1965—not a program that was spawned here in Washington, D.C., but a program that had those projects where we had what would be used as the catalyst. It is the core, by which private support—banks included—workers would raise money throughout this Nation, and we would strengthen the economy of literally hundreds and hundreds of communities in every State of the Union.

So we attempt to continue funding for fiscal year 1982 for these programs that have been authorized by the Public Works and Economic Development Act.

The amendment will restore $224.5 million in budget authority for that fiscal year of 1982. This level of funding will provide for a minimum program for the agency to continue the mandate given by Congress to support economic development in areas of this country where the economy for one reason or another was distressed, and where there were high levels of unemployment. This is the backdrop from which we began the programs in 1965.

I have serious concerns, very serious concerns, that the elimination of EDA will have an adverse effect on economic growth and development in this country, particularly, I say, in the rural sections of America.

This program was developed, I reemphasize, to assist communities which

could not sustain the economic growth on their own. No matter how successful our national economic policy might be in stimulating overall economic growth and reducing inflation, important structural problems are with us now just as they were 15 years ago.

Many of the communities of this country and multistate regions are experiencing those structural unemployment, lagging business growth, industrial decline and related business sector distress.

Beneath our national economic statistics there are always the peaks and the valleys in our economy. National economic growth is never distributed evenly. We have today, in 1980—let us look back just a few months—national unemployment at 7.1 percent, but the individual State unemployment figures range from 3.9 percent to 12.6 percent.

During the last two decades growth rates in the so-called Sunbelt have been 2 to 3 times that of the older industrial northern regions. The Senator has spoken of Maine, and his colleague of that State has spoken also. They know this situation.

Now, these are only just an indication of the problems that exist. This country cannot sustain, as I understand it, economic activity and attract new business to smaller communities without the ability to fund public works, which provide the infrastructure on which a sound economy can be based.

There is a general belief, Mr. President, that the Government should exercise fiscal restraint during a period of economic adjustment. I share that belief and will consider reasonable reductions in spending levels, and I have done so. This was done in the committee on which I sat, where we reduced last year our proposals, even going below the Budget Committee as we came to the Senate.

I do not believe these reductions should be arbitrary nor should they be so extensive as to impair the orderly operation of the Federal programs, such as EDA and ARC, and others which were developed by Congress to meet specific public community and regional needs.

Most Government programs will absorb spending reductions in varying degrees. There are a few instances, however, in which agencies are being asked to assume more than their fair share of the budget cutback. They are targeted for total extinction.

Within this latter category is the program that we consider this evening, EDA, which has made valuable contributions in its 15 years of existence to the economic revitalization of America.

I strongly disagree, I earnestly disagree, I loudly disagree, with the proposal of the Budget Committee to provide virtually no funds for EDA in fiscal year 1982.

EDA's primary focus is on helping distressed local economies to deal with their problems. EDA helps the localities learn to work out their own development strategies and to carry out locally—locally now—developed projects through effective targeting toward the most needy areas of the country, unemployed resources, labor, plant and equipment, existing infrastructures, which are put to work and still more unemployment is prevented from occurring.

I am going to give some examples of what this program has done, before I am through. Since 1965 slightly less than $5 billion has been expended by EDA for projects to assist communities and business providing jobs and a stable economy.

EDA programs have assisted small firms by the score, and needy local programs to strengthen the viability of the economy of communities all over this country. States and communities have become increasingly active in addressing their own economic problems to encouraging business investment and establish cooperative efforts with the private sector. Economic development, as distinct from social welfare assistance, has become an important component of State and local business and industry policy.

EDA has taken the lead in providing planning, technical assistance to build the capacity of State and local governments and regional organizations to plan and to implement economic development programs and coordinate the investment of Federal, State, local, and private capital in distressed areas.

EDA's programs can address and have addressed a variety of types of regional and local distress, including rural underdevelopment, outmigration, economic decline, sudden economic crises caused by major plant or military base closures and adjustment problems faced by regions and communities confronted with major structural changes brought about by the national economic growth and international trade policy.

Mr. President, every State has benefited by not just one project but scores of projects through EDA funds. States have received both development grants and guaranteed business loans. One of the most effective programs has been that direct loan and the loan guarantee of EDA.

The Small Business Administration defines small business as a firm with 500 or less workers. During the period 1976–80, the overwhelming majority of the EDA loans and guarantees went to these small firms throughout our country Ninety percent of the direct loans and 84 percent of the guarantees were made to small businesses, as the former majority leader who is in the Chamber at this time, Senator BYRD of West Virginia, knows well. These programs have helped small business. It is generally accepted that the best and most effective way to create new jobs is to assist the small firm. I believe in that. Statistics indicate that over 75 percent of the new jobs that are created each year come in the sector of our economy which is under the umbrella designated as small business.

Mr. President, in West Virginia, EDA loans have saved—I used the word "saved"—not helped to save, but have been instrumental in saving businesses, and, of course, jobs were created and created and created.

In the northern part of West Virginia, EDA has assisted two firms which would have otherwise closed. Someone might say, "Let them close." I do not believe in that.

The Fourco Glass Co., between Parkersburg and Grafton, received an EDA loan which allowed it to modernize its facilities and to remain as a viable producer of glass products.

EDA has assisted in providing financing for a new purchaser for the Sterling Faucet Co. in Morgantown, W. Va.

I go back to Fourco for a moment and remind you that 800 people or more are at work today and they would be out of these jobs had EDA not been the catalyst with which the program has come together.

Now to come again to Sterling Faucet, the assistance from EDA allowed this plant to continue to provide jobs in an economy where they could not otherwise have been replaced; some 700 or 800 persons working in that plant at the present time.

I could go on and on and on and talk about the plants in West Virginia and the aid given by EDA in West Virginia.

Senator MITCHELL has presented a good case for the continuation of EDA. It was one that did not have to be manufactured. The prima facie evidence is there.

I fully concur with the assessments that others have made for continuing this program. It is so practical and suited to meet, frankly, as I said at the very beginning, the objectives of this new administration. That is exactly what is contained in EDA.

There are estimates that current EDA investments will create—and I believe this is correct—or preserve more than 217,000 jobs in this country and approximately $2.5 billion in private investment.

This is the capability which we should retain during a time of emphasis of the new administration, and properly so, on the creation of employment opportunities, particularly by small- and medium-sized businesses, such as have received most of the attention of the EDA.

And so it is unwarranted—I say this rather sadly—that there should be a proposal to mark this program for extinction. It has been an unwise decision.

I think the proposal was made—I say to the able Presiding Officer, who examines matters very carefully—without the examination which this program should have had. The President speaks quickly. Congress comes in and acts quickly. In a program of this type, I do not believe it was carefully assessed, its achievements, its purposes.

I remember when the Secretary of Commerce, Malcolm Baldrige came one evening and talked to me about this program. He admitted—and it is not wrong for me to say, Mr. President and those Members in the Senate—he did not know about this program. He did not know what the program had been doing. He did not know what the program had been accomplishing. I voted for his confirmation as Secretary of Commerce, because I want him to succeed in that position as I want all the members of the

President's Cabinet and their departments to succeed.

But what I am bearing down on there is that he did not know. And, frankly, he cannot know as of the minute I speak. He has not had the opportunity to know of the program and its effectiveness throughout the United States.

So I trust that even though amendments to the budget are being turned back, I want the record to show there might be a miracle that could take place this evening. I cannot see it coming, because I cannot see the Members on the floor who perhaps have heard the strong arguments which are built upon credibility, because the valuable and vital programs of EDA have provided a stable economic climate in hundreds and hundreds of the communities of this country.

So I urge my colleagues to give attention to this matter because it is a Federal program—I want the record to always show these words—that could be lost and will perhaps be lost—I am not negative—with no viable alternative to replace it.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Massachusetts from the time on the resolution.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be added as a cosponsor of this amendment.

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

Mr. KENNEDY. Mr. President, I will not delay the Senate long, but I do want to indicate my support for the Mitchell amendment. EDA provides the grants and loans to leverage the community investments and create new permanent employment in the economically distressed areas of our country.

EDA's fiscal 1980 investments will generate or preserve more than 216,000 jobs and leverage approximately $2.5 billion in private investment.

The administration says that EDA programs have not been cost effective or well targeted and that most business development loans and loan guarantees are granted to large established firms which already have access to private financing.

That does not happen to be the case in my own State of Massachusetts, where in countless cases this program has made a big difference because new business opportunities have been created in communities which had experienced the loss of major industries over the period of the last 10 or 15 years.

And studies during the past 3 years show that EDA funding has been increasingly focused on small and medium-sized businesses.

Moreover, EDA represents one of the Federal Government's most important strategies to reverse economic decline in the Northeast and Midwest.

EDA's investment of $340 million in the Northeast and Midwest regions has guaranteed or preserved more than 92,500 jobs and leveraged approximately $874 million in private investment.

And the $20 million provided for Massachusetts generated $38 million in private investment and created or preserved over 6,000 jobs.

So, Mr. President, I think this program has proved itself over the years and is worthy of our continued support.

I urge the adoption of the proposed amendment.

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

Mr. President and Members of the Senate, I rise in opposition to this amendment, and also to explain what the Budget Committee assumed in this resolution with respect to EDA funding.

First of all, the committee assumed the administration's proposal to terminate all EDA activities except for the trade adjustment assistance program and legally required activities under the loan guarantee program.

The budget levels assumed by the Budget Committee in this reconciliation resolution for EDA are identical to those recommended by the Senate Environment and Public Works Committee in its March 16 letter to the Budget Committee.

I will quote from that letter:

The committee—

Meaning the Environment and Public Works Committee—

recommend revised budget authority for fiscal year 1981 identical to the request of the Reagan administration, which rescinds $342 million in appropriations for the Economic Development Administration—For fiscal year 1982, the committee agreed to recommend $50 million in budget authority to administer the phase-out of the EDA.

Legitimately the question can be asked and the proposition put, why eliminate this program?

Well, the answer is that rather than direct Federal assistance programs, the determination has been made by the administration, and endorsed by the Environment and Public Works Committee, and by the Budget Committee in its assumptions that we should rely upon general tax, fiscal, and regulatory measures to stimulate economic expansion and job creation.

General economic incentives given to the private sector will allow the marketplace to retain more of its earnings, to build investment, and expand capital, creating permanent jobs.

Jobs that are created in the private sector, having permanency, are jobs that have long-term benefit to the economy.

I think we also ought to respond to the challenge that Senator RANDOLPH put to us suggesting that because this program does leverage private capital and because it is more oriented toward the private sector than are a lot of programs from the Federal level, this is a program that Republicans for that reason should support.

I think I can say that there has been the assumption that there should be the Federal Government involvement in the economy, and Federal promotion of programs to eliminate unemployment. We have assumed that the Federal Government can leverage some private capital that would not otherwise be leveraged.

Let me suggest that we have tried this approach for a long period of time and it does not seem to have produced what it should have produced. Now we are looking to a new approach, an approach that will get inflation under control by reducing Federal expenditures, a program that is going to encourage savings and investments, with the resultant increase in productivity through tax policies encouraging job creation in the private sector.

We feel that this policy of the Reagan administration, which relies totally upon the private sector, is better than the hybrid program that we have been operating under through recent years. Hence, I accept Senator RANDOLPH's challenge, but I must reject it.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator.

Mr. President, while there is the opportunity, let me say that we have to vote on this amendment rather promptly because a number of Senators have commitments that must be attended to before long.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in recess until the hour of 9:30 a.m. tomorrow morning.

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

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued with the consideration of the concurrent resolution.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, it would be my expectation that, shortly after we reconvene and after the recognition of the two leaders under the standing order, we will proceed immediately to resume consideration of this matter, Senate Concurrent Resolution 9. I expect the Weicker amendment will be laid down this evening and that we can turn to it shortly after we return to this resolution tomorrow.

I am told that there may be 12 or 13 amendments that may be offered tomorrow. It would appear that tomorrow will be a very busy and a very long day. I would hope to finish this bill tomorrow. I think it is essential that we try to have final passage of the resolution before we recess or adjourn on tomorrow. Members should be on notice that there is a real possibility, almost a certainty, that we will be in session tomorrow until we finish this resolution, even if that is late in the evening. However, we will not continue beyond this next vote tonight, if indeed we can reach this vote shortly. It will be the last rollcall vote we will have this evening.

Mr. ROBERT C. BYRD. Mr. President, Senator MITCHELL has offered an amend-

ment, which I am happy to cosponsor, and I congratulate him on his authorship. It would restore money for EDA in fiscal years 1981 and 1982.

The Economic Development Administration administers the Nation's most basic economic stimulus programs. The key focus of the agency is private sector development. EDA promotes economic development through three fundamental tools: Technical planning assistance, basic infrastructure support, and developmental finance for private job creation.

An effective local response to serious economic problems demands more than ad hoc development projects. It requires sound, long-term economic planning based upon trained understanding of the problems and opportunities for development. This is where EDA can fill the gap.

Some areas with high unemployment lack the basic financial resources to meet the cost of public services necessary to maintain economic well being. EDA provides grants for fiscally troubled communities to build or maintain basic infrastructure support. Typical public facility projects include water and sewage systems, access roads, industrial parks, and harbor and airport facilities.

Businesses in underdeveloped rural areas may have difficulty acquiring adequate capital because banks tend to lack liquidity where there is no solid base of past economic development to protect the investments of lenders and companies. Businesses in economically declining urban areas may have problems finding reasonably priced credit because of their location. It is in this context that EDA provides direct loans or loan guarantees.

Despite the broad eligibility criteria in current law, EDA has exercised considerable discretion in granting assistance to communities—and a major portion has gone to those most financially troubled. The agency has developed a number of standards to determine the merits of assistance. More weight is given to projects that are part of a practical development strategy, will draw additional non-Federal public and private investment, and have a substantial impact in relieving unemployment.

Mr. President, if we do not know it when we get here, most Members of Congress eventually learn Mencken's law: "For every human problem, there is a solution that is simple, neat and wrong." To eliminate this Nation's economic revitalization programs, without the benefit of committee hearings or review, would undoubtedly subscribe to the tenets of Mencken's law.

There are many lessons to be learned from last November's election, and we are still learning them. However, I do not believe that the voters told us simply to eliminate all Federal assistance for economically distressed areas. I do not believe that Federal economic revitalization programs have been a mistake.

I believe that the majority of American voters think the Federal Government has a role to play in revitalizing America's economy. The people want to see the unemployed auto worker in Detroit, they want to see the unemployed factory worker in Ohio and the unemployed miner in West Virginia at work again. The people want to see America productively working again.

The EDA has been helpful in providing jobs for American workers.

Mr. President, I hope the Senate will adopt the amendment offered by Mr. MITCHELL.

Mr. GRASSLEY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. GRASSLEY. Mr. President, we yield back the remainder of our time on this side.

Mr. MITCHELL. Mr. President, may I ask for just 1 minute to respond to the statement made by the Senator from Iowa in opposition to the amendment? I shall ask for 2 minutes against the resolution itself.

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes.

Mr. MITCHELL. Mr. President, the argument against this amendment made by the Senator from Iowa is that any policies involving the Federal Government in economic development have been failures and that we ought to abandon that approach. I should like to ask the Senate, was the Tennessee Valley Authority a failure? Did that not result in assistance to millions and millions of Americans in a seven-State region?

The Reclamation Lands Act, which enabled all of the Western States to bloom now, to have the most productive farmlands in the world, areas that were once arid and barren—was that a failure?

The hydroelectric policies which have enabled the cost of electricity in the Western States to be a fraction of that in the Eastern States, which have enabled that area to prosper and develop economically—was that a failure?

The fact of the matter is that the major policies involving the Federal Government in the development of the West and the South have been spectacular successes. That is the reason why the West and the South are now in an economically advantageous position. They have been the opposite of failures. It is precisely that situation and it is for precisely that reason that this program should be continued. By historic turn of events, due in large part of Federal development policies, it is now the East and the North that are the origins of high unemployment and low per capita income. Where once the energies and the efforts of the Federal Government were turned to helping the West and the South develop, and succeeded spectacularly in that effort, now it is this modest effort that is necessary to aid the areas of the East and the North, which suffer from high unemployment and low per capita income.

I do not think this policy of the past century has been a failure. I think it has been a great success. There is nothing more symbolic of that success than the Tennessee Valley Authority, the Reclamation Lands Act, the hydro development programs, and all of the other programs by which the West and the southern parts of this country have reached the economic peak that they now enjoy. So, Mr. President, the arguments offered against this amendment are, in fact, arguments for the amendment because the policies of the past century have succeeded and should be continued.

The PRESIDING OFFICER. All time having expired——

Mr. GRASSLEY. Mr. President, I yield the Senator from Alaska 3 minutes from the resolution.

Mr. MURKOWSKI. Mr. President, I thank the Senator from Iowa for yielding. I think the EDA program, as originally proposed and the EDA program that we have proposed before us in the U.S. Senate are two entirely different programs. The original purpose of the EDA program was to provide financial assistance to those few economically distressed areas in the country which were bypassed by the general economic prosperity. These original areas amounted to some 10 to 12 percent of the country, but now the program has evolved to the point where 85 percent of the country has been identified as economically distressed. As a result, EDA funds have been spread so thin that there is no way to expect EDA to solve the problems of today's economy.

Mr. President, as we reflect on the message from the administration and we reflect further on the response from the citizens of this country, they are committed to a sacrifice. That sacrifice means, Mr. President, less programs. The response is due to the increasing inflation in this country and the fiscal irresponsibility of our Federal Government. Why should the Federal Government demand that its citizens maintain fiscal responsibility when the Government itself expends, year after year, many billions of dollars more than it takes in? Yet it dictates to you and me, Mr. President, that we must balance our checkbook or pay our credit card bills or we shall lose these conventional privileges associated with fiscal responsibility.

I say to the Chair that the citizens of this country, and certainly, the constituents in my State, recognize the concepts and the worthwhile efforts of the EDA program as conceived. But it has broadened to the point where it is a matter of priorities in determining what programs we can afford and what we cannot.

It is my opinion, Mr. President, that the EDA program has grown so tremendously over the years that it has gotten beyond its original structure. As a consequence, its priority merits are being debated here today.

The question is, Mr. President, who will pick up this void? I suggest, for the Senate's consideration that the tax package as proposed by the Reagan administration can go a long way in replacing some of the programs that we have seen picked up by EDA. I refer specifically to the suggestion of a new tax package that recognizes a change in the depreciation schedule, which will allow American plants to enjoy the same set of circumstances that foreign plants now enjoy with regard to a depreciation schedule.

American plants are under depreciation schedules of up to 30 years. It is no wonder that we are no longer competitive in the world marketplace, when we are competing against Japanese and

German plants that enjoy a 7½- to 10-year depreciation schedule.

Mr. President, I remind my opponents with regard to this amendment that the Federal Government has not lost its responsibility to the State governments. What we are looking today is to make a determination whether this is truly a priority item within the budget. It is my opinion that the private sector, particularly through change in the depreciation schedules, can go a long way to assist the basic premise of the economic development program, which is to stimulate employment throughout our country.

I say, Mr. President, that the program deserves a chance. I think that this is a reasonable approach. I certainly recognize that it is a departure from the program that we have seen in this country for many, many years, but the time, Mr. President, for sacrifice is here. It is evident in the constituency of the American people, who are responding by saying, "We are willing to give up these programs in favor of a balanced budget."

Mr. President, I thank the Senator from Iowa. I yield back my time.

Mr. WEICKER. Mr. President, I rise as a cosponsor of the amendment of the Senator from Maine (Mr. MITCHELL). The resolution before the Senate would effectively deny the Economic Development Administration funding for the last two quarters of fiscal year 1981 by eliminating $342 million, and allow for no more than $50 million in fiscal year 1982, in order to eliminate EDA as soon as possible.

This amendment would decrease the reconciliation instruction to require the rescission of $171 million less than recommended by the Budget Committee, and would restore budget authority of $224 million in fiscal year 1982 and $255 million in fiscal year 1983. This amendment runs counter to the administration's proposed elimination of EDA but I firmly believe that the administration's position is dead wrong on this issue.

The central thesis underlying the administration's attitude toward the Economic Development Administration can be found on pages 4 through 10 of the February 18 document entitled "Program for Economic Recovery." I quote a sample paragraph:

> Economic expansion and job creation in distressed areas will be stimulated through general tax, fiscal, and regulatory measures and more flexible community development support assistance.

This is, of course, the classic "rising tide lifts all boats" argument.

Economists can debate forever the macro effects of this supply-side policy—whether inflation will come down and capital investment go up. I do not wish to get into that today.

I do question the micro effects. If you eliminate EDA, UDAG, CDBG, et cetera—the so-called targeted economic development assistance programs—what will the economically distressed areas of our country do? They will be thrown into an enormous vacuum, at least until the rising tide lifts the remaining boats.

President Kennedy favored across-the-board supply-side tax cuts. But he also favored the Area Redevelopment Administration—EDA's forerunner—because he knew macropolicy was not enough.

This administration would pull the plug completely on one of the best of the targeted programs and leave many regions of the United States waiting for the macro effects to trickle down. This is wrong headed.

Let us take a look at the arguments put forth by the administration supporting the elimination of EDA.

First, EDA does not create many new jobs; but transfers jobs from other sectors of the economy;

Second, EDA support is a substitution for private investment;

Third, the cost per job saved or created is between $50,000 to $60,000; and

Fourth, since over 80 percent of the Nation's population lives in "distressed" areas eligible for EDA assistance, the assistance is spread too thin to be effective.

A recent CBO analysis conducted for the Appropriations Subcommittee on State, Justice, and Commerce, of which I am chairman, provides some interesting facts with regard to some of the criticisms raised. This appraisal looked at periods of assistance provided by EDA from 1976 to 1979 and found:

First. The private sector would not have provided the same level of investment which we leveraged with EDA. According to CBO; 8 percent of EDA's loan guarantee projects would have gone unfunded; 84 percent of the business development loan programs would not have been created; and 55 percent of the public works projects would not have been undertaken by the private sector alone.

Second. With regard to costs per job created, CBO tells us that a more accurate measure is: $3,600 to $7,000 per job for the business loan development program; and $10,000 to $12,000 per job for the public works program.

Third. Finally, CBO says that although the areas represented by 78 percent of the Nation's population qualify for EDA assistance, only 25 percent of the counties eligible were actually served and that firms receiving loan guarantee assistance represented only 1.7 percent of all qualifying areas.

The results of this analysis are significant because they discredit the broad criticisms leveled against EDA by administration officials over the past few weeks. EDA is certainly not without fault. I for one have been the strongest critic of the steel loan program, a program which has produced such stellar performances as the $60 million loan default by Wisconsin Steel. Yet, here we have a financial delivery system which has worked pretty well.

EDA claims that in fiscal year 1980, an investment of $507 million by EDA will have saved or created 75,000 to 90,000 jobs and leveraged an additional $2.5 billion in private investment—a 500-percent return, if you will.

This is a program which works and is working, hand in glove with the private sector.

I urge my colleagues to support the Mitchell amendment.

Mr. SARBANES. Mr. President, I commend the Senator from Maine for offering this amendment and for his very effective presentation on its behalf. The Economic Development Administration has been a tremendous stimulant to the economic development of both the urban and rural areas of Maryland, particularly those that have experienced difficulties in terms of businesses leaving the area or where incentives for commercial and economic development were lacking. Many of the urban and rural communities which have benefited from EDA programs have not been able to overcome economic distress even in times of general national prosperity and an expanding economy.

In Maryland there are several areas which clearly demonstrate this unfortunate phenomena and which have benefited from EDA programs. Baltimore City is one clear example of an older American city which has seen decreasing economic opportunities as business and industry have left, with resulting rising unemployment and concentration of large numbers of low-income citizens. These conditions came into being over a fairly long period of time and, in part, because of Federal policies which favored new business development outside of cities through tax benefits, housing industry benefits, and the interstate highway system.

Despite the long period of decline, Baltimore has, in recent years, made substantial efforts to halt and reverse that trend. Its industrial infrastructure has been improved through $11 million in EDA funds to improve streets, sewers, and other infrastructure. These funds were matched by $8 million in local funds—a substantial and important local contribution—for use in areas containing nearly 30,000 jobs. These areas have been stabilized and jobs retained thus stimulating $600 million in private industrial investment.

In the development of new industrial parks, Baltimore projects that are completed or underway are producing or saving 10,000 permanent jobs, generating $140 million in private investment and over $4 million in annual property taxes.

One example of the tremendous importance of EDA programs is the Fort Holabird Industrial Park in Baltimore. A one-time Army base, this tract of land was acquired by the city after a long process and, with the use of EDA funds, turned into an industrial park. The availability of the industrial park with its improved utilities served as a critically important incentive for the General Motors Corp. to stay in Baltimore City and to expand and modernize its assembly plant, thus preserving 4,000 jobs. The EDA funds, coupled with an urban development action grant, enabled GM to agree to purchase 26 acres of the Fort Holabird property with an option to buy 24 more and to upgrade and expand their present plant at a cost of up to $500 million with 1,000 additional jobs to be created in an area of high unemployment.

Mr. President, it is clear that the EDA program has helped Baltimore to deal with its severe economic problems and to

embark on a revitalization of its economy.

Mr. President, the rural areas of Maryland, too, have benefited from the Economic Development Administration. Changes in the nature of the agriculture and seafood industries and lack of large commercial or industrial enterprises have limited job opportunities and economic growth, particularly on the Eastern Shore.

However, several communities have endeavored to establish small industrial parks and to seek energetically firms to utilize them. EDA funds in Pocomoke City in Worcester County were recently awarded for use in installation of sewer lines and construction of streets to carry out a project consistent with the long-range planning program of the Delmarva Economic Development District, a multi-county organization working to create jobs through the use of local resources. It is projected that 245 jobs will be generated through this activity.

In Cambridge, Md. in Dorchester County, the recent closing of a large fish packing plant caused a major increase in unemployment. Dorchester County responded by utilizing over $800,000 in EDA funds to construct an access road, a rail spur and water and sewer facilities for the Woods Road Industrial Park. The project will also serve Airpax, an electronics firm planning to expand and create an additional 300 jobs. This project is also consistent with the program developed by the Delmarva Economic Development District.

In western Maryland, the Mexico Farms Industrial Park near Cumberland will be served by a rail spur made possible by EDA funding. The spur will be an inducement for industry to locate in an area which has been affected by high chronic unemployment. The industrial park is on its way to being the most important part of an overall economic development plan prepared by Allegany County.

Mr. SASSER. Mr. President, I rise to support the amendment of the Senator from Maine (Mr. MITCHELL) that would add a modest amount of funding for the programs of job development which have affected every part of this country.

Mr. President, the Reagan administration has proposed virtual termination of the Economic Development Administration in 1981. And while I have supported, in many cases, the Reagan administration recommendations for cutting the budget, I think that this is one program reduction that is ill-advised.

My State has come to depend on the many projects funded by the Economic Development Administration so that they can move forward with well-planned efforts to spread economic development throughout the State, especially in our smaller and less developed rural communities.

Mr. President, it is not uncommon for the economic payoff of the EDA projects in my State to be on the order of 7 to 1—$7 of private investment for every dollar of funding from the Economic Development Administration. And I have been beseeched by county and development district officials not to cut off funds for projects that are now awaiting 1981 funding for completion.

Why in the Upper Cumberland Development District, we have eight projects on the board that are awaiting EDA funding for multi-purpose industrial parks. Here, Mr. President, I shall ask unanimous consent that the list of these projects appear at the end of my prepared statement. These projects would help provide jobs for 3,120 individuals and without EDA funding, I doubt that these jobs may remain located in Tennessee. And I am vitally concerned over this fact since our State lost more than 50,000 jobs last year and urgently needs the well-focused development programs of the Economic Development Administration.

In the final analysis, EDA job development programs are ones that will help sustain and expand employment in many of the areas of my State that are struggling to expand their tax base and thereby provide gainful employment for their residents.

EDA has been a positive force in creating jobs throughout the country. The local officials administering EDA programs are willing to see cuts made in their programs, but they object to the termination of all programs in 1981 and 1982. So let us be fair, let us make sensible funding reductions in the program, but let us not turn our backs on projects that are almost completed in 1981. Rather, let us adopt this amendment which provides for an orderly and phased reduction in the funding of EDA programs.

The material follows:

UPPER CUMBERLAND DEVELOPMENT DISTRICT
CURRENT EMPLOYMENT IN ARC/EDA ASSISTED INDUSTRIAL PARKS

February 26, 1981

County/city, EDA/ARC funding, industries, and number employees:

Clay/Hermitage Springs, ARC–125,000, Oshkosh B'Gosh Tennessee Mills, 140.

Cumberland/Crossville, EDA–786,000, ARC–75,000, Elixir, Mountain Comfort, B&L Laboratories, Heritage Door and Trim, Energy Dynamics, 140.

DeKalb/Smithville, EDA–571,000, ARC–450,000, Nuturn, Regal Craft Kitchens, Denny Lamp Company, 240.

Jackson/Gainesboro, EDA–300,000, ARC–46,000, 40,000, Georgia Boot Company, Gainesboro Industries, Twin Rivers Furniture, Aeroquip, 510.

Macon/Lafayette, EDA–542,000, Carter Automotive, Arden Industries, 270.

Overton/Livingston, EDA–145,000, Berkline, Overton Apparel, Stylecraft, Livingston Manufacturing, Livingston Paper Board, Averitt Express, Loftis Tool & Die, L&S Tool & Die, Design Intent, Overton Co. Highway Dept., 920.

Putnam/Cookeville, EDA–1,074,000, Tutco, Porelon, Upper Cumberland Dev. Dist., National Guard Armory, 340.

White/Sparta,* EDA–1,500,000, ARC–420,000, 560.

Total funding, 6,074,000.

Total employees, 3,120.

*The City of Sparta was designated as an areawide industrial park by EDA in 1976 and received ARC and EDA grant monies to expand water and sewer services throughout the City to serve four potential industrial sites. The total annual average manufacturing employment for FY 80 in Sparta/White County was 3,590 as compared with an annual average in 1976 of 3,030.

The 1980 annual payroll for the above listed industries totaled $24,000,000.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment by the Senator from Maine. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DECONCINI (after having voted in the negative). On this vote I have a pair with the distinguished Senator from New York (Mr. MOYNIHAN). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 59, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—37

Baucus	Glenn	Mitchell
Biden	Hart	Pell
Bradley	Heinz	Pryor
Bumpers	Hollings	Randolph
Burdick	Huddleston	Riegle
Byrd, Robert C.	Inouye	Sarbanes
Cannon	Jackson	Sasser
Cohen	Kennedy	Specter
Cranston	Leahy	Stennis
Dixon	Levin	Tsongas
Dodd	Long	Weicker
Eagleton	Mathias	
Ford	Matsunaga	

NAYS—59

Abdnor	Garn	Murkowski
Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Bentsen	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Byrd, Harry F., Jr.	Hayakawa	Quayle
	Heflin	Roth
Chafee	Helms	Rudman
Chiles	Humphrey	Schmitt
Cochran	Jepsen	Simpson
D'Amato	Johnston	Stafford
Danforth	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Tower
Durenberger	Mattingly	Wallop
East	McClure	Warner
Exon	Melcher	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

DeConcini, against.

NOT VOTING—3

Metzenbaum	Moynihan	Williams

So Mr. MITCHELL'S amendment (UP No. 35) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 20

(Purpose: To restore funds for programs under the jurisdiction of the Senate Committee on Small Business)

Mr. WEICKER. Mr. President, I call up my amendment No. 20 and ask that it be read.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 20.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 10, beginning with "$97,000,000" in line 17, strike out through "$541,000,000" in line 21 and insert "$2,000,000 in budget authority and $28,000,000 in outlays for fiscal year 1981; $371,000,000 in budget authority and $247,000,000 in outlays for fiscal year 1982; and $487,000,000 in budget authority and $459,00,000".

Mr. WEICKER. Mr. President, I ask for the yeas and nays on my amendment.

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

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, this amendment would bring the overall reductions in the Small Business Administration's programs back in line with those proposed by the President. It would restore funding for programs under the jurisdiction of the Senate Committee on Small Business. In fiscal year 1982 this amendment would reduce savings in budget authority by $155 million below those endorsed by the Budget Committee.

It is important to note that the President's proposal, which I am offering, reflects a one-third reduction in SBA programs from current policy. Thus, with the adoption of this amendment, SBA will still be taking more than its fair share of the overall budget cuts.

However, the Budget Committee instruction would force the Small Business Committee to slash the agency's programs by 45 percent from current policy. I am concerned about the impact that such sweeping reductions would have on the most endangered of the small business community in our country.

I want to stress that this instruction assumes the elimination of the direct lending programs which have been the major function of the SBA.

And, Mr. President, what would be the effect of such a wholesale reduction? If approved it would basically and fundamentally alter the structure and mission of the Small Business Administration without the benefit of thorough review and thoughtful judgments concerning the merits and worthiness of the programs which would be eliminated.

If the Budget Committee instruction prevails in its current form, the Small Business Committee will have no choice as to where it must cut. For it is only through the elimination of direct loans that savings of the magnitude endorsed by the Budget Committee can be achieved. In essence, Budget Committee assumptions would be binding on our committee and on SBA.

As chairman of the Committee on Small Business, I have pledged publicly to pursue vigorous oversight of the SBA during this session of Congress. I welcome this opportunity which is the duty and responsibility of the Committee on Small Business to perform.

However, if the instruction as contained in this resolution is agreed to, the oversight process, the considered judgments necessary to improve the programs and performance of the SBA, will be vitiated. Decisions which should be reached over a period of time will be made without evaluating their impact.

Mr. President, let me point out some of the effects of the Budget Committee's action in adopting this instruction and some of the questions this action raises.

First, the recommendation eliminates all direct lending programs of the agency.

Did the Budget Committee consider the impact of this elimination of the program's constituency? As a lender of last resort, SBA lends to the least credit worthy borrowers. These borrowers are not able to receive a bank loan even with a Government guarantee.

Therefore, the Budget Committee has made the determination that SBA will no longer serve as a lender of last resort for the small business community. And, at the worst possible time for small business, we will impose the "jungle psychology" of "survival of the fittest" from thousands of small businesses.

There are various loan programs designed to serve specific constituencies within the overall direct lending program of SBA.

The handicapped assistance loan program which provides funding for handicapped individuals who own or desire to own their own business would be eliminated.

The energy loan program which provides much needed capital, otherwise unavailable, to small firms which are developing new energy technologies would be eliminated.

The Minority Enterprise Small Business Investment Co. (MESBIC) program would be eliminated.

MESBIC's are venture capital firms which provide both debt and equity funding to small firms operated by socially and economically disadvantaged persons.

Capital commitments from the private sector to MESBIC's total over $100 million with this amount being leveraged through SBA purchase of preferred stock. The 129 MESBIC's currently in existence would lose their source of Government funding under the Budget Committee's recommendation and may as a result lose the ability to attract private investments. Many MESBIC's would have to cease operating if the direct lending programs of SBA are abolished.

The direct funds for the development company loan program which provides funding for the revitalization of small businesses, especially in urban areas would be eliminated.

These programs all serve legitimate purposes, and I reiterate, Mr. President, that if the instruction as reported by the Committee on the Budget stands, the Committee on Small Business will have no choice but to eliminate them.

In addition to the Budget Committee's elimination of direct lending programs, other SBA programs have been subjected to reductions.

The Budget Committee proposes elimination of the nonphysical disaster lending program and increases in the interest rates on disaster loans.

I am sure the distinguished chairman and ranking member of the Budget Committee recall past debate in this Chamber on numerous occasions concerning interest rates on disaster loans. This very issue held up passage of an authorization bill for the SBA for a year and a half. Finally, in July 1980, agreement on the rates and terms for disaster loans was reached in Public Law 96-302.

While I have supported the position taken by the Budget Committee on this issue in the past, as both of the floor managers of this bill will recall, I was also bound to support the position of the Senate in conference and this position is reflected in the rates included in Public Law 96-302.

This is an issue which deserves the attention of the Authorization Committee. If my amendment is agreed to, there will be sufficient latitude within the total reductions to address ths difficult issue. If the instruction as now included in the resolution is adopted, the Small Business Committee will have little choice, but to endorse the Budget Committee's disaster interest rate assumptions.

The Budget Committee recomemndation also assumes a $41 million reduction in salaries and expenses. This assumption includes elimination of the small business development center program which has proven to be a viable medium for the delivery of management assistance for small business.

In addition, the Budget Committee would cut salaries and expenses by an additional 10 percent to reflect lower administrative costs associated with the elimination of direct loans.

Close to 60 percent of salaries and expenses asssociated with SBA's lending programs are to manage the Agency's current portfolio of loans. A 10-percent reduction in total agency salaries and expenses would cut significantly into SBA's ability to manage the current portfolio.

Both the Carter and Reagan administrations in their budget submissions have recognized the need to increase resources available to manage the loan portfolio. Such a deep reduction, as proposed by the Budget Committee, would only exacerbate an already bad situation. Without adequate tracking of the current portfolio, losses to the Government through defaults would increase considerably.

I assure my colleagues that nowhere near 10 percent of the agency's salaries and expenses can be associated with direct lending. Yet, this is the reduction proposed by the Budget Committee in its instruction. Again, I must say that because of the vast amount of cuts proposed in totality by the Budget Committee for SBA, the Committee on Small Business will have no choice but to comply with the assumptions used to build the reduction amounts included in this resolution.

Under my amendment which reflects reductions proposed by the President, there would still be a significant cut in direct lending. However, the Committee on Small Business will be able to recommend those areas where continued funding is necessary. The restoration of funds will insure that SBA can still act as a lender of last resort in aiding those businesses which are unable to obtain credit from other sources.

At a time when both the availability and the cost of credit is the primary concern of small businesses it seems counterproductive to eliminate entirely the one Government program which is designed to ease that problem.

Therefore, I propose this amendment to preserve the ability of the Committee on Small Business to determine the future course of programs under its jurisdiction. Let me add that I am sympathetic with the need to reduce spending and believe that the Small Business Administration must take its share of cuts. Therefore, my amendment would reflect budget savings as proposed by the President.

When the Budget Committee considered this instruction to the Committee on Small Business, a proposal to endorse the President's reduction lost by only one vote. Therefore, I believe that the amendment which I am currently offering is in line with the thinking of many members of that committee, and in line with the desire of many Members on my side of the aisle to see the President's package remain intact.

Mr. President, I do not believe that the Budget Committee ever intended to tie the hands of the Small Business Committee in approving its reduction level. In fact, the Budget Committee report accompanying Senate Concurrent Resolution 9 states:

> Under the Budget Act, each committee that receives a reconciliation instruction is free to make its required savings in any manner it sees fit.

This point was reiterated by the distinguished chairman of the Budget Committee in his statement as the Senate began consideration on this resolution on Thursday. The facts show that in the case of the Committee on Small Business we are not free to choose the manner in which the required savings will be achieved. I hope that the managers now are cognizant of this fact which I am sure was an unintended result of their action in the Budget Committee. I believe the amendment I am offering corrects this unintended result while still requiring a significant reduction in SBA programs. Mr. President, I urge my colleagues to accept this amendment.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I rise in support of Senator WEICKER'S amendment to fund small business programs at the level proposed by President Reagan.

First I would like to say a brief word about the distinguished Senator from Connecticut.

As the new chairman of the Senate Small Business Committee, my colleague from New England has already established himself as a strong voice in the U.S. Senate on behalf of small business concerns.

In the area of tax incentives for small business, as well as many others, he is working to insure that the small business sector of our economy is given the proper opportunity to contribute to our economic recovery.

My colleague's amendment restores cuts in vital SBA programs proposed by the Budget Committee.

In the reconciliation resolution, all direct lending programs for small businesses are completely eliminated. These cuts include loans to local development companies, loans to the handicapped, and financial assistance to minority enterprise small business investment companies.

These are important programs. They assist thousands of small businesses in this country by providing access to capital that otherwise would be unavailable. In so doing, they assist in the creation of thousands of new jobs and result in added revenue for the Government.

These are not experimental programs; they are programs with proven results. In Boston for instance, the Boston local development corporation has created nearly $4 million in new investment. For Boston, this has meant 309 new jobs and the retention of 428 others.

This is just one example of the contributions small business programs make to our economy. They create jobs, they enhance competition, and they assist in improving local economic conditions.

In light of these results, it is absolutely clear that now is the worst possible time to reduce SBA lending programs.

I may disagree with my colleagues on some things. But there is one issue on which there is complete agreement in this body. We must work to bring inflation, unemployment and high interest rates down, and we must encourage investment and productivity by the business sector.

In this effort we must secure the full participation of the small businesses of this Nation. Their past record in promoting innovation, providing employment, and enhancing competition demonstrates the important contribution these firms can make in restoring our economic prosperity. It is our obligation in the Senate, to make sure that these firms participate fully in our economic recovery effort.

Surely this cannot be accomplished by eliminating vital small business lending programs. Instead we must be sure to provide the resources necessary to insure small business a proper role in our efforts to restore prosperity to the economy.

I believe the Weicker amendment will assure this role, and I urge my colleagues to support it.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I say to the Senator from Connecticut that I believe there has been an agreement that his amendment will be the first order of business on tomorrow.

Mr. WEICKER. I thank the distinguished lovely Senator from Kansas.

Mrs. KASSEBAUM. When the Chamber will be filled and we can far better engage in debate.

Mr. WEICKER. I am not so sure that if the Chamber is filled that that necessarily guarantees the quality of debate.

Mr. FORD. It enhances it some.

ROUTINE MORNING BUSINESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed 30 minutes and that Senators may be permitted to speak therein for not more than 5 minutes each.

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

PRESIDENTIAL ASSASSINATION ATTEMPT IS A NATIONAL TRAGEDY

Mr. SASSER. Mr. President, the news from George Washington University Hospital today is indeed gratifying. President Reagan continues to do well, and we all wish him a speedy recovery. Our prayers have been with him and his family constantly during this tragic time.

The President's behavior during this time has been remarkable. His strength, stamina, and good humor have won the admiration of people across the Nation and throughout the world. He demonstrated amazing calm under the most trying circumstances.

President Reagan is in excellent physical condition, and I expect him to bounce back very quickly. I see no reason why he should not resume his full duties in very short order. In the interim, it is reassuring that Vice President BUSH, Secretary of State Haig, and others have stepped in to insure the orderly administration of the executive branch of Government.

While President Reagan no longer appears to be in any danger, I am saddened that his press secretary, Mr. James Brady, still remains in critical condition. We should also take a moment to think of Secret Service Agent Timothy McCarthy and District of Columbia Police Officer Thomas Delahanty, who were also wounded in the senseless and vicious shooting.

The shooting yesterday afternoon was a grim reminder of the violence which permeates so much of society. It was only the latest in a series of violent attacks on our elected leaders in the last two decades. The assassinations of John Kennedy and Robert Kennedy, the two attacks on President Ford, are vivid and lasting memories.

These random acts of violence have no explanation or rationality. They appear to have been the work of deranged and unbalanced individuals.

Now, as we reflect on the events of the last 24 hours, we must make a commitment to double our efforts to seek to rid society of violence and the causes of violence. We must make sure that we are doing everything necessary to protect our elected leaders.

I was deeply saddened by the events of yesterday afternoon, but I am heartened by the courage and tenacity of President Reagan. I am sure all of my colleagues join me in wishing well and paying him the greatest respect.

ATTEMPTED ASSASSINATION OF PRESIDENT RONALD REAGAN

Mr. MATHIAS. Mr. President, violence has again stalked a President of the United States. I am appalled by the attempted assassination of President Reagan. Mrs. Mathias' prayers and mine, like

those of all Americans, are with the President and with the other victims of this irrational attack—James Brady, the President's associate; Tim McCarthy, of the Secret Service, and especially with Thomas Delahanty, a Metropolitan Policeman and a fellow Marylander.

One President killed would be too many, but the number of American Presidents killed or threatened by armed gunmen is a national tragedy and a national disgrace.

As the Nation keeps its painful vigil, let us resolve to act together to reduce the level of violence in our society. We may never be able to control irrational elements in society or to anticipate the acts of a madman, but we can control the use of weapons which gives ultimate expression to madness. We can and we must.

SENATOR SASSER ACCEPTS INTERGOVERNMENTAL ADVISORY COMMISSION APPOINTMENT

● Mr. SASSER. Mr. President, recently, I accepted the appointment, made by Vice President GEORGE BUSH, to my second 2-year term as a member of the Advisory Commission on Intergovernmental Relations (ACIR).

For mayors and Governors and legislators and council members throughout the country, the work of this Advisory Commission seems very important, indeed. Stated simply, the Commission considers issues of "'Federalism," or how power and resources are divided up among the levels of government.

One of their recommendations, made several years ago, was that the system of Federal grants needed streamlining. The Commission suggested that there is a great need to reduce the paperwork and overhead costs imposed on State and local governments by the grant system.

In my view, the work of the Commission in "sorting out" the complex intergovernmental grant system has great merit. That is why I am the sponsor of several pieces of legislation based on Commission recommendations.

During the last Congress, I was pleased when my bill to extend the Joint Funding Simplification Act, which allows the "packaging" of grant programs, was passed and signed into law.

This year, I have introduced the Federal Assistance Reform Act (S. 45), to improve the overall management of the Federal grant system, and the State and Local Fiscal Note Act (S. 43), to reduce the instances of unanticipated cost burdens imposed on State and local governments by Federal programs. I am hopeful of early passage of both pieces of legislation.

I am proud that several prominent Tennesseans have, at various times, been members of the ACIR. Both Vanderbilt Chancellor Alexander Heard and Montgomery County Judge William O. Beach have served on the Commission. So did the late Nashville Mayor Beverly Briley and the late Gov. Buford Ellington.

I believe that the extensive research done by the Advisory Commission on Intergovernmental Relations leads the way toward gains in instituting reforms in the Federal system. That is why I am pleased with my reappointment to the Commission. I look forward to continuing to work with ACIR, both as a member of the Commission and as a Member of Congress, in the effort to improve intergovernmental relations.●

THE DEATH OF RETIRED NAVY ADMIRAL JOHN S. McCAIN, JR.

Mr. THURMOND. Mr. President, I was deeply saddened to learn of the death of retired Navy Admiral John S. McCain, Jr., on March 22. He was a fine, patriotic, public-spirited military officer who made outstanding contributions toward implementing U.S. defense policies in the Vietnam and Pacific Ocean area during the late 1960's and early 1970's. His knowledge of the aggressive nature of communism was extensive, and he was a strong advocate of an upgraded Navy to counter the mounting naval power of the Soviet Union.

A recent article by staff writer Martin Weil in the March 24, 1981, Washington Post provides some excellent background on John McCain and his career.

Mr. President, in order to share excerpts of this article with my colleagues, I ask unanimous consent that this article be printed at this point in the RECORD.

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

ADM. JOHN S. MCCAIN, JR., DIES; LEADER IN VIETNAM WAR

(By Martin Weil)

Retired Navy Admiral John S. McCain Jr., 70, a bluntly outspoken foe of communist aggression who served as commander-in-chief of U.S. forces in the Pacific at the peak of the Vietnam war, died Sunday of a heart attack he suffered while returning from a vacation trip in Europe.

Admiral McCain, retired since 1972, was the Navy's first full admiral who was the son of another full admiral. His father commanded a carrier task force in the Pacific during World War II. One of Admiral McCain's own sons, Capt. John S. McCain III, was a prisoner of war in Indochina for five years after being shot down while a Navy pilot.

A dedicated apostle of the importance of seapower to the national interest, Admiral McCain was a decorated World War II submarine commander. He headed U.S. forces in the Dominican Republic during the 1965 crisis there. From 1968 to 1972, he held the Pacific post, which included Vietnam.

"The communists have chosen to make Vietnam the testing ground for their so-called wars of national liberation," he once said. "If they can make this kind of aggression work there, we can expect to be faced with more such wars elsewhere. We are there to prove to them that it won't work."

Admiral McCain was born in Council Bluffs, Iowa, and grew up at various naval stations where his father was posted. He was in Washington during his high school years and graduated from the old Central High School before entering the U.S. Naval Academy at Annapolis in the class of 1931. His reported rebelliousness as a midshipman was said to have earned him huge doses of punitive extra duty.

Of his later return to the Naval Academy to teach electrical engineering, he said, "The lads learned soon enough never to try to hoodwink an old hoodwinker."

In a 1970 speech he told the academy's graduating class not to worry about those urging "make love, not war." The graduates, he said, belonged to a fraternity "whose members are men enough to do both."

As commander of three different submarines during World War II, he sank 20,000 tons of Japanese shipping and once spent 72 hours on the ocean bottom, riding out a depth charge attack. "It gives you a new outlook on life," he said of the experience. His military decorations from that period included the Silver Star and Bronze Star medals.

After the war, the lithe, slightly built admiral, who jumped rope 200 times a day to help keep fit, held a variety of posts, including second in command of the heavy cruiser *St. Paul* during the Korean conflict, chief of Navy congressional liaison, chief of information for the Navy, commander of the Atlantic amphibious training command, commander of Atlantic amphibious forces, and before going to the Pacific, Naval commander in Europe.

In addition to the Silver and Bronze Stars, Admiral McCain's decorations included two Distinguished Service Medals and three Legion of Merit medals.

He was a 33rd degree Mason and a member of the Cosmos, Army & Navy and Chevy Chase country clubs.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–822. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act and the Small Business Act; by unanimous consent, referred jointly to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration:

Special report entitled "Legislative Review During the 96th Congress by the Senate Committee on Rules and Administration" (Rept. No. 97–30).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Special report entitled "Report on the Activities of the Committee on Commrce, Science, and Transportation" (Rept. No. 97–31).

Mr. PACKWOOD. Mr. President, paragraph 8(b) of Senate rule XXVI requires each standing committee of the Senate to submit not later than March 31 of each odd-numbered year a report to the Senate on the activities of that committee during the previous Congress.

The report I am herewith submitting presents a summary of the activities of the Senate Committee on Commerce, Science, and Transportation during the 96th Congress and fulfills the reporting requirement of Senate rule XXVI referenced above.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Special report entitled "Legislative Review Activity," Committee on Labor and Human Resources (Rept. No. 97–32).

By Mr. SIMPSON, from the Committee on Veterans' Affairs:

Special report entitled "Legislative and Oversight Activities During the 96th Congress by the Senate Committee on Veterans' Affairs" (Rept. No. 97-33).

By Mr. TOWER, from the Committee on Armed Services:

Special report entitled "Report on the Activities of the Committee on Armed Services, United States Senate, 96th Congress, First and Second Sessions" (Rept. No. 97-34).

Mr. TOWER. Mr. President, in accordance with the requirements of section 136(b) of the Legislative Reorganization Act of 1946, as amended, submitted herewith is the report of the activities of the Committee on Armed Services during the 96th Congress.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Emanuel S. Savas, of New Jersey, to be an Assistant Secretary of Housing and Urban Development;

Philip D. Winn, of Colorado, to be an Assistant Secretary of Housing and Urban Development; and

Arthur E. Teele, Jr., of Florida, to be Urban Mass Transportation Administrator.

By Mr. THURMOND, from the Committee on the Judiciary:

Carol E. Dinkins, of Texas, to be an Assistant Attorney General;

D. Lowell Jensen, of California, to be an Assistant Attorney General; and

Theodore B. Olsen, of California, to be an Assistant Attorney General.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY:

S. 830. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Finance.

By Mr. PACKWOOD (by request):

S. 831. A bill to authorize the appropriations for the Coast Guard for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 832. A bill to amend section 51(d) of the Internal Revenue Act of 1954 to make technical modifications in the definition of an economically disadvantaged Vietnam-era veteran and to remove the age criterion applicable to such definition; to the Committee on Finance.

By Mr. FORD:

S. 833. A bill to amend the Consumer Product Safety Act to authorize appropriations for fiscal year 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND (for himself and Mr. HART) (by request):

S. 834. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

By Mr. STEVENS:

S. 835. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE:

S. 836. A bill for the relief of Staff Sergeant Anne M. Fisher; to the Committee on the Judiciary.

S. 837. A bill for the relief of Antonio Lacson Devera; to the Committee on the Judiciary.

By Mr. ROTH (by request):

S. 838. A bill to amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself and Mr. DANFORTH):

S. 839. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

By Mrs. KASSEBAUM (for Mr. THURMOND):

S. 840. A bill to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, fiscal year 1980, for a certain period. Considered and passed.

By Mr. STAFFORD (for himself, Mr. SYMMS, Mr. PACKWOOD, and Mr. DOLE) (by request):

S. 841. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works and the Committee on Finance, by unanimous consent referred to the Committee on Environment and Public Works for consideration of title I; to the Committee on Commerce, Science and Transportation for consideration of title II; and to the Committee on Finance for consideration of title III.

By Mr. HAYAKAWA (for himself, Mr. MCCLURE, Mr. HELMS, Mr. HEFLIN, and Mr. SYMMS):

S. 842. A bill to provide for stability and certainty in planning and management of certain National Forest Lands; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr GRASSLEY:

S. 830. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee Finance.

STATE IMPOSITION OF WORK REQUIREMENTS AS A CONDITION FOR AID TO FAMILIES WITH DEPENDENT CHILDREN

Mr. GRASSLEY. Mr. President and Members of the Senate, today I am introducing legislation to give States the option of requiring recipients of aid to families with dependent children to perform work in return for their benefits. The only restrictions my bill would place upon the States are: A child under the age of 16 or in school may not be required to perform work; a person who is ill, incapacitated, or of advanced age may not be required to perform work; a person who must remain at home in order to care for an ill or incapacitated member of the household may not be required to perform work; a mother or other relative of a child under the age of 6 who is caring for the child may not be required to perform work unless appropriate day care is provided while the mother or other relative is working.

The principle behind this bill is simple and eminently fair; that is, every able-bodied member of society should be expected to contribute constructively to society in return for his—or her—support at a time of need. This bill is necessary because current law, as interpreted by the Department of Health and Human Services, actually prohibits States from requiring recipients to perform work in return for their benefits. Not only is this law in direct opposition to one of the very basic principles of our society, it also cruelly robs recipients of Federal aid of the opportunity—and it is an opportunity I think the majority of them would like to have—of making a useful contribution to society in return for the helping hand that has been extended to them.

I have made the imposition of a work requirement optional to the States because I believe that, while the Federal Government should certainly not stand in their way, the States should be permitted to make the actual decisions as to whether or not to impose work requirements based upon their best assessments of conditions within their own States. For example, in States with small AFDC caseloads spread out over large geographic areas, it might not be practical, or feasible, to require recipients to perform work.

My bill leaves the States with almost total freedom to devise their own work-fare programs. Of course, there are certain minimal guidelines that they must follow, as I have outlined above. To my colleagues who might have other concerns, I would only point out that nothing in my bill would prevent the States from placing further restrictions upon their work-fare programs, if they so desire or if conditions warrant further restrictions.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

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

S. 830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this part or part C, or in any State plan approved under this section, or in any regulation prescribed to implement this part or part C or any such State plan, shall be construed to prevent a State from imposing (on such terms and conditions and in such cases as the State may find to be necessary or appropriate, whether or not such terms, conditions, and cases are consistent with subsection (a)(19) or part C) a requirement that an individual or relative, or any other person (living in the same home) whose needs are taken into account in making the determination under subsec-

tion (a)(7), perform employment as a condition of eligibility for aid to families with dependent children; except that such a condition of eligibility may not be imposed on—

"(1) a child who is under age 16 or attending school full time;

"(2) a person who is ill, incapacitated, or of advanced age;

"(3) a person whose presence in the home is required because of illness or incapacity of another member of the household; or

"(4) a mother or other relative of a child under the age of six who is caring for such child (but this paragraph shall not apply if appropriate day care is provided for such child while the mother or other relative is performing employment).".

Sec. 2. The amendment made by the first section of this Act shall apply with respect to months after the month in which this Act is enacted.

By Mr. PACKWOOD (by request):

S. 831. A bill to authorize the appropriations for the Coast Guard for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COAST GUARD AUTHORIZATION ACT OF 1981

● Mr. PACKWOOD. Mr. President, today I am introducing, by request, the Coast Guard authorization bill for fiscal year 1982. The recommendations for Coast Guard funding contained in this bill will be the subject of comprehensive hearings by the Commerce Committee next week. At that time I intend to examine very closely the administration's funding and program recommendations. My initial reaction to the level of funding recommended is that it is inadequate to enable the Coast Guard to adequately perform the varied and important tasks that they have been assigned. We frequently seem to forget, in addition to its many and expanding maritime regulatory and peacetime lifesaving responsibilities, that the Coast Guard is a branch of the Armed Forces and is a component of the Navy during wartime.

At a time when the United States has recommitted itself to assuring that we have an adequate national defense capability, it makes no sense whatsoever to overlook an important element of that defense establishment. While I agree that we have to tighten our belts in order to achieve a balanced budget, reductions must be examined closely to determine the impacts on specific programs such as search and rescue, fisheries law enforcement, and marine environmental protection.

I am also concerned about the condition and age of many of the Coast Guard vessels being unable or unsafe to operate are becoming more prevalent. We, the Congress, have called upon the Coast Guard over the years to do more and more with less and less. That trend cannot continue.

I trust that with the administration's support we can enhance the ability of the Coast Guard to fulfill its demanding missions rather than preside over its continued deterioration.

Mr. President, I ask unanimous consent that the text of S. 831 and a section-by-section analysis of the bill be inserted at this point in the RECORD.

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

S. 831

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 "Coast Guard Authorization Act of 1982".

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1982

SEC. 101. Funds are hereby authorized to be appropriated for necessary expenses of the Coast Guard for the fiscal year 1982, as follows:

(1) for the operation and maintenance of the Coast Guard including expenses related to the Capehart housing debt reduction: $1,402,898,000, and such additional sums as may be necessary to meet unforeseen circumstances;

(2) for the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto: $375,000,000, to remain available until expended;

(3) for the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation: $17,500,000, to remain available until expended; and

(4) for research, development, testing, and evaluation: $29,730,000, to remain available until expended.

SEC. 102. For fiscal year 1982, the Coast Guard is authorized an end-of-year strength for active duty personnel of 39,904: Provided, That the ceiling shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

SEC. 103. For fiscal year 1982, average military training student loads for the Coast Guard are authorized as follows:

(1) Recruit and special training: 3,660 student-years;

(2) Flight training: 118 student-years;

(3) Professional training in military and civilian institutions: 655 student-years; and

(4) Officer acquisition: 1,038 student-years.

TITLE II—COAST GUARD MANAGEMENT

SEC. 201. Subsection (a) of section 1 of the Act of March 4, 1915, c. 143, 38 Stat. 1084, as amended, (31 U.S.C. 686(a)) is amended by inserting "the United States Coast Guard," in the first proviso immediately after "Federal Aviation Agency,".

SEC. 202. (a) Subsection (a) of section 41a of title 14, United States Code, is amended to read as follows:

"(a) The Secretary shall maintain a single active duty promotion list of officers of the Coast Guard on active duty in the grades of ensign and above. Reserve officers on active duty other than pursuant to an active duty agreement executed under 679 of title 10, United States Code, retired officers, and officers of the permanent commissioned teaching staff of the Coast Guard Academy shall not be included on the active duty promotion list.".

(b) Subsection (d) of section 41a of title 14, United States Code, is amended by striking "extended".

SEC. 203. Title 14, United States Code, is amended as follows:

(1) By amending subsection 41a(b) by inserting the following immediately before the period at the end of the second sentence: ", except that the rear admiral designated by the Commandant to the position of Chief of Staff shall be the senior rear admiral for all purposes other than pay".

(2) By amending subsection 290(a) by inserting the following in the second sentence immediately after the words "vice admiral": "or in the position of Chief of Staff".

SEC. 204. Title 14, United States Code, is amended as follows:

(1) By striking the first sentence of section 711.

(2) By amending the table of sections at the beginning of chapter 21 of such title to read as follows:

"711. Exclusiveness of service.".

SEC. 205. Public Law 96-376 (4 Stat. 1509) is amended as follows:

(1) By amending paragraph (1) of the first section by striking "$1,248,367,000;" and substituting "$1,337,207,000;".

(2) By amending section 2 by striking "39,600:" and substituting "39,819:".

SEC. 206. Subsection 93(p) of title 14, United States Code, is amended by inserting the following immediately after "of such lines and cables,": "including the installation and use of telephone in residences leased or owned by the Government of the United States when appropriate to assure efficient response to extraordinary operational contingencies of a limited duration,".

TITLE III—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1983

SEC. 301. Such funds as may be necessary are hereby authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1983, as follows:

(1) for the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction;

(2) for the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto;

(3) for the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation; and

(4) for research, development, testing, and evaluation.

SECTION-BY-SECTION ANALYSIS OF S. 831

TITLE I

Section 1 authorizes $1,402,898,000 for FY–1982 Coast Guard operating expenses, an increase of $65,691,000 over the amount already appropriated by Congress and supplemental appropriations requested for FY–1981. An authorization for additional money to meet unforeseen circumstances is included in order to preclude the need for a supplemental authorization bill. The section also includes a $375,000,000 authorization for acquisition, construction, and rebuilding of aircraft, vessels, shore facilities, and aids to navigation in FY–1982, an increase of $39,015,000 over the amount already appropriated by Congress and supplemental appropriations requested for FY–1981; $17,500,000 for removal or alteration of bridges, a $1,650,000 increase over the amount appropriated by Congress for FY–1981; and $29,730,000 for research and development, a $4,730,000 increase over the amount appropriated by Congress for FY–1981.

Section 2 authorizes an active duty personnel level of 39,904 for FY–1982. This is an increase of 85 persons over the level requested to be authorized in section 205 of this Act.

Section 3 of the proposed bill authorizes the student-year levels for recruit and special training (FY–1982–3,660), a decrease of 525 from FY–1981; flight training (FY–1982–118), an increase of 1 from FY–1981; professional training (FY–1982–655), an increase of 60 from FY–1981; and officer acquisition (FY–1982–1,038), an increase of 113 from FY–1981. In all categories, student-years are used as the unit of measure. A student-year is defined as the product of the number of students scheduled to attend each course in the category multiplied by the course length expressed in a fraction of a year (e.g., course

length in weeks divided by 52 weeks per year).

TITLE II

Section 201.

Section 686 of title 31, United States Code, (The Act of March 4, 1915, c. 143, § 1, 38 Stat. 1084, as amended) permits Federal agencies to place orders with other agencies for materials, supplies, equipment, or work or services which those agencies may be able to supply.

Prior to its transfer to the Department of Transportation in 1967, the Coast Guard, as an agency within the Department of Treasury, was included within the first proviso of section 686. In the transfer the proviso's applicability was inadvertently overlooked. As a result, the Coast Guard no longer has the benefit of being able to place orders, "for materials, supplies, equipment, work, or services, of any kind that any requisitioned Federal Agency may be in a position to supply, or to render or to obtain by contract".

The Coast Guard, therefore, cannot place an order under section 686 if the providing agency will fill the order by contracting outside the Government, either in whole or in part.

As a result of this exclusion, the Coast Guard has experienced problems—and expects to continue encountering difficulties—in a number of important projects. Most significantly the Service is presently precluded from placing orders with the Department of Defense military departments for services, such as statistical research projects, equipment, or materials resulting from DOD research and development efforts and for other highly technical procurements, if the requisitioned agency has contracted outside of the Government for any part of the project. Paradoxically, the Department of the Army and the Navy Department, which are specifically named in the proviso, can place such orders with the Coast Guard.

COST AND BUDGET DATA

The amendment to this section will result in improved procurement efficiency and economy, thereby better enabling the Coast Guard to accomplish its multiple missions in an effective manner. Inasmuch as no additional personnel will be required for implementation and administration, there will be no new costs to decrease the potential savings which the Coast Guard may realize as a result of this restored authority.

Section 202.

Section 41a of title 14, United States Code, requires that Reserve officers "on extended active duty" be included on the active duty promotion list (ADPL) and, consequently, considered for promotion under chapter 11 of title 14 along with regular Coast Guard officers. Only those Reserve officers on active duty who are "serving in connection with organizing, administering, recruiting, instructing, or training the Reserve components [i.e., Reserve Program Administrators] or assigned to the Selective Service System" are excluded from the ADPL. Newly enacted section 728 of chapter 21, title 14, United States Code (P.L. 96-322 August 4, 1980), states that Reserve officers who are on active duty "for training, duty on a board, or duty of a limited or temporary nature if assigned to active duty from an inactive status" shall be considered eligible for promotion under the authority of chapter 21, "COAST GUARD RESERVE", rather than chapter 11 even though the present language of section 41a contains no authority for their exclusion from the ADPL.

A result of this situation is that Coast Guard Reserve officers called to active duty to perform specific missions for the Coast Guard may refuse activation if during the duration of their active duty they happen to fall within a promotion zone on the ADPL. In the past Reserve officers, who would have been promoted if measured against their peers by a Reserve promotion board, have fared poorly when placed on the ADPL and considered for promotion on a "best qualified" basis with active duty officers under chapter 11.

The amendment to section 41a will rectify this problem by expressly specifying who is to be included on the ADPL. In addition to "officers of the Coast Guard on active duty in the grades of ensign and above," only Reserve officers serving on active duty under the authority of section 679 of title 10, United States Code, will be included on the ADPL. Section 679 is concerned with active duty agreements between the uniformed services and Reserve officers and requires, in subsection (a), a "standard written agreement" for the subsection (b) "specified period of duty of at least 12 months". The present language of section 41a, i.e., "extended active duty", was intended to cover the Reserve officer who enters such an agreement with the Coast Guard for an extended period of active duty rather than the Reserve officer who is called to active duty for a shorter period of time to perform a specific function, i.e., training, duty on a board, or other duty of a limited or temporary nature. While clarifying which classes of Coast Guard officers shall be included in the ADPL and thereby enhancing the Coast Guard's ability to activate Reserve officers as necessary, the amendment to section 41a does not affect the status of those other classes of officers currently expressly excluded from the ADPL.

In order to comport with the intent of the amendment to subsection (a), the word "extended" has been deleted from subsection (d) of section 41a inasmuch as its continued retention would be unnecessary and create confusion.

COST ESTIMATE

This proposal will result in no increase in cost of the Federal government and no additional civilian or military personnel will be needed as a result of its enactment.

Section 203.

Section 203(a) of the proposed bill amends section 41a of title 14, United States Code, by providing that the rear admiral serving in the position of Chief of Staff shall be considered the senior rear admiral of the Coast Guard, for purposes other than pay, regardless of date of rank.

Organizationally, at Coast Guard Headquarters, the Chief of Staff ranks after the Commandant and Vice Commandant. This amendment would accord the Chief of Staff the same prominence in terms of military protocol as the position merits within this hierarchy.

Section 203(b) of the proposed bill would exempt the rear admiral who is serving or has served as Chief of Staff from being subject to consideration for continuation under section 290 of title 14, United States Code. Under that section each rear admiral between the fourth and fifth years in grade is subject to a board determination of whether or not he may continue to serve until his normal date of retirement.

The Chief of Staff must make sensitive management and budgetary decisions affecting programs throughout the Coast Guard. This amendment would enable the Commandant to select a junior rear admiral who could make these decisions with the degree of autonomy necessary for this position. The only potential drawback to this proposal is that a junior rear admiral Chief of Staff would never be subject to the scrutiny of a continuation board. However, since there are so many capable rear admirals eligible for Chief of Staff, it is unlikely that the Commandant would select a Chief of Staff who, after serving in that position, would not continue to ably and industriously perform his duties for the duration of his Coast Guard career.

COST ESTIMATE

This proposal has no budgetary impact.

Section 204.

Section 711 of title 14 United States Code is amended by deleting the first sentence to remove the Selective Service registration exemption for Coast Guard inactive duty Reservists so that this section conforms to the Selective Service laws. Section 453 of title 50 Appendix provides that "[e]xcept as otherwise provided in this title . . . it shall be the duty of every male citizen . . . to present himself . . . to registration . . .". Section 456 of title 50 Appendix exempts from registration only members of the reserve components "while on active duty." However, the recently enacted section 711 of title 14 inadvertently reenacted the blanket exemption from registration, previously found in section 757 of title 14 for members of the Coast Guard Reserve without regard to whether they are on active duty. Prior to its reenactment, section 757 had been implicitly repealed by the enactment of the title 50 Appendix provision. Since these statutes are in conflict, it is necessary to amend section 711 to preserve the apparent intent of Congress, as expressed in section 453 of title 50 Appendix.

Section 205.

The FY-1981 Coast Guard authorization of appropriations bill is amended by increasing the authorization for operating expenses by $88,840,000 and the personnel ceiling by 219. These increases are necessary because supplemental appropriations requested for FY-1981 primarily for the Cuban sea patrol and for increased expenses as a result of the Nunn-Warner military personnel act would make the appropriation figures exceed the amounts already authorized to be appropriated for FY-1981.

Section 206.

Subsection 93(p) of title 14, United States Code, is amended by inserting a clause to grant the Coast Guard authority to provide leased telephone services to residences leased or owned by the Government during extraordinary operational contingencies of limited duration. The recent Cuban Refugee Freedom Flotilla operation was an example of such a contingency. It necessitated that the Commander, Seventh Coast Guard District be available at all times, 24 hours a day, for daily contact with numerous local, State, and Federal agencies. Since it was impracticable for the District Commander to remain at his office at all times, it was necessary to install a separate telephone in his private living quarters so that he could direct the operation of the Freedom Flotilla outside of normal working hours. As soon as the Freedom Flotilla operations ceased, the telephone was removed from the District Commander's residence. The installation, use, and removal of the telephone were accomplished at the District Commander's own expense. This change to subsection (p) will ensure that, in the future, similar contingency needs may be met with appropriated funds.●

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 832. A bill to amend section 51(d) of the Internal Revenue Act of 1954 to make technical modifications in the definition of an economically disadvantaged Vietnam-era veteran and to remove the age criterion applicable to such definition; to the Committee on Finance.

MODIFICATION TO DEFINITION OF ECONOMICALLY DISADVANTAGED VIETNAM-ERA VETERAN

● Mr. CRANSTON. Mr. President, I am introducing today, joined by my distinguished colleague from Hawaii and fellow member of the Veterans' Affairs

Committee (Mr. MATSUNAGA), who also serves on the Finance Committee, and my distinguished colleague from Arizona (Mr. DECONCINI), S. 832, a bill which would make both technical and substantive modifications in the definition of an economically disadvantaged Vietnam-era veteran for the purposes of the targeted jobs tax credit—TJTC—authorized by section 51 of the Internal Revenue Code as amended by section 321 of the Revenue Act of 1978, Public Law 95-600. This measure is identical to S. 2838 which Senator MATSUNAGA and I introduced in the 96th Congress but on which no action was taken.

The substantive effect of this amendment would be to remove from current law the requirement that in order to be considered an economically disadvantaged Vietnam-era veteran, an otherwise eligible individual must be under 35 years of age. In lieu of this requirement, the proposed bill would require that the individual not have retired from the Armed Forces at the rank of major or above, or its equivalent. This criterion is designed to make the credit available for jobs provided to all eligible Vietnam-era veterans regardless of age except retired career field-officer grade military personnel who served during the Vietnam era.

The age criterion in existing law was designed initially as part of the 1977 amendments to the Comprehensive Employment and Training Act—section 305 of the Youth Employment and Demonstration Projects Act of 1977, Public Law 95-22—in part, to rule out career military personnel who served during the Vietnam era. A more finely tuned approach to this problem—on which this proposed amendment is based—was used in the Civil Service Reform Act of 1978, Public Law 96-454, which in section 307 (a) used the retirement-related criterion to amend the title 5 civil service law for the purposes of limiting five-point veterans preference status.

The purpose of this proposed TJTC modification is to permit the participation in the TJTC program of many Vietnam-era veterans who are rapidly approaching or have already passed the age of 35. Many of these Vietnam-era veterans actually served in Indochina and saw combat, and although these veterans are not experiencing the severe rates of unemployment experienced by younger veterans—in February, the rate of unemployment for Vietnam-era veterans ages 35 to 39 was 4.6 percent—there are still many whose employment-related needs would be served by eligibility for TJTC. As of September 1980, almost 3.3 million of the more than 9 million individuals who served during the Vietnam era were 35 years of age or older. The average age of Vietnam-era veterans was 33.6 years at the end of fiscal year 1980.

Mr. President, I believe it is important to note the conclusion in the recent in-depth report, entitled "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," submitted to the Veterans' Administration by the Center for Policy Research that "military duty in Vietnam had a negative effect upon post-military achievement." This negative effect is evidenced by the sustained, high rates of unemployment among minority group Vietnam-era veterans, poor success in competition for high-level jobs, and erratic patterns of changes in occupational levels. Our national obligation and national responsibility to assist those veterans of our Nation's longest war who are still experiencing difficulties in returning to civilian life should, therefore, not terminate when they turn 35 years of age.

Since the inception of the TJTC program, under which employers may receive a tax credit of up to $3,000 for hiring a member of an eligible target group, more than 10,500 Vietnam-era veterans have found employment through this program. I believe the prospects for employment in the private sector of older, noncareer military Vietnam-era veterans, especially those with families and those who are experiencing severe problems in obtaining employment, would be enhanced by the enactment of this proposal. Further, in light of the Reagan administration's proposal to phase out completely the jobs and opportunities for employment now offered through the public service employment program conducted under the Comprehensive Employment and Training Act, it is appropriate that in efforts to encourage reliance on jobs in the private sector, these very deserving veterans be a top priority and receive the full measure of assistance that can be made available.

Mr. President, at this time, no cost estimate of this proposal has been developed. However, last year in connection with S. 2838, the cost of enactment was estimated to not be significant.

I ask unanimous consent, Mr. President, that there be printed in the RECORD at this point a copy of the bill we are introducing and a document showing the changes that would be made in current law by its enactment.

There being no objection, the bill and changes to existing law were ordered to be printed in the RECORD, as follows:

S. 832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (4) of section 51(d) of the Internal Revenue Act of 1954 is amended by—

(1) striking out "Vietnam veteran who is a member of an economically disadvantaged family" and inserting in lieu thereof "economically disadvantaged Vietnam-era veteran";

(2) striking out "Vietnam veteran who is a member of an economically disadvantaged family" and inserting in lieu thereof "economically disadvantaged Vietnam-era veteran";

(3) inserting after "1975," in subclause (I) of clause (A) "and not having retired from the Armed Forces at the rank of major or above, or its equivalent,";

(4) inserting "and" at the end of clause (B);

(5) striking out in clause (C) the comma and "and" and inserting in lieu thereof a period; and

(6) striking out clause (D) in its entirety.

CHANGES IN EXISTING LAW PROPOSED TO BE MADE BY S. 832

Changes in existing law proposed by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 26—INTERNAL REVENUE CODE

* * * * *

PART IV—CREDITS AGAINST TAX

* * * * *

Subpart D—Rules for Computing Credit for Employment of Certain New Employees

§ 51. Amount of credit

* * * * *

(d) Members of targeted groups

For purposes of this subpart—

* * * * *

(4) Vietnam veteran who is a member of an economically disadvantaged family *economically disadvantaged Vietnam-era veteran.*—The term "Vietnam veteran who is a member of an economically disadvantaged family) *economically disadvantaged Vietnam-era veteran"* means any individual who is certified by the designated local agency as—

(A) (i) having served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, any part of which occurred after August 4, 1964, and before May 8, 1975, *and not having retired from the Armed Forces at the rank of major or above, or its equivalent, or*

(ii) having been discharged or, released from active duty in the Armed Forces of the United States for a service-connected disability if any part of such active duty was performed after August 4, 1964, and before May 8, 1975.

(B) was not having any day during the preemployment period which was a day of extended active duty in the Armed Forces of the United States, *and*

(C) being a member of an economically disdavantaged family (determined under paragraph (9)) [, and],

[(D) not having attained the age of 35 on the hiring date.]

For purposes of subparagraph (B), the term "extended active duty" means a period of more than 90 days during which the individual was on active duty (other than active duty for training).●

By Mr. FORD:

S. 833. A bill to amend the Consumer Product Safety Act to authorize appropriations for fiscal year 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CONSUMER PRODUCT SAFETY ACT AMENDMENTS OF 1981

Mr. FORD. Mr. President, the Consumer Product Safety Commission (CPSC) is a small agency that has been the focal point of much debate since its creation in 1972. Three years ago, the Consumer Subcommittee of the Senate Committee on Commerce, Science, and Transportation held 3 days of oversight hearings to decide whether the agency should continue to be funded. The agency was funded for 3 more years and was given congressional direction through statutory changes in the Commission's authority. At that time it was understood that the CPSC would again be evaluated in 3 years to see if the agency's performance had improved and if the agency was indeed fulfilling its mission of reducing product related deaths and injuries.

Today, I am introducing legislation to authorize appropriations for the agency and to make legislative changes. Congressman BROYHILL recently expressed

concern about the agency's budget when introducing similar legislation in the House of Representatives. He was concerned that if we approve the administration's recommended 30-percent budget cut, we will be wasting the $33 million authorized rather than saving $11 million since the agency may not be able to fulfill its statutory responsibilities. In fact, the CPSC has already taken a 30-percent funding cut over the last 3 years factoring in the effect of inflation. Therefore this legislation authorizes appropriations of $39 million for fiscal year 1982, a 12.5-percent reduction. Detailed investigation through the scheduled oversight hearings may well support continued reductions in authorization levels for fiscal years 1983 and 1984.

The bill makes changes in the agency's statutory authority which will create budget savings. It reduces the CPSC area offices from 13 to a ceiling of 5 at a cost savings of $4.75 million and eliminates all advisory councils at a savings of over $200,000. The bill further places a ceiling on the amount of money the Commission may grant to an outside party who is developing a consumer product safety standard.

The bill makes other recommendations for statutory changes. It encourages the agency to rely on effective industry voluntary standards by prohibiting the agency from imposing a mandatory standard unless the Commission determines that the voluntary standard is not technically adequate or that there is insufficient compliance within the industry. The bill encourages industry reporting of product defects to the Commission by noting that technical violations of section 15 of the Consumer Product Safety Act should not be penalized nor should inconsequential product hazards be reported.

The bill calls for a representative panel to study the effectiveness of the cellulose insulation standard. Within 6 months, the panel will submit this study along with legislative or other recommendations to the Commission. The bill eliminates the prohibition against the use of sampling plans in consumer product safety standards and requires notification to the Commerce Committee of contracts exceeding $50,000 for purposes of more effective oversight. The bill also eliminates the authority of the CPSC to require notice by industry and submission of any test data describing any new consumer product.

The bill stresses regulatory reform by requiring the Commission to prepare a regulatory analysis outlining the costs and benefits as well as alternatives to proposed regulatory action. To continue the Commission's rule review started by the 1978 act amendments, the bill requires the CPSC to study each of its rules 5 years after promulgation.

Hearings on the CPSC reauthorization are scheduled for April 1, 2, 3, and 7, 1981. Detailed investigation of the CPSC's operations over the last 3 years in these hearings may well support other legislative changes.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 833

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 "Consumer Product Safety Act Amendments of 1981".

OFFICES

SEC. 2. Section 4(e) of the Consumer Product Safety Act (hereinafter referred to as "the Act") (15 U.S.C. 2053(e)) is amended by inserting immediately after "offices" the following: ", not to exceed five in number,".

REPORT TO CONGRESS

SEC. 3. Section 5(c) of the Act (15 U.S.C. 2054(c)) is amended by adding at the end of the following: "The Commission shall notify the Committee on Commerce, Science, and Transportation of the United States Senate and the Committee on Energy and Commerce of the House of Representatives of each contract under this subsection in an amount greater than $50,000.".

INDUSTRY VOLUNTARY STANDARDS

SEC. 4. (a) Section 9(c)(2) of the Act (15 U.S.C. 2058(c)(2)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting in lieu thereof ", and"; and

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

"(D) in the case of a rule which relates to a risk of injury with respect to which persons manufacturing a substantial number of products that would be subject to such rule have adopted and implemented a voluntary consumer product safety standard, that—

"(i) compliance with such voluntary consumer product safety standard is not likely to result in the elimination or reduction of such risk of injury; or reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary consumer product safety standard."

(b) Section 9(c) of the Act (15 U.S.C. 2058(c)) is amended by adding at the end thereof the following:

"(3) The Commission shall, in carrying out the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) and the Flammable Fabrics Act (15 U.S.C. 1191 et seq.), apply the provisions of paragraph (2)(D) of this subsection.".

(c) Section 5(b) of the Act (15 U.S.C. 2054(b)) is amended by striking paragraph (3) and inserting in lieu thereof the following:

"(3) offer training in product safety investigation and test methods.

The Commission shall assist public and private organizations, administratively and technically, in the development of safety standards and test methods.".

(d) Section 27(j) of the Act (15 U.S.C. 2076(j)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting immediately after paragraph (9) the following:

"(10) a consideration of—

"(A) the number of such standards;

"(B) the nature and number of the products which are the subject of such standards;

"(C) the effectiveness of such standards in reducing potential harm from consumer products;

"(D) the degree to which staff members of the Commission participate in the development of such standards;

"(E) the amount of resources of the Commission which is devoted to activities related to such standards; and

"(F) such other information as the Commission determines appropriate or necessary to inform the Congress on the current status of the voluntary consumer product safety standard program; and".

SAMPLING PLANS

SEC. 5. Section 7(a) of the Act (15 U.S.C. 2056(a)) is amended—

(1) by striking paragraph (2);

(2) by striking "(1)"; and

(3) by redesignating subparagraphs (A) and (B) as paragraph (1) and (2), respectively.

CONTRIBUTION

SEC. 6. Section 7(d)(2) of the Act (15 U.S.C. 2056(d)(2)) is amended by striking the last sentence and inserting in lieu thereof the following: "No contribution may be made to the cost of developing a proposed consumer product safety standard or participating with the Commission in the development of a standard unless the contribution is made under an agreement entered into under this paragraph. Payments under such agreements may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529) and may not exceed in the aggregate $25,000 in any fiscal year.".

REGULATORY IMPACT ANALYSIS

SEC. 7. (a) Section 9(c) of the Act (15 U.S.C. 2058(c)) is amended by redesignating paragraphs (2) and (3) (as added by section 4 of this Act) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following:

"(2) The Commission may not promulgate a consumer product safety rule unless it has prepared, on the basis of the findings of the Commission under paragraphs (1) and (4) and on other information before the Commission, a regulatory impact analysis of the rule containing the following information:

"(A) a description of the potential benefits of the rule, and an identification of those likely to receive the benefits;

"(B) a description of the potential costs of the rule, and an identification of those likely to bear the costs; and

"(C) a description of any reasonable alternative approaches (including voluntary industry consumer product safety standards) that may achieve the stated objective of the rule, together with an analysis of the potential benefits and costs of any reasonable alternative approaches and a brief explanation of the reasons why such alternatives, if proposed, were not adopted.".

(b) Section 9(a)(1)(A) of the Act (15 U.S.C. 2058(a)(1)(A)) is amended by inserting before the comma the following: "and prepares the regulatory impact analysis required by such subsection".

(c) Section 9(c) of the Act (15 U.S.C. 2058(c)) is amended by adding at the end thereof the following:

"(5)(A) The contents and adequacy of any regulatory analysis prepared or issued by the Commission under this section, including the adequacy of any procedure involved in such preparation or issuance, shall not be subject to any judicial review in any court, except that a court, upon review of a rule pursuant to section 11, may set aside such rule if the Commission has failed entirely to prepare a regulatory analysis.

"(B) Except as specified in subparagraph (A), no Commission action may be invalidated, remanded, or otherwise affected by any court on account of any failure to comply with the requirements of this section.

"(C) The provisions of this paragraph do not alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.".

NEW CONSUMER PRODUCT

SEC. 8. Section 13 of the Act (15 U.S.C. 2062) is repealed.

NOTIFICATION REQUIREMENT

SEC. 9. (a) Section 15(b) of the Act (15 U.S.C. 2064(b)) is amended by adding at the end thereof the following: "Nothing in this subsection shall be construed to require the reporting of an inconsequential failure to comply with a consumer product safety rule or of a defect which could create only an inconsequential product hazard.".

(b) The second sentence of section 20(b) (of the Act (15 U.S.C. 2069(b) is amended by inserting immediately before the period at the end thereof the following: ", including, in the case of information to be reported under section 15(b), whether such information involved a serious risk of injury and whether the failure to report was not reasonably untimely".

STUDY OF RULES PROMULGATED BY COMMISSION

SEC. 10. Section 27(m) of the Act (15 U.S.C. 2076(m)) is amended to read as follows:

"(m)(1) For purposes of this subsection, the term 'rule' means—

"(A) any rule prescribed by the Commission pursuant to section 9;

"(B) any rule prescribed by the Commission pursuant to section 2(q)(1)(B) of the Federal Hazardous Substances Act (15 U.S.C. 1261(q)(1)(B));

"(C) any rule prescribed by the Commission under section 3 of the Poison Prevention Packaging Act (15 U.S.C. 1472); and

"(D) any rule prescribed by the Commission under section 4 of the Flammable Fabrics Act (15 U.S.C. 1193)".

"(2)(A) The Commission shall, within 12 months after the date of enactment of this section, study all rules which the Commission has issued on or after November 10, 1978 and which are in effect on the date of enactment of this subsection.

"(B) The Commission shall study each rule promulgated after the date of enactment of this subsection within 5 years after the date of promulgation of any such rule.

"(C) Any study conducted pursuant to this paragraph shall be completed as expeditiously as possible. The Commission shall submit a report on the result of such study to the Congress which shall, to the extent practicable and appropriate (taking into account the resources and priorities of the Commission)—

"(i) recommend the deletion of particular rules and portions of rules, including reasons for such recommendations; and

"(ii) recommend the initiation of appropriate rulemaking proceedings under this Act to make changes or modifications in particular rules or portions of rules.

"(3)(A) To the extent practicable and appropriate (taking into account the resources and priorities of the Commission), the Chairman of the Commission shall include in the report submitted to the Congress under this subsection, for each such rule—

"(i) an economic impact analysis which takes into account, for such rule, the cost impact on and benefits to consumers and affected businesses (with particular attention to small businesses);

"(ii) a paperwork impact analysis containing—

"(I) an estimate of the numbers of, and a description of the classes of, persons who are required to file reports, maintain records, and fulfill any of the information-gathering requirements under such rule;

"(II) an estimate of the nature and amount of the information required to be filed in such reports, the frequency of such reports, the nature and number of records required to be kept by such persons, and the amount of time such persons who require, and the costs which would be incurred, to keep such records and make such reports, and

"(III) a description of steps being taken by the Commission to ensure that there is no unnecessary duplication in recordkeeping and report filing resulting from such rule;

"(iii) a judicial impact analysis showing the effect of such rule on the workload of the Federal courts; and

"(iv) such other explanatory and supporting statements and materials as the Commission determines necessary and appropriate for congressional consideration of such report.

"(B)(i) Except as provided in clause (ii), no material submitted to the Congress by the Chairman of the Commission under this paragraph shall be subject to any judicial review, including any judicial review to determine whether such material is sufficient to comply with the requirements of this paragraph. In the event the Chairman of the Commission finds that it is impractical or inappropriate to submit the information required under clauses (i) through (iii) of subparagraph (A), the Chairman of the Commission shall submit a statement as to why he cannot so comply.

"(ii) If any material submitted to the Congress by the Chairman of the Commission under this paragraph also is included in any rulemaking record of the Commission, any determination regarding whether such material is subject to judicial review in connection with any review of such rulemaking record shall not be affected by the submission of such material to the Congress under this paragraph.".

REPEAL OF ADVISORY COUNCIL

SEC. 11. (a) Section 28 of the Act (15 U.S.C. 2077) is repealed.

(b) Subsection (d) of section 12 of the Act (15 U.S.C. 2061(d)) (as amended by section 6 of this Act) is repealed, and subsections (e) and (f) of such section are designated as subsection (c) and (d), respectively.

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is repealed.

(d) Section 6 of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1475) is repealed.

(e) Section 20 of the Federal Hazardous Substances Act (15 U.S.C. 1275) is repealed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 32(a) of the Act (15 U.S.C. 2081(a)) is amended—

(1) by striking "and" at the end of paragraphs (4) and (6);

(2) by striking the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(8) $39,000,000 for the fiscal year ending September 30, 1982.".

STUDY ON CELLULOSE INSULATION SAFETY STANDARD

SEC. 13. The Commission shall establish a panel to study the interim cellulose insulation safety standard specified in section 35 of the Act (15 U.S.C. 2082). Such Panel shall be composed of—

(1) two representatives from industries directly related to the subject matter of such standard.

(2) two representatives of consumers and consumer interests; and

(3) two members of the staff of the Commission.

(b) The members of such Panel shall be appointed by Chairman of the Commission, who shall designate one of such members as Chairman of the Panel.

(c) Members of the Panel who are not employees of the Federal Government shall not receive any compensation, but shall be entitled to be reimbursed for travel and transportation expenses incurred as a result of the performance of his duties pursuant to this section, in accordance with section 5703 of title 5, United States Code.

(d) The Panel shall conduct a study of the effectiveness of such standard in order to determine—

(1) the extent to which such standard has been effective;

(2) the necessity for continuation of such standard;

(3) the desirability of amendments to or repeal of such standard.

(e) The Panel shall submit the results of its study to the Commission, which shall submit such results without change to the Congress within six months after the date of enactment of this Act.

TECHNICAL AMENDMENTS

SEC. 14. (A) The table of Contents of the Act is amended by striking the items relating to sections 13 and 28.

(b) Section 15(g)(1) of the Act (15 U.S.C. 2064(g)(1)) is amended by striking "(12)(e)(1)" and inserting in lieu thereof "(12)(c)(1)".

(c) Section 27(1)(1)(A) of the Act (15 United States Code 2076(1)(1)(A)) is amended by striking "Committee on Interstate and Foreign Commerce" and inserting in lieu thereof "Committee on Energy and Commerce".

By Mr. THURMOND (for himself and Mr. HART) (by request):

S. 834. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1982

Mr. THURMOND. Mr. President, by request, for myself and the senior Senator from Colorado (Mr. HART), I introduce for appropriate reference a bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes.

I ask unanimous consent that the text of the bill and a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD.

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

S. 834

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 "Military Construction Authorization Act, 1982".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

United States Army Forces Command

Fort Bragg, North Carolina, $1,600,000.
Fort Campbell, Kentucky, $1,500,000.
Fort Carson, Colorado, $29,690,000.
Fort Douglas, Utah, $3,550,000.
Fort Drum, New York, $14,480,000.
Fort Greely, Alaska, $1,150,000.
Fort Hood, Texas, $15,530,000.
Fort Irwin, California, $43,350,000.
Fort Lewis, Washington, $6,700,000.
Fort George C. Meade, Maryland, $3,350,000.
Fort Polk, Louisiana, $630,000.

Fort Riley, Kansas, $4,640,000.
Fort Stewart/Hunter Army Air Field, Georgia, $28,500,000.
Fort J. M. Wainwright, Alaska, $1,200,000.
Presidio of San Francisco, California, $520,000.

United States Army Training and Doctrine Command

Carlisle Barracks, Pennsylvania, $620,000.
Fort Belvoir, Virginia, $3,600,000.
Fort Benjamin Harrison, Indiana, $5,120,000.
Fort Benning, Georgia, $1,960,000.
Fort Bliss, Texas, $4,700,000.
Fort Dix, New Jersey, $9,440,000.
Fort Eustis, Virginia, $8,280,000.
Fort Gordon, Georgia, $620,000.
Fort Knox, Kentucky, $620,000.
Fort Leavenworth, Kansas, $7,370,000.
Fort Lee, Virginia, $9,870,000.
Fort McClellan, Alabama, $930,000.
Fort Pickett, Virginia, $640,000.
Fort Rucker, Alabama, $5,210,000.
Fort Sill, Oklahoma, $4,650,000.
Fort Story, Virginia, $1,050,000.

United States Army Materiel Development and Readiness Command

Aberdeen Proving Ground, Maryland, $4,200,000.
Army Materials and Mechanics Research Center, Massachusetts, $1,200,000.
Corpus Christi Army Depot, Texas, $840,000.
Crane Army Ammunition Plant Activity, Indiana, $540,000.
Fort Monmouth, New Jersey, $26,000,000.
Lexington-Blue Grass Army Depot, Kentucky, $1,450,000.
Red River Army Depot, Texas, $2,720,000.
Redstone Arsenal, Alabama, $4,750,000.
Rock Island Arsenal, Illinois, $4,000,000.
Savanna Army Ammunition Depot, Illinois, $3,600,000.
Tobyhanna Army Depot, Pennsylvania, $1,800,000.
Tooele Army Depot, Utah, $1,500,000.

Ammunition Facilities

Holston Army Ammunition Plant, Tennessee, $2,627,000.
Indiana Army Ammunition Plant, Indiana, $2,453,000.
Iowa Army Ammunition Plant, Iowa, $18,599,000.
Kansas Army Ammunition Plant, Kansas, $4,344,000.
Lake City Army Ammunition Plant, Missouri, $604,000.
Longhorn Army Ammunition Plant, Texas, $257,000.
Milan Army Ammunition Plant, Tennessee, $1,984,000.
Newport Army Ammunition Plant, Indiana, $728,000.
Radford Army Ammunition Plant, Virginia, $17,390,000.

Military District of Washington

Cameron Station, Virginia, $640,000.
Fort Myer, Virginia, $2,570,000.

United States Army Communications Command

Fort Ritchie, Maryland, $920,000.

United States Military Academy

United States Military Academy, West Point, New York, $7,700,000.

United States Army Health Services Command

Fort Detrick, Maryland, $1,450,000.
Walter Reed Army Medical Center, District of Columbia, $6,250,000.

Military Traffic Management Command

Bayonne Terminal, New Jersey, $2,800,000.
Sunny Point Army Terminal, North Carolina, $880,000.

CONUS Various

Various Locations, $1,950,000.

OUTSIDE THE UNITED STATES

Eighth United States Army, Korea

Various Locations, $62,320,000.

United States Army Forces Command, Overseas

Egypt, $36,000,000.

Kwajalein Missile Range

National Missile Range, $3,240,000.

United States Army, Japan

Kawakami, Japan, $1,950,000.

United States Army, Europe

Germany, $339,190,000.
Turkey, $20,800,000.

United States Army Intelligence and Security Command

Korea, $1,550,000.
Turkey, $2,550,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $34,150,000.

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1980 PROJECTS

SEC. 104. Section 602(1) of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 941), is amended to read as follows:

"(1) for title I: inside the United States $591,785,000; outside the United States $162,950,000; minor construction $52,270,000; for a total of $807,005,000.".

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1981 PROJECTS

SEC. 105. Section 602(1) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1768), is amended to read as follows:

"(1) for title I: inside the United States $590,440,000; outside the United States $248,140,000; minor construction $44,560,000; for a total of $883,140,000.".

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

United States Marine Corps

Marine Corps Logistics Base, Barstow, California, $4,700,000.
Marine Corps Base, Camp Lejeune, North Carolina, $22,150,000.
Marine Corps Base, Camp Pendleton, California, $18,550,000.
Marine Corps Air Station, Cherry Point, North Carolina, $3,700,000.
Marine Corps Air Station, El Toro, California, $12,400,000.
Marine Corps Air Station, Kaneohe Bay, Hawaii, $2,650,000.
Marine Corps Air Station, New River, North Carolina, $5,060,000.
Marine Corps Bases Pacific, Camp H. M. Smith, Oahu, Hawaii, $2,900,000.
Marine Corps Recruit Depot, Parris Island, South Carolina, $4,100,000.
Marine Corps Development and Education Command, Quantico, Virgina, $13,560,000.
Marine Corps Recruit Depot, San Diego, California, $1,300,000.
Marine Corps Air Station (Helicopter), Tustin, California, $7,600,000.
Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $5,450,000.
Marine Corps Air Station, Yuma, Arizona, $3,450,000.

Office of Naval Research

Naval Ocean Research and Development Activity, Bay St. Louis, Mississippi, $5,900,000.
Naval Research Laboratory, Washington, District of Columbia, $6,800,000.

Chief of Naval Operations

Naval Submarine Base, Bangor, Bremerton, Washington, $23,100,000.
Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $65,060,000.

Commander in Chief, United States Atlantic Fleet

Naval Air Station, Brunswick, Maine, $15,700,000.
Naval Air Station, Cecil Field, Florida, $21,700,000.
Naval Station, Charleston, South Carolina, $5,660,000.
Naval Submarine Base, New London, Groton, Connecticut, $15,650,000.
Naval Submarine Support Facility, New London, Groton, Connecticut, $3,300,000.
Naval Air Station, Jacksonville, Florida, $6,380,000.
Naval Amphibious Base, Little Creek, Virginia, $27,950,000.
Naval Station, Mayport, Florida, $2,000,000.
Naval Station, Norfolk, Virginia, $46,100,000.
Naval Air Station, Oceana, Virginia, $8,600,000.

Commander in Chief, United States Pacific Fleet

Naval Station, Adak, Alaska, $1,550,000.
Naval Air Station, Alameda, California, $7,500,000.
Naval Air Station, Barbers Point, Hawaii, $9,650,000.
Naval Air Station, Fallon, Nevada, $8,300,000.
Naval Air Station, Lemoore, California, $2,200,000.
Naval Station, Long Beach, California, $22,000,000.
Naval Air Station, Moffett Field, California, $2,000,000.

Naval Air Station, North Island, California, $13,240,000.
Naval Station, Pearl Harbor, Hawaii, $9,920,000.
Naval Submarine Base, Pearl Harbor, Hawaii, $13,350,000.

Naval Education and Training Command

Naval Air Station, Chase Field, Texas, $2,800,000.
Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $4,600,000.
Naval Training Center, Great Lakes, Illinois, $11,800,000.
Naval Explosive Ordnance Disposal School, Indian Head, Maryland, $3,300,000.
Naval Air Station, Memphis, Millington, Tennessee, $11,000,000.
Naval Education and Training Center, Newport, Rhode Island, $1,900,000.
Naval Justice School, Newport, Rhode Island, $1,500,000.
Naval Training Center, Orlando, Florida, $9,330,000.
Naval Air Station, Pensacola, Florida, $5,100,000.
Fleet Combat Training Center, Pacific, San Diego, California, $6,800,000.
Naval Training Center, San Diego, California, $1,150,000.

Bureau of Medicine and Surgery

Naval Regional Medical Clinic, Annapolis, Maryland, $3,560,000.
National Naval Medical Center, Bethesda, Maryland, $1,100,000.

Naval Material Command

Pacific Missile Range Facility, Barking Sands, Hawaii, $8,100,000.
David W. Taylor Naval Ship Research and Development Center, Bethesda, Maryland, $5,050,000.
Puget Sound Naval Shipyard, Bremerton, Washington, $157,300,000.
Charleston Naval Shipyard, Charleston, South Carolina, $7,050,000.
Naval Supply Center, Charleston, South Carolina, $4,200,000.
Naval Weapons Station, Charleston, South Carolina, $1,390,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $2,800,000.
Naval Weapons Center, China Lake, California, $4,400,000.
Naval Weapons Station, Concord, California, $1,280,000.
Naval Weapons Support Center, Crane, Indiana, $3,500,000.
Naval Surface Weapons Center, Dahlgren, Virginia, $4,900,000.
Naval Construction Battalion Center, Gulfport, Mississippi, $680,000.
Naval Ordnance Station, Indian Head, Maryland, $26,100,000.
Naval Air Rework Facility, Jacksonville, Florida, $25,620,000.
Naval Undersea Warfare Engineering Station, Keyport, Washington, $8,300,000.
Portsmouth Naval Shipyard, Kittery, Maine, $2,900,000.
Naval Air Engineering Center, Lakehurst, New Jersey, $3,178,000.
Naval Underwater Systems Center Detachment, New London, Connecticut, $3,100,000.
Naval Air Rework Facility, Norfolk, Virginia, $18,650,000.
Naval Supply Center, Norfolk, Virginia, $6,200,000.
Naval Supply Center, Oakland, California, $2,420,000.
Naval Air Test Center, Patuxent River, Maryland, $3,600,000.
Naval Supply Center, Pearl Harbor, Hawaii, $520,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $13,700,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $14,100,000.
Navy Public Works Center, Pensacola, Florida, $2,800,000.
Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $3,030,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $6,050,000.
Naval Air Rework Facility, North Island, San Diego, California, $1,150,000.
Naval Supply Center, San Diego, California, $2,350,000.
Navy Public Works Center, San Francisco, California, $2,100,000.
Naval Weapons Station, Seal Beach, California, $520,000.
Naval Air Propulsion Center, Trenton, New Jersey, $720,000.
Mare Island Naval Shipyard, Vallejo, California, $2,600,000.
Naval Surface Weapons Center Detachment, White Oak, Maryland, $4,450,000.

Naval Telecommunications Command

Naval Communications Station, Stockton, California, $830,000.
Naval Communication Area Master Station Eastern Pacific, Honolulu, Hawaii, $2,300,000.

Naval Security Group Command

Naval Security Group Activity, Adak, Alaska, $5,510,000.

OUTSIDE THE UNITED STATES

Chief of Naval Operations

Defense Installations, Mariana Islands, $32,000,000.
Circle Transit Station, Blenheim, New Zealand, $1,250,000.

Commander in Chief, United States Atlantic Fleet

Naval Facility, Brawdy, Wales, United Kingdom, $2,800,000.
Naval Station, Keflavik, Iceland, $2,350,000.

Commander in Chief, United States Pacific Fleet

Naval Air Station, Cubi Point, Republic of the Philippines, $12,150,000.
Navy Support Facility, Diego Garcia, Indian Ocean, $122,750,000.
Naval Activities, Kenya, $26,000,000.
Naval Activities, Somalia, $24,000,000.
Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $580,000.
Naval Station, Subic Bay, Republic of the Philippines, $6,800,000.
Fleet Activities, Yokosuka, Japan, $1,250,000.

United States Naval Forces Europe

Naval Station, Rota, Spain, $4,300,000.
Naval Air Facility, Sigonella, Italy, $17,100,000.

Naval Telecommunications Command

Naval Communications Station, Keflavik, Iceland, $4,000,000.
Naval Communications Stations, Ponce, Puerto Rico, $1,600,000.

Naval Security Group Command

Naval Security Group Activity, Edzell, Scotland, United Kingdom, $3,515,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982 or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $34,270,000.

NAVAL AIR STATION, KEY WEST, FLORIDA

SEC. 204. The Secretary of the Navy is authorized to acquire lands or interests in lands to ensure unhampered air operations at the Naval Air Station, Key West, Florida, by exchange of Government-owned lands of equal value.

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

Air Force Logistics Command

Kelly Air Force Base, Texas, $3,550,000.
McClellan Air Force Base, California, $10,930,000.
Robins Air Force Base, Georgia, $6,890,000.
Tinker Air Force Base, Oklahoma, $31,520,000.
Wright-Patterson Air Force Base, Ohio, $120,150,000.

Air Force Systems Command

Arnold Engineering Development Center, Tennessee, $1,690,000.
Brooks Air Force Base, Texas, $3,110,000.
Buckley Air National Guard Base, Colorado, $14,000,000.
Cape Canaveral Air Force Station, Florida, $1,810,000.
Eglin Air Force Base, Florida, $4,100,000.
Los Angeles Air Force Station, California, $2,370,000.
Patrick Air Force Base, Florida, $2,950,000.
Sunnyvale Air Force Station, California, $7,250,000.

Air Training Command

Chanute Air Force Base, Illinois, $4,120,000.
Columbus Air Force Base, Mississippi, $510,000.
Keesler Air Force Base, Mississippi, $2,280,000.
Laughlin Air Force Base, Texas, $1,090,000.
Lowry Air Force Base, Colorado, $2,840,000.
Mather Air Force Base, California, $1,520,000.
Randolph Air Force Base, Texas, $3,360,000.
Reese Air Force Base, Texas, $1,140,000.
Sheppard Air Force Base, Texas, $10,745,000.
Vance Air Force Base, Oklahoma, $2,840,000.
Williams Air Force Base, Arizona, $2,600,000.

Alaskan Air Command

Eielson Air Force Base, Alaska, $1,700,000.
Elmendorf Air Force Base, Alaska, $7,240,000.
King Salmon Airport, Alaska, $8,050,000.
Various Locations, Alaska, $42,750,000.

Military Airlift Command

Andrews Air Force Base, Maryland, $4,940,000.
Bolling Air Force Base, District of Columbia, $1,280,000.
Charleston Air Force Base, South Carolina, $630,000.
Dover Air Force Base, Delaware, $1,180,000.
Kirtland Air Force Base, New Mexico, $7,510,000.
Little Rock Air Force Base, Arkansas, $790,000.
McChord Air Force Base, Washington, $1,180,000.
McGuire Air Force Base, New Jersey, $2,680,000.
Norton Air Force Base, California, $9,567,000.
Pope Air Force Base, North Carolina, $5.510,000.
Scott Air Force Base, Illinois, $5,450,000.
Travis Air Force Base, California, $3,790,000.

National Military Command Center

Pentagon Building, Virginia, $3,000,000.

North American Air Defense Command

NORAD, Cheyenne Mountain Complex, Colorado, $11,000,000.

Pacific Air Forces

Hickam Air Force Base, Hawaii, $1,090,000.

Strategic Air Command

Barksdale Air Force Base, Louisiana, $3,000,000.
Blytheville Air Force Base, Arkansas, $20,440,000.
Carswell Air Force Base, Texas, $39,810,000.
Castle Air Force Base, California, $2,000,000.
Dyess Air Force Base, Texas, $1,420,000.
Ellsworth Air Force Base, South Dakota, $36,880,000.
Francis E. Warren Air Force Base, Wyoming, $720,000.
Fairchild Air Force Base, Washington, $25,800,000.
Grand Forks Air Force Base, North Dakota, $1,420,000.
Griffiss Air Force Base, New York, $8,390,000.
Grissom Air Force Base, Indiana, $4,070,000.
K. I. Sawyer Air Force Base, Michigan, $4,370,000.
Loring Air Force Base, Maine, $6,140,000.
March Air Force Base, California, $940,000.
McConnell Air Force Base, Kansas, $1,090,000.
Minot Air Force Base, North Dakota, $7,406,000.
Offutt Air Force Base, Nebraska, $4,060,000.
Pease Air Force Base, New Hampshire, $4,920,000.
Peterson Air Force Base, Colorado, $4,260,000.
Plattsburgh Air Force Base, New York, $890,000.
Rickenbacker Air Force Base, Indiana, $540,000.
Vandenberg Air Force Base, California, $9,000,000.
Whiteman Air Force Base, Missouri, $1,090,000.
Wurtsmith Air Force Base, Michigan, $2,270,000.

Tactical Air Command

Bergstrom Air Force Base, Texas, $2,580,000.
Cannon Air Force Base, New Mexico, $2,700,000.
Davis-Monthan Air Force Base, Arizona, $12,460,000.
England Air Force Base, Louisiana, $2,170,000.
George Air Force Base, California, $2,460,000.
Holloman Air Force Base, New Mexico, $7,480,000.
Homestead Air Force Base, Florida, $2,480,000.
Hurlburt Field, Florida, $510,000.
Langley Air Force Base, Virginia, $10,220,000.
Luke Air Force Base, Arizona, $520,000.
MacDill Air Force Base, Florida, $16,960,000.
Moody Air Force Base, Georgia, $650,000.
Mountain Home Air Force Base, Idaho, $3,410,000.
Myrtle Beach Air Force Base, South Carolina, $630,000.
Nellis Air Force Base, Nevada, $6,870,000.
Seymour-Johnson Air Force Base, North Carolina, $2,950,000.
Tyndall Air Force Base, Florida, $510,000.

United States Air Force Academy

United States Air Force Academy, Colorado, $510,000.

M–X

Various locations, $366,000,000.

Special Project

Various Locations, Special Project, $57,600,000.

OUTSIDE THE UNITED STATES

Military Airlift Command

Lajes Field, Portugal, $49,570,000.
Rhein-Main Air Base, Germany, $1,500,000.

Pacific Air Forces

Clark Air Base, Republic of the Philippines, $9,330,000.
Diego Garcia Air Base, Indian Ocean, $114,990,000.
Hampyong Communication Station, Korea, $1,540,000.
Hunghae Communication Station, Korea, $1,500,000.
Kadena Air Base, Japan, $17,490,000.
Kunsan Air Base, Korea, $12,380,000.
Kwang-Ju Air Base, Korea, $6,650,000.
Osan Air Base, Korea, $26,720,000.
Various Locations, $1,250,000.

Strategic Air Command

Thule Air Base, Greenland, $1,600,000.

United States Air Forces in Europe

Egypt, Various Locations, $70,400,000.
Germany, Various Locations, $16,780,000.
San Vito Air Station, Italy, $1,540,000.
Camp New Amsterdam, Netherlands, $4,860,000.
Hellenikon, Greece, $800,000.
Oman, Various Locations, $78,480,000.
Spain, Various Locations, $5,390,000.
Incirlik Air Base, Turkey, $1,160,000.
Turkey, Various Locations, $4,000,000.
United Kingdom, Various Locations, $26,190,000.
Various Locations, $145,424,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $28,680,000.

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1977 PROJECTS

SEC. 304. Section 602(3) of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1361) is amended to read as follows:

"(3) for title III: inside the United States $744,759,000; outside the United States $56,650,000; for a total of $801,409,000."

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1979 PROJECTS

SEC. 305. Section 602(3) of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 580), as amended, is amended to read as follows:

"(3) for title III: inside the United States $505,786,000; outside the United States $68,963,000; minor construction $30,721,000; for a total $605,470,000."

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1980 PROJECTS

SEC. 306. Section 602(3) of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 942), is amended to read as follows:

"(3) for title III: inside the United States $448,380,000; outside the United States $87,620,000; minor construction $29,310,000; for a total of $605,470,000."

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1981 PROJECTS

SEC. 307. Section 602(3) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1768), is amended to read as follows:

"(3) for title III: inside the United States $567,327,000; outside the United States $146,537,000; minor construction $25,420,000; for a total of $739,284,000."

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction.

INSIDE THE UNITED STATES

Defense Intelligence Agency

Bolling Air Force Base, District of Columbia, $72,500,000.

Defense Logistics Agency

Defense Construction Supply Center, Columbus, Ohio, $680,000.
Defense Depot, Tracy, California, $554,000.
Defense Depot, Mechanicsburg, Pennsylvania, $2,050,000.
Defense Depot, Memphis, Tennessee, $5,220,000.
Defense Depot, Ogden, Utah, $2,670,000.
Defense Fuel Support Point, Grand Forks, North Dakota, $1,690,000.
Defense Fuel Support, Pearl City, Hawaii, $3,600,000.

Defense General Supply Center, Richmond, Virginia, $5,600,000.

Defense Property Disposal Office, Fort Bragg, North Carolina, $2,800,000.

Defense Mapping Agency

Aerospace Center, St. Louis, Missouri, $10,750,000.

National Security Agency

Fort George G. Meade, Maryland, $57,596,000.

Office of the Secretary of Defense

Classified Activity, Classified Location, $10,000,000.

Classified Activity, Fort Belvoir, Virginia, $2,100,000.

OUTSIDE THE UNITED STATES

Defense Communications Agency

Pâtch Barracks, Vaihingen, Germany, $900,000.

Defense Logistics Agency

Defense Fuel Support Point, Wake Island, $14,500,000.

Defense Property Disposal Office, Kaiserslautern, Germany, $1,480,000.

Various Locations, Korea, $29,000,000.

Office of the Secretary of Defense

Classified Activity, Classified Location, $2,000,000.

Department of Defense Dependents School

Croughton Royal Air Force Station, United Kingdom, $13,700,000.

Dexheim, Germany, $980,000.

Fulda, Germany, $10,500,000.

Landstuhl Air Base, Germany, $6,140,000.

Misawa Air Base, Japan, $6,180,000.

Naval Station, Guantanamo Bay, Cuba, $5,900,000.

Pusan, Korea, $2,460,000.

Schwaebisch Hall, Germany, $780,000.

Seoul, Korea, $4,350,000.

Vilseck, Germany, $9,920,000.

Yokota Air Base, Japan, $3,290,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $30,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $6,210,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 501. The Secretary of Defense is authorized to incur obligations in amounts not to exceed $425,000,000 for the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area. Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States for the United States share of the cost of such multilateral programs.

TITLE VI—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 601. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of Defense is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units:

Marine Corps Air Station, El Toro, California, two hundred twelve units, $15,540,000.

Fort Irwin, California, two hundred fifty-four units, $21,055,000.

Naval Complex, San Diego, California, two hundred ninety units, $25,350,000.

Naval Submarine Support Base, Kings Bay, Georgia, one hundred sixty-five units, $12,740,000.

Fort Drum, New York, two hundred thirty-two units, $15,865,000.

Naval Complex Warminster/Willow Grove, Pennsylvania, two hundred units, $14,910,000.

Naval Air Station, Chase Field, Texas, eighty-eight units, $6,360,000.

Incirlik Air Base, Turkey, four hundred units, $29,000,000.

Greenham-Common, United Kingdom, two hundred seventy units, $27,200,000.

Classified Location Overseas, six units, $765,000.

(d) The amounts specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increases (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

IMPROVEMENT OF EXISTING QUARTERS

SEC. 602. (a) The Secretary of Defense, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $109,819,000 of which $44,878,000 shall be available only for energy conservation projects.

(b) The Secretary of Defense, or the Secretary's designee, within the amount specified in subsection (a), is authorized to accomplish repairs and improvements to existing family housing in amounts in excess of the dollar limitation prescribed in Section 610(a) of the Military Construction Authorization Act, 1968, Public Law 90–110, title VI, section 610(a), 81 Stat. 305 (42 U.S.C. section 1594h–2), as follows:

Marine Corps Air Ground Combat Center, Twentynine Palms, California, one hundred thirty-five units, $2,897,300.

Navy Public Works Center, Honolulu, Hawaii, one hundred units, $3,190,000.

Chanute Air Force Base, Illinois, two hundred twenty-two units, $4,662,000.

Fort Knox, Kentucky, one hundred units, $2,851,000.

Nellis Air Force Base, Nevada, two hundred thirty-six units, $4,956,000.

Kirtland Air Force Base, New Mexico, one hundred fifty-five units, $3,875,000.

Offutt Air Force Base, Texas, eighty units, $1,599,000.

Randolph Air Force Base, Texas, one hundred sixty-seven units, $3,839,000.

Fort Lewis, Washington, fifty-eight units, $1,378,000.

Mildenhall, United Kingdom, thirty units, $1,511,600.

Upper Heyford, United Kingdom, twelve units, $648,400.

ADVANCE PLANNING AND DESIGN

SEC. 603. The Secretary of Defense, or the Secretary's designee, may carry out advance planning and construction design and may obtain architectural and engineering services in connection with any family housing construction, including improvements, authorized or not otherwise authorized by law at a total cost of not to exceed $9,100,000.

LEASING OF FAMILY HOUSING

SEC. 604. Section 2675(d) of title 10, United States Code, is amended—

(1) by striking out "150" in subsection (1) and inserting in lieu thereof "200"; and,

(2) by striking out "17,000" in subsection (2) and inserting in lieu thereof "22,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 605. (a) There is authorized to be appropriated for fiscal year 1982 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of family housing, including minor construction, improvements to public quarters, relocation of family housing, and planning, an amount not to exceed $287,704,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, Act of June 27, 1934, c. 847, title II, section 222, as amended (12 U.S.C. 1715m), an amount not to exceed $2,079,-

184,000, of which not more than $8,600,000 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam, and of which not more than $113,717,000 may be obligated or expended for the leasing of military family housing in foreign countries.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, Public Law 89–754, title X, sections 1013(a)(g), (1) 80 Stat. 1290–1292, as amended (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $2,000,000.

(b) The amounts authorized to be appropriated in subsection (a)(2) may be increased to the extent additional funds are necessary for increased pay costs associated with actions taken pursuant to law.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 701. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statute, as amended (31 U.S.C. 529), and section 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 702. There are authorized to be appropriated for fiscal years beginning after September 30, 1981, such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $347,866,000; outside the United States $467,600,000; minor construction $34,150,000 for a total of $849,616,000.

(2) for title II: inside the United States $878,568,000 outside the United States $262,445,000; minor construction $34,270,000; for a total of $1,175,283,000.

(3) for title III: inside the United States $1,052,731,000; outside the United States. $599,544,000; minor construction $28,680,000; for a total of $1,680,955,000.

(4) for title IV: a total of $326,100,000, including $6,210,000 for minor construction.

(5) for title V: a total of $425,000,000.

COST VARIATIONS

SEC. 703. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b), (c), (e), and (h), the total cost of all construction and acquisition in each of titles I, II, III, IV, and V, except as provided in paragraph (d) below, may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS.—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (e) any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title I, II, III, or IV of the Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) VARIATIONS IN NORTH ATLANTIC TREATY ORGANIZATION TOTALS—When the Secretary of Defense determines that the amount set forth in title V for the United States share of the cost of the North Atlantic Treaty Organization Program must be increased, the Secretary may incur obligations in excess of such amount if the amount of the increase does not exceed by more than 25 per centum the amount set forth in title V.

(e) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount named in title I, II, III, IV, or V of this Act must be exceeded by more than the percentages permitted in subsections (b), (c) and (d) to accomplish authorized construction, acquisition, or for the United States' share of the cost of the North Atlantic Treaty Organization Infrastructure Program, the Secretary of Defense, Secretary of the military department, or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both Committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Act, the provisions of this subsection shall apply to such prior Acts.

(f) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS: REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installations for which the current working estimate is greater than the statutory upper limit for minor construction projects, may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both Committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(g) ANNUAL REPORTS TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense, based upon bids received, for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(h) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitation authorized by this or any other Act.

CONSTRUCTION SUPERVISION

SEC. 704. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR YEAR AUTHORIZATIONS: EXCEPTIONS

SEC. 705. (a) As of October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V, of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), and all such authorizations contained in Acts approved before October 10, 1980, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorizations for the following items authorized in section 101 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 928) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for the fiscal year 1984, whichever is later:

(1) Boiler Plant Emission Control System construction in the amount of $1,900,000 at Anniston Army Depot, Alabama.

(2) Boiler Plant Emission Control System construction in the amount of $3,000,000 at Tobyhanna Army Depot, Pennsylvania.

(3) Boiler Plant Emission Control System construction in the amount of $2,800,000 at Fort Benjamin Harrison, Indiana.

(4) Industrial Waste Treatment Plant construction in the amount of $1,100,000 at Riverbank Army Ammunition Plant, California.

(5) Advanced Power Train Test Facility construction in the amount of $1,560,000 at Corpus Christi Army Depot, Texas.

(6) Ammunition Inspection and Test Facility construction in the amount of $1,200,000 at Letterkenny Army Depot, Pennsylvania.

(7) Replace Boilers construction in the amount of $8,600,000 at Red River Army Depot, Texas.

(8) Dental Clinic construction in the amount of $2,750,000 at Schofield Barracks, Hawaii.

(9) Centralized Container Ammunition Facility construction in the amount of $920,000 at Lone Star Army Ammunition Plant, Texas.

(10) Indoor Athletic Facilities construction in the amount of $12,200,000 at the United States Military Academy, West Point, New York.

(11) Temperature—Altitude Test Facility construction in the amount of $2,000,000 at the White Sands Missile Range, New Mexico.

(12) Water Monitor Station construction in the amount of $220,000 at Riverbank Army Ammunition Plant, California.

(c) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorization for the construction of the Reception Station of Fort Benning, Georgia, in the amount of $5,886,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358), as such authorization was extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 945), shall remain in effect until October 1, 1983 or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later.

(d) Notwithstanding the provisions of subsection (a) of this section and of section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770) authorizations for the following items authorized in section 201 or such authorizations as were extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Municipal Sewer Connection construction in the amount of $2,200,000 at the Naval Submarine Base, New London, Connecticut.

(2) Insulation and Storm Windows construction in the amount of $2,350,000 at the Naval Weapons Station, Charleston, South Carolina.

(3) Applied Instruction (Morse Training) Building construction in the amount of $2,400,000 at the Naval Technical Training Center, Pensacola, Florida.

(4) Municipal Sewer Connection construction in the amount of $2,100,000 at the Naval Shipyard, Long Beach, California.

(5) Industrial Waste Collection and Treatment construction in the amount of $6,500,000 at the Naval Shipyard, Long Beach, California.

(e) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418, 94 Stat. 1770), authorizations for the following items authorized in section 301 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 934) shall remain in effect until October 1, 1983 or the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Connect to Regional Sewage System in the amount of $1,100,000 at Richards-Gebaur Air Force Base, Missouri.

(2) Pave roads in the amount of $690,000 at Davis-Monthan Air Force Base, Arizona.

(3) Aircraft Maintenance Control Facility in the amount of $850,000 at England Air Force Base, Louisiana.

(4) Composite Medical Facility in the amount of $16,500,000 at George Air Force Base, California.

(5) Air Installation Compatible Use Zone in the amount of $1,950,000 at Buckley Air National Guard Base, Colorado.

(6) Various Operational Facilities in the amount of $4,950,000 at Roberts International Airport, Liberia.

(7) Unaccompanied Officer Personnel Housing in the amount of $510,000 at Taegu Air Base, Korea.

(8) Security Facilities in the amount of $3,485,000 at Howard Air Base, Canal Zone.

(9) Special Operations Facilities in the amount of $2,800,000 at Various Locations Overseas.

UNIT COST LIMITATIONS

SEC. 706. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $53 per square foot for permanent barracks; or

(2) $57 per square foot for unaccompanied officer quarters;

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances, application to such project of the limitation on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 707. Titles I, II, III, IV, V, and VI shall take effect on October 1, 1981.

TITLE VIII

GUARD AND RESERVE FORCES FACILITIES

Authorization for facilities

SEC. 801. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(a) for the Army National Guard of the United States, $41,500,000; and

(b) for the Army Reserve, $30,400,000.

(2) For the Department of the Navy: for the Naval and Marine Corps Reserves, $23,900,000.

(3) For the Department of the Air Force—

(a) for the Air National Guard of the United States, $78,700,000; and

(b) for the Air Force Reserve, $28,500,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 802. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands include authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255) and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

EXPANSION OF FEDERAL FACILITIES BY THE NATIONAL GUARD

SEC. 803. Section 2233 of title 10, United States Code, is amended:

(1) by inserting "or those owned by the Federal Government" after the words "or convert facilities owned by it" in clause (2) of subsection (a); and

(2) by striking of the period at the end of subsection (b) and inserting in lieu thereof: ", and such property may be transferred to any State or Territory, Puerto Rico, or the District of Columbia incident to the expansion, rehabilitation or conversion of such property under subsection (a)(2), so long as the transfer of such property does not result in the creation of a State or Territory, Pureto Rico, or the District of Columbia-owned enclave within a larger Federal installation."

FEDERAL FUNDING OF DIRECTED PROGRAMS

SEC.. 804. Section 2233(a) of chapter 133, title 10, United States Code is amended:

(1) by striking out "and" after clause (4);

(2) by striking out the period at the end

of clause (5) and inserting in lieu thereof; "and"; and

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

"(6) contribute to any State or Territory, Puerto Rico, or the District of Columbia such amounts as may be necessary for the alteration, rehabilitation, or construction of arms storage rooms, which alteration, rehabilitation or construction is required to meet a change in Department of Defense standards related to the safekeeping of arms."

TITLE IX—GENERAL PROVISIONS

USE OF SOLAR ENERGY SYSTEMS IN NEW CONSTRUCTION

SEC. 901. Section 2688(b) of title 10, United States Code, is amended to read as follows:

(b) For the purposes of this section, a solar energy system shall be considered to be cost effective if the original investment cost differential can be recovered over the expected life of the facility using accepted life cycle costing procedures. Such accepted life cycle costing procedures shall include the use of the sum of all capital, operating, and maintenance expenses associated with the energy system of the building involved over the expected life of such system or during a period of twenty-five years, whichever is shorter, and using marginal fuel cost as determined by the Secretary of Defense and at a discount rate of 7 per centum per year.

FOREIGN GOVERNMENT FUNDED CONSTRUCTION

SEC. 902. (a) The Act of September 28, 1951, c. 434, title V, § 504, 65 Stat. 364, as amended, (31 U.S.C. § 723) is amended to read as follows:

"There are authorized to be appropriated without fiscal year limitation, funds for advance planning, construction design, and architectural services in connection with (1) public works projects which are not otherwise authorized by law, and (2) construction management of those projects funded by foreign governments directly or through international organizations for which U.S. forces are the sole or primary user.

CONSTRUCTION AUTHORITY UNDER A DECLARATION OF WAR OR NATIONAL EMERGENCY

SEC. 903. Chapter 159 of title 10, United States Code is amended:

(1) by adding at the end thereof the following new section:

"2689. Construction Authority in the event of a declaration of war or national emergency.

a. In the event of a declaration of war by the Congress or the declaration by the President of a national emergency in accordance with the National Emergencies Act (Public Law 94-412; 90 Stat. 1255) requiring employment of the armed forces, the Secretary of Defense is authorized, without regard to any other provisions of law, to undertake military construction necessary to support such employment within the total amount of funds that have been appropriated for military construction, including funds appropriated for family housing, that have not been obligated.

b. This authority includes: (1) acquisition of real estate and interests in land (including temporary interests) by lease, purchase, gift, exchange of government-owned land, or otherwise; (2) surveys and site preparation; (3) acquisition, lease conversion, rehabilitation of permanent or temporary facilities; (4) appurtenances, supporting facilities, and utilities incident to such construction; (5) acquisition of and installation of equipment integral to the construction; and (6) planning, supervision, administration, and overhead incident to such construction.

c. This authority shall remain available for the duration of the declaration of war or national emergency.

d. Whenever a decision to undertake military construction authorized under this section is made, the Secretary of Defense shall notify the Committees on Armed Services and Appropriations of the Senate and the House of Representatives of the decision and the estimated cost of such construction including real estate actions pertaining thereto.

TITLE X

SEC. 1001. There are authorized to be appropriated for fiscal year 1983 such sums as may be necessary for the Secretary of Defense and the Secretaries of the Army, Navy and Air Force to establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment.

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., March 18, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of legislation entitled the "Military Construction Authorization Act, 1982". This proposal replaces the proposal previously transmitted to the Congress on January 23, 1981.

The changes to the Department of Defense military construction program for fiscal year 1982 incorporated into the attached legislation are required to increase readiness, improve the quality-of-life of our military personnel, and to modernize military facilities. The Office of Management and Budget has advised that its enactment would be in accord with the program of the President. Appropriations in support of this legislation are discussed in the Amended Budget of the United States Government for fiscal year 1982.

Titles I, II, III, IV, and V of the attached proposal would authorize $4,456,954,000 in new construction for requirements of the Active Forces, of which $849,616,000 are for the Department of the Army; $1,175,283,000 for the Department of the Navy; $1,680,955,000 for the Department of the Air Force; $326,100,000 for the Defense Agencies; and $425,000,000 for the United States' share of the NATO Infrastructure Program.

Title VI contains legislative recommendations considered necessary to implement the Department of Defense Family Housing and Homeowners Assistance Programs and authorizes $2,368,888,000 for the cost of this program for fiscal year 1982.

Title VII contains Authorizations of Appropriations and Administrative Provisions generally applicable to the Military Construction Program. Title IX contains non-recurring general provisions applicable to the Military Construction Program.

Title VIII totaling $203,000,000 would authorize construction for the Guard and Reserve Forces, including $41,500,000 for the Army National Guard; $30,400,000 for the Army Reserve; $23,900,000 for the Naval and Marine Corps Reserve; $78,700,000 for the Air National Guard; and $28,500,000 for the Air Force Reserve. These authorizations are in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

Title X provides authorization as may be necessary for FY 1983 and meets the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

Additionally, included in Title I, pursuant to section 138 of title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities, for which appropriations are being requested.

The projects that would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the Military Departments.

Your support of the amended military construction authorization program for FY 1982 is requested.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

By Mr. STEVENS:

S. 835. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

RELIEF OF JERRY L. CROW

Mr. STEVENS. Mr. President, I am today introducing legislation to provide for the relief of Jerry L. Crow. This bill is intended to allow Mr. Crow to purchase up to 10 acres of public land in Alaska and to lease up to an additional 70 acres of surrounding land. The lands which would be conveyed and leased to Mr. Crow were originally described in the application to be filed for a trade and manufacturing (T. & M.) site in 1967, pursuant to that law. This bill was passed unanimously in the Senate last session, although it was never considered by the House due to the lateness of the session.

The need for this bill is as clear now as it was last session. Mr. Crow's application was denied by the Bureau of Land Management (BLM), the Interior Board of Land Appeals, and the U.S. district court because it did not meet the unreasonable standards set by BLM regulations. The grounds for this rejection were based upon Mr. Crow's failure to prove that the campground he had constructed on the site could qualify as a "productive industry."

Mr. Crow has worked industriously to develop his campground. He has improved the site and operated the facility in a productive manner. Jerry Crow has made a good-faith effort to move his applications forward. Unfortunately, the period between the filing of his application, the field examination, and the final decision by BLM has been so lengthy and uncertain as to the requirements for approval, that his application met with failure.

The equities of this situation are such that Mr. Crow is entitled to purchase up to 10 acres of land from the Federal Government at the fair market value in 1967 which is the date of his application for the T. & M. site. Additionally, a long-term lease of up to 70 acres of remaining land covered by the T. & M. site should be permitted.

Mr. President, enactment of this bill would cost the Federal Government nothing. It would not affect future decisions under the act of May 14, 1896, in any manner. However, it would rectify an inequity and right the wrong of not allowing Mr. Crow an opportunity to operate his campground, on which he has worked so long and hard.

By Mr. ROTH (by request):

S. 838. A bill to amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL PAY COMPARABILITY REFORM ACT OF 1981

● Mr. ROTH. Mr. President, I am introducing today, by request, the "Federal Pay Comparability Reform Act of 1981."

This legislation forms a part of the President's economic package. It is a revised version of the pay reform bill originally submitted by former President Carter on January 16 and is designed to rectify a number of longstanding flaws in the system by which compensation is determined for Federal employees. I am introducing the proposal so that there may be a specific bill to which interested Senators and the public may direct comments.

Mr. President, the General Accounting Office has reviewed Federal pay systems extensively over the years. One of their first and most important observations has been that the Government's compensation policies, structures, and practices require continual evaluation and research to keep up with the constantly changing nature of the labor markets as well as Government's needs. The GAO has concluded that improvements are needed to achieve more reasonable comparability with the non-Federal sector in line with the basic purposes of the comparability concept.

A carefully designed Federal pay reform bill could help reduce unnecessary Federal spending a great deal. However, the complexities of this issue make it imperative that our committee thoroughly review the bill before recommending it to the full Senate.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis and the letter from the Director of the Office of Personnel Management to the President of the Senate dated March 24, 1981.

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

S. 838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Pay Comparability Reform Act of 1981".

STATUTORY PAY SYSTEMS

SEC. 2. (a) Subchapter I of chapter 53 of title 5, United States Code, is amended—

(1) by amending section 5301 to read as follows:

"§ 5301. Policy

"(a) It is the policy of Congress that Federal pay fixing for employees under the General Schedule be based on the principles that—

"(1) there be equal pay for substantially equal work within each General Schedule pay area;

"(2) pay distinctions within each General Schedule pay area be maintained in keeping with work and performance distinctions;

"(3) General Schedule pay rates, when considered together with Federal employee benefits, be comparable with 94 percent of non-Federal pay rates, when considered together with non-Federal employee benefits, for the same levels of work; and

"(4) differences in General Schedule pay rates between different pay areas be in keeping with difference in non-Federal pay rates between those areas.

"(b) It is the policy of Congress that Federal pay rates for employees under the statutory pay systems other than the General Schedule be comparable with the rates fixed under section 5302 of this title for the General Schedule.

"(c) In order to fulfill the principles in subsections (a) and (b) of this section, pay for employees under the statutory pay systems shall be fixed and adjusted in accordance with those principles and the applicable provisions of sections 5302, 5303, 5306, and 5308 of this title.

"(d)(1) For the purpose of this subchapter, 'statutory pay system' means—

"(A) the General Schedule, as provided in section 5332 of this title;

"(B) the pay schedule for the Foreign Service of the United States, as provided in section 3963 of title 22; or

"(C) the pay schedules for certain employees in the Department of Medicine and Surgery of the Veterans' Administration, as provided in section 4107 of title 38.

"(2) For the purpose of making comparisons between Federal and non-Federal pay and employee benefits as required by this subchapter, employees under the merit pay system under chapter 54 of this title shall be included in such comparisons as if they were under the General Schedule.";

(2) by redesignating section 5305 as section 5302, inserting that section as redesignated after section 5301, and amending that section as redesignated—

(A) by amending subsection (a)(1)(A) to read as follows:

"(A) compares General Schedule rates of pay and Federal employee benefits with rates of pay and employee benefits for the same levels of work outside the Federal Government, as determined on the basis of appropriate annual pay surveys and appropriate surveys of employee benefits that shall be conducted by the Bureau of Labor Statistics and on the basis of other appropriate sources of information on employee benefits;";

(B) in subsection (a)(1)(B) by inserting after "pay" the following:
"of the General Schedule and the other statutory pay systems";

(C) in subsection (a)(2) by striking out "5301(a)" and inserting in lieu thereof "5301(a)(1)–(3) and (b)";

(D) in subsection (b)(1)—

(i) by inserting after "represent" the following:
"or include in their membership"; and

(ii) by inserting after "represented by" the following:
"or included in the membership of"; and

(E) by amending subsection (b)(2)(A)–(C) to read as follows:

"(A) the survey conducted by the Bureau of Labor Statistics and any other sources of information used for the comparison of General Schedule and non-Federal rates of pay, and employee benefits (including, but not limited to, the occupations, establishment sizes, industries, geographical areas, and types of employee benefits to be used in the comparison);

"(B) the process of comparing General Schedule rates of pay and Federal employee benefits with non-Federal rates of pay and employee benefits; and

"(C) the adjustments in the rates of pay of the General Schedule and the other statutory pay systems that should be made to achieve the policy established in section 5301(a)(1)–(3) and (b) of this title;";

(3) by amending section 5303 to read as follows:

"§ 5303. General Schedule Locality Rates of Pay

"(a) In order to fulfill the policy established by section 5301(a)(4) of this title, the President shall designate appropriate pay areas and, upon making a pay adjustment under section 5302 of this title, shall establish locality rates of pay for the General Schedule for each pay area in accordance with the provisions of this section. If the President determines that it is inappropriate to establish locality rates of pay for the General Schedule for any area, he may determine that the General Schedule rates of pay established under section 5302 of this title shall be deemed the locality rates of pay for that area.

"(b) In order to determine the locality rates of pay in each pay area, the President shall adjust the General Schedule rates of pay established under section 5302 of this title upward or downward in keeping with the relationship non-Federal rates of pay in the pay area bear to average non-Federal rates of pay in the United States, as determined by surveys by the Bureau of Labor Statistics. Such upward or downward adjustment may vary by level of work within a pay area.

"(c) In fulfilling his responsibility under this section, the President shall be assisted by the agent designated by him under section 5302(a)(1) of this title, and shall consider the recommendations of the Advisory Committee on Federal Pay established under section 5306 of this title. The agent shall—

"(1) advise the President as to the number and boundaries of appropriate pay areas and the upward or downward adjustment in General Schedule rates of pay appropriate for each pay area;

"(2) provide for meetings with and give thorough consideration to the views and recommendations of the Federal Employees Pay Council established under section 5302(b)(1) of this title on matters relating to the agent's advice to the President under this section; and

"(3) give thorough consideration to the views and recommendations of employee organizations not represented on the Federal Employees Pay Council on such matters.

"(d) Locality rates of pay established under this section shall apply (except as provided in section 5363 of this title) to each General Schedule employee whose permanent duty station is within the boundaries of the applicable pay area, and the appropriate minimum and maximum locality rates of pay shall be the applicable minimum and maximum rates of pay under section 5402(a) of this title for merit pay system employees whose permanent duty station is within the boundaries of the applicable pay area.

"(e) Locality rates of pay established under this section shall be effective on the same day a pay adjustment under section 5302 of this title is effective, shall be printed in the Federal Register, and shall have the force and effect of law.

"(f) An increase in locality rates of pay that takes effect under this section is not an equivalent increase in pay within the meaning of section 5335 of this title.

"(g) Any locality rate of pay under this section shall be initially adjusted, effective on the effective date of the locality rate of pay, under conversion rules prescribed by the President or by such agency as the President may designate.";

(4) by amending section 5304 to read as follows:

"§ 5304. General Schedule Special Rates of Pay

"(a) Notwithstanding the provisions of sections 5301, 5302, and 5303 of this title, upon finding that the Government is experiencing significant difficulty in recruiting

or retaining well-qualified individuals for positions under the General Schedule in one or more occupations in one or more areas, the President may establish special rates of pay for the areas for one or more grades, occupations, or subdivisions thereof, which shall be the rates of pay for employees in the positions involved.

"(b) Special rates of pay established under this section may not exceed the maximum applicable locality rate of pay for the General Schedule grade, as established under section 5303 of this title, by more than twice the amount by which that maximum locality rate of pay exceeds the minimum locality rate of pay for that grade.

"(c) Upon establishing special rates of pay under this section, the President shall establish rules for the application of the special rates to affected employees. To the extent considered possible by the President, these rules shall be consistent with the provisions of subchapter III of this chapter and, in the case of employees who are subject to the merit pay system, consistent with chapter 54 of this title.

"(d) The President shall review special rates of pay established under this section annually to see if those special rates of pay are still warranted, and shall revise or abolish any special rates of pay upon determining such action is appropriate.

"(e) The special rates of pay that take effect under this section shall be printed in the Federal Register, and shall have the force and effect of law.

"(f) The President may delegate the authority granted to him by this section to the Director of the Office of Personnel Management, subject to any restrictions the President may impose."; and

(5) by amending section 5306—

(A) in subsection (b) by striking out "the policy under section 5301" and inserting in lieu thereof "his responsibilities under section 5302";

(B) by redesignating subsections (c) through (h) as subsections (d) through (i), respectively; and

(C) by inserting after subsection (b) the following new subsection:

"(c) The Committee shall conduct such reviews and provide advice to the President on such matters as the President may request in carrying out his responsibilities under section 5303 of this title or on other matters relating to the setting of pay for Federal employees.".

(b) The analysis for subchapter I of chapter 53 of title 5, United States Code, is amended—

(1) by inserting after the item relating to section 5301 the following new item:

"5302. Annual pay reports and adjustments."; and

(2) by striking out the items relating to sections 5303, 5304, and 5305 and inserting in lieu thereof:

"5303. General Schedule locality rates of pay.

"5304. General Schedule special rates of pay.".

SEC. 3. Section 2301(b)(3) of title 5, United States Code, is amended by striking out "employers in the private sector" and inserting in lieu thereof "non-Federal employers".

SEC. 4. Section 5332(a) of title 5, United States Code, is amended to read as follows:

"(a) The General Schedule is a schedule of 18 grades, designated GS–1 to GS–18 in ascending order, with ten rates of basic pay for grades GS–1 through GS–15, nine rates of basic pay for grade GS–16, five rates of basic pay for grade GS–17, and one rate of basic pay for grade GS–18. The rates of basic pay of the General Schedule in each pay area shall be fixed and adjusted under section 5303 of this title, and the rates so fixed and adjusted shall apply to each employee with a permanent duty station in the pay area to whom this subchapter applies, except an employee under the merit pay system under chapter 54 of this title.".

SEC. 5. (a) Section 5941 of title 5, United States Code, is repealed.

(b) The analysis for chapter 59 of title 5, United States Code, is amended by striking out the item relating to section 5941.

SEC. 6. Section 104 of title 3, United States Code, section 5318 of title 5, United States Code, section 461(a) of title 28, United States Code, and section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31), as amended, are amended by striking out "section 5305" and inserting in lieu thereof "section 5302".

FEDERAL WAGE SYSTEM

SEC. 7. (a) Subchapter IV of chapter 53 of title 5, United States Code, is amended—

(1) by striking out "PREVAILING RATE" in the subchapter heading and inserting in lieu thereof "FEDERAL WAGE";

(2) by amending section 5341 to read as follows:

"§ 5341. Policy.

"It is the policy of Congress that rates of pay of Federal wage employees be fixed and adjusted from time to time in accordance with the public interest and on the basis of the principles that—

"(1) there be equal pay for substantially equal work for all Federal wage employees who are working under similar conditions of employment in all agencies within the same local wage area;

"(2) there be relative differences in pay within each local wage area in keeping with substantial or recognizable differences in the level of duties, responsibilities, and qualification requirements among positions;

"(3)(A) the rates of pay for Federal wage employees described in paragraph (A) of section 5342(a)(2) of this title, when considered together with Federal employee benefits, be comparable with 94 percent of non-Federal prevailing wages in the local wage area, when considered together with non-Federal employee benefits; and

"(B) the rates of pay for Federal wage employees described in paragraphs (B) and (C) of section 5342(a)(2) of this title be maintained in line with prevailing rates for comparable work in non-Federal retail, wholesale, service, and recreational establishments within the local wage area; and

"(4) the level of rates of pay be maintained so as to attract and retain qualified Federal wage employees.";

(3) by amending section 5342(a)(2)–(3), (b)(1), and (c) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage";

(4) in section 5343—

(A) in the catchline by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage";

(B) in subsection (a)—

(i) by striking out the first sentence and inserting in lieu thereof "The pay of Federal wage employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with the policy in section 5341 of this title."; and

(ii) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage";

(C) in subsection (a)(3)—

(i) by striking out "(c)(1)–(3)" and inserting in lieu thereof "(c)(1)–(4)"; and

(ii) by inserting after "rates" the following: "in accordance with the policy in section 5341 of this title";

(D) in subsection (b)—

(i) by striking out "2 years" and inserting in lieu thereof "3 years";

(ii) by inserting after "conducted" the following: "at least annually"; and

(iii) by striking out "each 2 consecutive";

(E) in subsection (c)—

(i) by inserting after "rates" the first time it appears the following: ", in accordance with the policy in section 5341 of this title";

(ii) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage";

(iii) in paragraph (1) by striking out "private" both places it appears and inserting in lieu thereof "non-Federal";

(iv) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively;

(v) by inserting after paragraph (2) the following new paragraph:

"(3) for appropriate consideration of Federal and non-Federal employee benefits, as determined on the basis of employee benefits surveys and sources of employee benefits information described in section 5302(a)(1)(A) of this title, in the establishment of wage schedules and rates for Federal wage employees described in paragraph (A) of section 5342(a)(2) of this title in accordance with the policy in section 5341(3)(A) of this title;"; and

(vi) in paragraph (5) as redesignated by inserting after "involving" the following: "shift work or";

(F) by amending subsection (d) to read as follows:

"(d) Notwithstanding the provisions of sections 5341 and 5348 of this title and subsections (a), (b), and (c)(1)–(4) of this section, in any year when an alternative plan goes into effect under section 5302(c) of this title for employees under the General Schedule and the other statutory pay systems, the Office of Personnel Management shall develop and place into effect a plan for increases in wage schedules and rates that will provide treatment for Federal wage employees, including officers and members of crews of vessels, that is comparable with the treatment provided employees under the General Schedule and the other statutory pay systems."; and

(G) by repealing subsections (e) and (f);

(5) in sections 5344(a) and 5346(c) by striking out "prevailing rate" and inserting in lieu thereof "Federal wage";

(6) in section 5347—

(A) in the catchline by striking out "Prevailing Rate" and inserting in lieu thereof "Wage";

(B) by striking out "Prevailing Rate" and inserting in lieu thereof "Wage";

(C) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage"; and

(D) in subsection (e) by striking out "prevailing rates" and inserting in lieu thereof "rates of pay";

(7) in section 5348 by inserting after "provided by" the following: "section 5343(d) of this title and"; and

(8) in section 5349—

(A) in the catchline by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage"; and

(B) in subsection (a) by striking out "prevailing rates and in accordance with such" and inserting in lieu thereof "the".

(b) The analysis for subchapter IV of chapter 53 of title 5, United States Code, is amended—

(1) in the subchapter heading by striking out "PREVAILING RATE" and inserting in lieu thereof "FEDERAL WAGE";

(2) in the item relating to section 5343 by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage";

(3) in the item relating to section 5347 by striking out "Prevailing Rate" and inserting in lieu thereof "Wage"; and

(4) in the item relating to section 5349 by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage".

SEC. 8. Notwithstanding section 704(b) of Public Law 95-454 (92 Stat. 1111, 1218), employees to whom section 9(b) of Public Law 92-392 (86 Stat. 564, 574) applies shall be subject to any plan developed and placed into effect by the Office of Personnel Management under section 5343(d) of title 5, United States Code, as amended by this Act.

PRESIDENTIAL BENEFITS AUTHORITIES

SEC. 9. (a) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Presidential authority

"§ 6331. Authority of the President

"(a) Notwithstanding any provision of this chapter, the President may modify any provision of this chapter in accordance with the provisions of this section, in order to—

"(1) make the provisions of this chapter more comparable with leave programs and practices provided by employers other than the Federal Government;

"(2) provide greater flexibility and freedom of choice to employees; or

"(3) improve the administration of any provision of this chapter.

"(b) The President shall transmit to Congress a report describing any modification he has made in the provisions of this chapter, and shall cause such modification to be printed in the Federal Register and the Code of Federal Regulations.

"(c) Modifications in the provisions of this chapter that take effect under this section shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date or dates of all or part (as the case may be) of the modifications; and

"(2) any prior modifications which took effect under this section or prior provisions of law.

"(d) Any modification under this section shall be implemented in accordance with rules prescribed by the President or by such agencies as the President may designate.

"(e) This section does not impair any administrative authority granted under this chapter.".

(b) The analysis of chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"Subchapter III—Presidential Authority

"§ 6331. Authority of the President.".

SEC. 10. (a) Section 8707 of title 5, United States Code, is amended—

(1) in the catchline, by striking out "Employee deductions; withholding" and inserting in lieu thereof "Contributions, deductions, and withholding";

(2) by amending subsections (a), (b), and (c) to read as follows:

"(a) The President shall determine, by July 1 of each year, the Government contributions that will be made during the next calendar year for insurance under this chapter. The Government contribution rate for basic insurance may not be less than one-third of the level cost as determined by the Office of Personnel Management for each $1,000 of the employee's basic insurance amount.

"(b) For each period in which an employee or family member is insured under this chapter, the applicable Government contribution determined by the President under subsection (a) of this section shall be contributed from the appropriation or fund which is used to pay the employee. In the case of an employee paid by the Clerk of the House of Representatives, the Clerk may contribute the sum required from the contingent fund of the House. In the case of an employee who is an elected official, the sum required is contributed from an appropriation or fund available for payment of other salaries of the same office or establishment.

"(c) For each period in which an employee or family member is insured under this chapter, there shall be withheld from the employee's pay the balance of the cost of the insurance under this chapter for the employee or family member, after the Government contribution is made under subsection (b) of this section.";

(3) by redesignating subsection (d) as subsection (e);

(4) by inserting after subsection (c) the following new subsection:

"(d)(1) Whenever insurance under this chapter continues after an employee retires on an immediate annuity or while the employee is receiving compensation under subchapter I of chapter 81 of this title, as provided in section 8706(b) of this title, as provided in section 8706(b) of this title, the Government contributions required by subsection (b) of this section shall be made from an appropriation for this purpose to the Office of Personnel Management, and the balance of the cost of the insurance shall be withheld from the employee's annuity or compensation, except that, in any case in which the insurance is continued as provided in section 8706(b) (3)(A), 8714a(c)(2), 8714b(c)(2), or 8714c(c)(2) of this title, no deduction shall be withheld for regular insurance for months after the calendar month in which the employee becomes 65 years of age.

"(2) Notwithstanding paragraph (1) of this subsection, insurance shall be continued under section 8706(b) of this title without cost (other than as provided under paragraph (3)(B) of section 8706(b)) to each employee who retires, or for whom compensation commences, on or before December 31, 1989."; and

(5) in subsection (e), as redesignated, by striking out "agency contributions required under section 8708 of this title" and inserting in lieu thereof "Government contributions".

(b) Section 8708 of title 5, United States Code, is repealed.

(c) Sections 8714a, 8714b, and 8714c of title 5, United States Code, are each amended by striking out subsection (d).

(d) The analysis for chapter 87 of title 5, United States Code, is amended by striking out the items relating to sections 8707 and 8708 and inserting in lieu thereof:

"8707. Contributions, deductions, and withholding.".

SEC. 11. Section 8906 of title 5, United States Code, is amended—

(1) by amending subsection (b)(1)-(2) to read as follows:

"(b)(1) Except as provided by paragraphs (2) and (3) of this subsection, the President shall determine, at least 180 days prior to the beginning of each contract year—

"(A) the percentage of the average subscription charge, as determined under subsection (a) of this section, which the Government shall contribute during the upcoming contract year for health benefits for an employee or annuitant enrolled in a health benefits plan under this chapter; and

"(B) the percentage of the subscription charge that will be the maximum Government contribution for health benefits under any health benefits plan under this chapter.

"(2) Except as provided in paragraph (3) of this subsection, the Government contribution for health benefits for any health benefits plan under this chapter may not be less than the lesser of—

"(A) 60 percent of the average subscription charge, as determined under subsection (a) of this section, or

"(B) 75 percent of the subscription charge for the health benefits plan."; and

(2) in the first sentence of subsection (d)—

(A) by inserting after "employee" the following:

", beginning on the first day of the first applicable pay period beginning on or after the first day of each contract year,"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof ", beginning on the first day of each contract year.".

SAVINGS PROVISIONS

SEC. 12. Notwithstanding the provisions of sections 2 and 7 of this Act, the pay rates of the General Schedule, the General Schedule locality pay rates in each pay area, the pay rates of the other statutory pay systems, and the wage schedules and rates of the Federal Wage System shall be increased each year for the first 5 years following the date of enactment of this Act, at the same time each such schedule or rate would normally be increased, by the greater of—

(1) the amount of increase provided under the applicable provisions of subchapter I or IV of chapter 53 of title 5, United States Code, as amended by this Act, or

(2) 2 percent.

SEC. 13. Notwithstanding the repeal of section 5941 of title 5, United States Code, by section 5 of this Act, each employee who is receiving an allowance under section 5941 on the day before the effective date of this Act shall continue to receive the amount of allowance he is receiving on such day as long as he remains in the area for which the allowance was authorized, but the amount of the allowance shall be reduced by one-half the amount of any increase in rate of basic pay the employee receives by reason of any provision of law, until the entire amount of the allowance is eliminated.

SEC. 14. Notwithstanding the provisions of section 9 of this Act, no provision of any employee benefit program may be reduced or made less generous for five years after the date of enactment of this Act.

UNIFORMED SERVICES PAY AMENDMENTS

SEC. 15. Section 1009 of title 37, United States Code, is amended—

(1) in subsection (a) by striking out "Whenever the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5, United States Code, is adjusted upward, the President shall immediately" and inserting in lieu thereof "Effective October 1 of each year, the President shall";

(2) in subsection (b)—

(A) by repealing paragraph (1);

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(C) by amending paragraph (2) (as redesignated by this section) to read as follows:

"(2) subject to subsection (c) of this section, provide all eligible members with an increase in each element of compensation set forth in subsection (a) of this section, that is of the same percentage as the average percentage increase in non-Federal pay during the 12-month period preceding the most recent national survey of non-Federal pay described in section 5302(a)(1)(A) of title 5, United States Code."; and

(3) by adding at the end thereof the following new subsections—

"(g)(1) If, because of national security considerations, national emergency, or economic conditions affecting the general welfare, the President should, in any year, consider it inappropriate to make the compensation adjustments required by subsection (a) of this section, he shall prepare and transmit to Congress before September 1 of that year such alternative plan with respect to a compensation adjustment as he considers appropriate, together with the reasons therefor, in lieu of the compensation adjustment required by subsection (a) of this section.

"(2) An alternative plan transmitted by the President under paragraph (1) of this subsection becomes effective on October 1 of the applicable year and continues in effect unless, before the end of the first period of 30 calendar days of continuous session of Congress after the date on which the alternative plan is transmitted, Congress adopts and the President approves a joint resolution disapproving the alternative plan or, in the event the President returns the joint resolution to Congress with his objections, two-thirds of each House of Congress agree to pass and approve the joint resolution. Upon such a joint resolution becoming law, the compensation adjustment required by subsection (a) of this section shall be made in accordance with subsection (i) of this section. The continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

"(h) The compensation adjustments which become effective under this section are applicable to each member of the uniformed services.

"(i) If a joint resolution disapproving an alternative plan becomes law as provided in subsection (g)(2) of this section, the President shall make the adjustments required by subsection (a) of this section, effective October 1 of that year.

"(j) The adjustment that takes effect under this section shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date or dates of all or part (as the case may be) of the adjustments; and

"(2) any prior recommendations or adjustments which took effect under this section or prior provisions of law.

"(k) The rates of pay that take effect under this section shall be printed in the Federal Register and the Code of Federal Regulations.".

EFFECTIVE DATES

SEC. 16. The amendments made by this Act shall be implemented at such times and in such phases as the President may determine, but shall be fully effective not later than 3 years after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

"To amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes."

The first section titles the bill as the "Federal Pay Comparability Reform Act of 1981."

STATUTORY PAY SYSTEMS

Section 2 contains various amendments to subchapter I of chapter 53 of title 5, United States Code, designed to improve the method of fixing and adjusting rates of pay for employees covered by the General Schedule and the other statutory pay systems.

Paragraph (1) of section 2(a) amends section 5301 of title 5 to revise and restate the policy objectives under which pay will be fixed for the General Schedule and the other statutory pay systems.

Under subsection (a) of the amended section 5301, pay for General Schedule employees will be fixed in accordance with four principles:

The first principle continues the principle in current law that there be equal pay for substantially equal work, but modifies this principle to make clear that it will apply only within each local pay area, as pay will vary from area to area under the bill.

The second principle continues the principle in present law that pay distinctions be maintained in keeping with work and performance distinctions.

The third principle establishes the new comparability standard for pay fixing. General Schedule pay, when considered together with Federal employee benefits, will be fixed at a level of 94 percent of what non-Federal employers provide in pay and benefits for the same levels of work. This will replace the present provision of law under which the comparison is made on the basis of pay only, rather than pay and benefits together, and the comparison is made with private enterprise alone, rather than with the entire non-Federal sector, including State and local government.

The fourth principle is entirely new, and provides that General Schedule pay rates in the various pay areas will vary in proportion to the differences in non-Federal pay between those areas.

Under subsection (b) of the amended section 5301, pay rates for the other statutory pay systems—the Foreign Service pay system and the pay system for certain employees in the Department of Medicine and Surgery of the Veterans' Administration—will be fixed at a level comparable with national average General Schedule pay. There will not be any locality variations for these two pay systems.

Subsection (c) of the amended section 5301 provides that pay shall be fixed in accordance with the principles established in subsections (a) and (b) and the applicable provisions of the rest of the subchapters.

Subsection (d) restates the present definition of statutory pay systems as being the General Schedule, the Foreign Service pay schedule, and the pay schedules for certain employees in the Department of Medicine and Surgery of the Veterans' Administration. Subsection (d) also makes clear that Merit Pay System employees shall be included with General Schedule employees in the pay and benefits analysis and comparison, since their pay is tied to General Schedule pay by law.

Paragraph (2) of section 2(a) redesignates section 5305 as section 5302, and inserts the redesignated section after section 5301. The redesignated section is amended to require the pay agent's report to the President to compare General Schedule pay and benefits, rather than pay alone, with pay and benefits outside the Federal Government for the same levels of work. The comparison will be based on appropriate annual pay surveys and appropriate benefits surveys conducted by the Bureau of Labor Statistics, and on other sources of benefits information. Adjustments in pay rates for the statutory pay systems are to be based on the principles in section 5301(a)(1)–(3) and (b). (The locality pay principle in section 5301(a)(4) will not enter into this part of the pay fixing process.)

The membership of the Federal Employee Pay Council will be broadened to include such organizations as professional associations, as well as labor unions. The Pay Council will deal with the new issues presented by the inclusion of benefits in the comparison process, along with all the other issues the Council has dealt with in the past.

Paragraph (3) of section 2(a) replaces the present section 5303 with an entirely new section establishing locality pay rates for the General Schedule. The President will designate General Schedule pay areas and establish locality rates of pay for those areas. If he determines it is inappropriate to establish locality rates for a particular area (such as foreign countries) he can deem the national General Schedule rates established under section 5302 to be the locality rates for that area. The locality rates in each area will be determined by adjusting the national General Schedule rates established under section 5302 upward or downward to reflect the relationship between non-Federal rates of pay in the area and national non-Federal rates. The adjustment could be different for different grade levels. The pay agent, the Advisory Committee on Federal Pay and the Federal Employees Pay Council will all play a role in the process paralleling their roles in establishing the national General Schedule rates. Locality rates will apply to each General Schedule employee whose permanent duty station is in a pay area. The appropriate minimum and maximum locality rates will also be used as minimum and maximum rates for Merit Pay System employees whose permanent duty station is within the pay area. Locality rates will be effective on the same day as a pay adjustment under section 5302. The locality rates will be printed in the Federal Register, and will have the force and effect of law. An increase in locality pay will not be an equivalent increase for the purpose of determining within-grade increase eligibility later. The President or an agency designated by the President will prescribe conversion rules under which newly locality pay rates will be applied.

Paragraph (4) of section 2(a) replaces the present section 5304 with a new section similar to the present section 5303. It authorizes the establishment by the President of special rates of pay for the various General Schedule pay areas for one or more areas, grades, occupations, or subdivisions thereof, upon a finding by the President that the Government is experiencing significant difficulty in recruiting or retaining well-qualified individuals. Special rates will be able to exceed the maximum locality rate for a grade by no more than twice the amount by which the maximum exceeds the minimum locality rate for that grade. The President will establish rules for applying special rates to affected employees consistent insofar as possible with the normal pay administration rules for General Schedule and Merit Pay System employees. The President will review special rates annually and revise or abolish them if appropriate. Special rates will be printed in the Federal Register and have the force and effect of law. The President will be able to delegate authority granted by this section to the Director of the Office of Personnel Management.

Paragraph (5) of section 2(a) amends section 5306 to expand the role of the Advisory Committee on Federal Pay to include assisting the President in carrying out his responsibilities under the locality pay section, and in such other matters as he may request.

Section 3 of the bill amends the merit system principle in section 2301(b)(3) to replace "employers in the private sector" with "non-Federal employers," thereby conforming to earlier changes in the bill which broaden the comparison base.

Section 4 amends section 5332(a) to eliminate the obsolete table of pay rates and to describe the General Schedule by prescribing the number of grades and the number of rates of basic pay in each grade; to specify that the locality rates fixed under the amended section 5303 will be the General Schedule rates in each pay area; and to require the application of those rates to each employee with a permanent duty station in the pay area, except a merit pay employee.

Section 5 repeals section 5941 relating to allowances based on living costs and conditions of environment for employees stationed in Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions.

Section 6 makes a conforming change to section 104 of title 3, section 5318 of title 5, section 461(a) of title 28, and section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31), as amended, by striking out "section 5305" and inserting in lieu thereof "section 5302."

FEDERAL WAGE SYSTEM

Section 7(a) retitles subchapter IV of chapter 53 by striking out "PREVAILING

RATE" and inserting in lieu thereof "FEDERAL WAGE." This terminology change is made throughout subchapter IV by section 7 of the bill.

Section 7(a) also amends section 5341 to broaden the comparison base used in pay fixing to include all non-Federal employers and to alter the comparison standard used for appropriated fund Federal wage employees so that their pay will be comparable with 94 percent of non-Federal pay in the local wage area, when benefits for both groups are taken into account in the comparison.

The "Monroney Amendment" in section 5343(d) is eliminated by the bill, as are the current provisions of section 5343(e) on step rates, and the provisions of section 5343(f) establishing shift differentials and making night shift differential part of basic pay. The Office of Personnel Management will establish a step-rate structure and appropriate shift differentials.

A new section 5343(d) requires that, in any year in which an alternative plan goes into effect for employees under the statutory pay system, the Office of Personnel Management will develop and implement a plan to provide comparable treatment for Federal wage employees. Under section 8 of the bill this comparable treatment will also apply to certain Federal wage employees who are excluded from the regular Federal Wage System because they traditionally negotiate pay.

PRESIDENTIAL BENEFITS AUTHORITIES

Section 9 of the bill adds a new subchapter III to chapter 63 of title 5. This new subchapter authorizes the President to modify any provision of chapter 63 (which includes the provisions of law governing annual and sick leave and certain other kinds of leave) in order to make the Government's leave system more comparable with non-Federal leave programs and practices; to provide greater flexibility and freedom of choice to employees; or to improve the administration of the leave program. The President will be required to report to Congress on any changes he makes in the leave program under this new authority, and to publish notices in the Federal Register and the Code of Federal Regulations.

Section 10 of the bill amends chapter 87 of title 5 to authorize the President to change the contribution the Government makes to the cost of coverage under Federal Employees Group Life Insurance. At present, the Government contributes one-third of the cost of basic insurance, while the employee pays the remainder of the cost of basic insurance and the full cost of the various optional insurance coverages. This present Government contribution is preserved as a minimum, but the President will be able to modify the Government's contribution above this amount. Various technical and administrative provisions relating to this new Presidential authority are included in the bill.

Section 11 of the bill amends chapter 89 of title 5 to authorize the President to modify each year the Government's contribution to health benefits premiums for Federal employees, though here again the present contribution rate of 60 percent of the average premium, and not to exceed 75 percent of the premium for any plan, continues as a minimum below which the contribution cannot be reduced. Various technical and administrative provisions relating to this new authority are included.

SAVINGS PROVISIONS

Section 12 of the bill guarantees pay increases of at least two percent a year for the first five years after enactment for employees who might otherwise get less because of the implementation of the new comparability standard, locality pay for the General Schedule, and the changes in the Federal Wage System. Of course, whenever the implementation of the new provisions results in increases higher than two percent a year, those higher increases will be paid.

Section 13 protects persons now receiving cost-of-living allowances under section 5941 of title 5 (which is repealed by section 5 of the bill), by freezing the present dollar amount of allowance they are receiving and reducing it in the future only by one-half of any pay increases these individuals receive.

Section 14 of the bill prohibits the President from reducing or making less generous any provision of the Government's leave program for five years after the date of enactment of the bill.

UNIFORMED SERVICES PAY AMENDMENTS

Section 15 of the bill amends section 1009 of title 37, which currently provides for increasing military pay by the same percentage amount General Schedule pay is increased each year. As amended by the bill, section 1009 will instead link military pay increases only to the year-to-year change in non-Federal pay shown by the Bureau of Labor Statistics survey.

Section 15 also authorizes the President to propose an alternative adjustment for the military if he decides it would be appropriate because of national security considerations, national emergency, or economic conditions affecting the general welfare. The alternative plan for the military will become effective unless both Houses of Congress disapprove. If the President vetoes their disapproval, the alternative plan will become effective unless the President's veto is overruled by a two-thirds vote of both Houses.

EFFECTIVE DATES

Section 16 of the bill provides that the bill will be implemented at such times and in such phases as the President decides. All of the provisions will have to be fully implemented no later than three years after enactment.

U.S. OFFICE OF PERSONNEL MANAGEMENT.
Washington, D.C., March 24, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Office of Personnel Management submits herewith the enclosed legislative proposal, "To amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes." We respectfully request that this proposal be referred to the appropriate committee for early consideration.

This proposal is submitted as a part of the President's program to eliminate unnecessary expenditures from the Federal budget. The proposal would rectify a number of long-standing flaws in the system by which compensation is determined for Federal employees, in order to ensure that Federal employment will be truly comparable with employment outside the Government. The provisions of the proposal are as follows:

PAY COMPARABILITY REVISIONS

The first part of the legislative proposal deals with the pay fixing process for the General Schedule and the other statutory pay systems. There would be three major changes in this process:

(1) the pay comparability standard would be revised to require the inclusion of employee benefits in the comparison process, and, in view of the differences between the Federal Government and non-Federal employers with regard to relevant conditions of employment (including such factors as job security, promotion potential, portability of benefits, etc.), to require Federal pay and benefits to be comparable with 94 percent of non-Federal pay and benefits;

(2) the comparison base would be broadened to include State and local government as well as the private sector; and

(3) General Schedule pay (but not the pay for the other statutory pay systems) would vary by locality, in keeping with the relationship between non-Federal pay in each locality and national average non-Federal pay.

The process would continue to involve the President, the Pay Agent, the Federal Employees Pay Council, and the Advisory Committee on Federal Pay, playing the same roles they now play, but with their scope expanded to deal with the new issues of locality pay and the inclusion of employee benefits in the comparison. The Pay Council would have its membership broadened to include employee organizations such as professional organizations, as well as unions. General Schedule employees would be paid locality rates unless they are in a location where the President decides to apply the national average General Schedule instead. (This might be done for employees assigned to foreign areas, for example.)

The existing special rate authority for the General Schedule would be broadened and made more flexible. Special rates could be established whenever necessary to recruit or retain well-qualified employees in an area, an occupation, or any subdivision thereof. A special rate could not exceed the maximum rate of the regular rate range by more than twice the amount of the regular rate range.

With the new flexibilities provided by locality pay and the broader special rate authority, the authority for cost-of-living allowances in Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions will no longer be necessary and would be repealed.

FEDERAL WAGE SYSTEM REVISIONS

The second portion of the legislative proposal deals with the Federal Wage System.

First, the pay fixing process for Federal wage employees would be revised to parallel the changes made by the first part of the proposal for General Schedule employees. The comparison standard would be broadened to include employee benefits, and to require Federal pay and benefits to be comparable to 94 percent of non-Federal pay and benefits, and the comparison base would be broadened to include State and local government. (The change in the comparison standard would not apply to nonappropriated fund employees.) Further, whenever the President decides that national emergency or economic conditions affecting the general welfare make it necessary to invoke an alternative plan for General Schedule employees, the Office of Personnel Management would be required to impose a comparable limitation on Federal Wage System employees. Such a limitation would apply to appropriated fund and nonappropriated fund employees, to crews of vessels, and to certain groups of Federal wage employees who have traditionally negotiated their wage schedules.

Second, the legislative proposal would repeal certain existing provisions of law which now require that Federal wage employees be paid more than their counterparts outside the Federal Government. These aberrant provisions of current law are a provision requiring the use of out-of-area wage rates in certain situations (the "Monroney Amendment"); provisions establishing rate ranges and fixing the relationship between those rate ranges and the prevailing wage; and provisions fixing in law shift differentials and making those differentials part of basic pay. Under the proposal, rate ranges and shift differentials would be fixed in accordance with prevailing non-Federal practices.

RESIDENTIAL BENEFITS AUTHORITIES

The third part of the legislative proposal would give the President a new authority to adjust certain Federal employee benefit pro-

grams. These adjustments would be made in concert with the process by which employee benefits are taken into consideration in the setting of Federal pay.

First, the President would be authorized to modify the leave program for Federal employees, including sick and annual leave and certain other forms of leave. He could exercise this authority in order to make the Federal leave program more consistent with non-Federal leave programs, to broaden flexibility and employee freedom of choice in the program, or to improve the administration of the program.

Second, the President would be authorized to modify the Government contributions to the cost of Federal Employees Group Life Insurance, although the present Government contribution of one-third of the cost of basic insurance would be fixed as the minimum possible Government contribution.

Third, the President would be authorized to change the Government contributions to premiums under the Federal Employees Health Benefits program. Here again, the present Government contribution would be fixed as the minimum possible.

SAVINGS PROVISIONS

The proposal includes savings provisions for employees who might otherwise be adversely affected.

First, employees would be guaranteed that pay schedules would go up at least two percent a year for the first five years, despite the changes in the comparison standard and the comparison base, the repeal of the Monroney Amendment, etc. Of course, it is expected that most employees would get considerably more than this minimum.

Second, employees now receiving cost-of-living allowances in Alaska, Hawaii, etc., would not suffer any cut in the amount of allowance they are now receiving, but the allowances would be reduced in the future by one-half of any other pay increases the employees receive.

UNIFORMED SERVICES PAY AMENDMENTS

Because it is not the intention of the legislative proposal to apply the change in the comparability standard to the uniformed services, the legislative proposal would amend the provision of law now linking military pay adjustments to the General Schedule to instead provide that military pay would be increased each October by the amount of the increase in non-Federal pay. In addition, the President would be authorized to provide an alternative adjustment, subject to Congressional review, if he decided that national security conditions, national emergency, or economic conditions affecting the general welfare made such an alternative appropriate.

EFFECTIVE DATE

Finally, the legislative proposal would authorize the President to phase the provisions of the bill into effect over the three years following enactment.

It is estimated that the enactment of this proposal would reduce payroll costs in fiscal year 1982 about $3.7 billion below the costs that would be incurred under operation of present law. Savings in future years would be even greater.

The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

DONALD J. DEVINE,
Director.●

By Mr. DOLE (for himself and Mr. DANFORTH):

S. 839. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

GRAIN ELEVATOR BANKRUPTCY LEGISLATION

● Mr. DOLE. Mr. President, today I am pleased to introduce, on behalf of myself and Senator DANFORTH, a bill which provides for certain amendments to the Bankruptcy Reform Act of 1978, as well as amendments to title VII, chapter 10 of the United States Code, which deals with agricultural warehouse licensing and operations.

The amendments set forth in this bill are designed to alleviate the hardships created for farm producers when a commodity warehouse in which their crops are stored file: a petition in bankruptcy.

Over the past few years, in several States and with increasing frequency, Midwestern farmers have suffered from the unexpected insolvency of grain elevators holding vast quantities of crops belonging to those farm producers. Farmers in Missouri, Kansas, Indiana, Iowa, Nebraska, Illinois, and Arkansas have seen thousands of bushels of grain, soybeans, and other cash crops tied up in grain elevator bankruptcy proceedings under circumstances making it difficult, if not impossible, for those farmers to recover their crops, owned by them, which had been deposited with those elevators on storage contracts under which the producers retained title to the crop.

Now, the reasons why farmers have had trouble obtaining possession of their crops from the bankruptcy courts are numerous and complex. There are difficulties in establishing ownership interests in the crops, as between "storage contract" crops owned by the farmers and "sales contract" crops owned by the elevators. The advent of delayed pricing agreements have complicated the relationship between the farmer and the warehouseman. In addition, there are problems of distribution, as between farmers who own grain and creditors who have taken a secured interest in grain owned by the elevator. The distribution problems are made worse when, as is frequently the case, there is a shortage of crops on hand. Usually, where there is a shortage the farmer who has sold grain to a bankrupt warehouse, but who has not received payment for his crop becomes simply an unsecured creditor in the bankruptcy proceedings.

Faced with these conflicting pressures, bankruptcy courts are frequently slow to respond to the need of farmers for quick resolution of legitimate conflicts surrounding ownership of grain assets, and rapid distribution of those grain assets to those farm producers who have retained ownership. As well, the secured creditor suffers from possible deterioration in the value of its collateral. These problems have most recently been demonstrated in the failure of several grain elevators in Missouri and Arkansas which failures have adversely affected farmers in Kansas as well.

In consideration of these problems, this bill provides for one uniform, expedited procedure for abandonment of grain assets in a proceeding filed by an insolvent commodity warehouse; the granting of a statutory lien to farm producers on crops delivered to a warehouse upon a sales contract for which the producer has not been paid; and the granting of a priority position to farm producers in any distribution of assets to unsecured creditors.

This bill establishes strict timetables within which the bankruptcy court will be required to take systematic steps to accomplish the following: First, to identify those farm producers who have crops in storage with a commodity warehouse in bankruptcy, as well as those parties which have secured interests in crops on hand in such warehouses; second, to audit the assets of the elevator to determine the extent of crops available for distribution to those producers and secured creditors to release to them crops which are not part of the bankruptcy estate, as well as those crops in which the estate has no equity interest; and third, to distribute those crops or the proceeds thereof to those parties.

This bill would require the trustee to commence distribution of crop assets ordered abandoned by the court within 80 days of the filing of the petition in bankruptcy, unless the court granted additional time upon a proper showing of need. The objective is to discourage delays in effecting distribution of grain assets. This objective is also served by provisions included in the bill imposing certain burdens upon any party requesting a stay of the abandonment orders.

The method of distribution employed is two-tiered. First, there is a pro rata distribution of grain or proceeds of grain to producers who have stored crops with the warehouseman without transfer of title. Since these crops would not be part of the bankruptcy estate, these "bailment" producers should not suffer any diminution in their share of the crop assets at the hands of secured creditors. After this first distribution—which may be in specie or in kind, as the court may direct—the trustee is required to liquidate any remaining crop assets and divide the proceeds, pro rata, among the secured creditors. By amendment to title 7 creating a statutory lien in favor of "sale contract" farmers who have not been paid, these producers would be included in this group.

Finally, those farm producers who still have an unsatisfied claim against the debtor warehouseman after the distribution of crop assets required by this bill would receive a priority position in any distribution of remaining assets to unsecured creditors. Thus, if a shortage of grain leaves both storage contract producers and sale contract producers with a loss, they may yet recover the deficiency in the distribution of proceeds of any remaining assets by the trustee, by simply filing a claim for the loss.

The provisions of the bill we are introducing, insofar as they might conflict with other provisions of the Code, will take precedence. However, we feel that the bill is conceptually and organizationally consistent with other provisions of the Code.

The bill will not prevent farmers from suffering losses, on occasion, as a result of mismanagement or fraud on the part of the warehouseman, but we do believe that it will help prevent any such losses from being compounded by inaction in the bankruptcy court.

Mr. President, as chairman of the Judiciary Committee's Subcommittee on Courts, I have scheduled hearings to convene on Friday, April 3, and again on Monday, April 6, to hear testimony concerning problems besetting creditors under the Bankruptcy Reform Act of 1978. In addition, the subcommittee has set aside the morning and early afternoon of the 6th to hear testimony from Senators, Congressmen, administration officials, State agricultural experts, and farm groups upon the problems created for farmers and farm programs by elevator insolvencies. Our witnesses have been requested to direct attention to the provisions of this bill and offer any suggestions they may have to improve our legislative effort in this area. I believe these hearings will be valuable and instructive on the problems farmers face in these situations.

The Department of Agriculture estimates there are approximately 10,000 commodity warehouses in the United States. Out of that group, only slightly more than 1 percent have had financial problems. Thus, the vast majority of elevator operators in this country are persons of integrity who adhere to sound business practice. Almost all maintain a close working relationship with the farmers in their communities, and their services are a vitally important part of the success story of American agriculture. This bill is intended to deal with the hardships created for the farmer by that 1 percent that experience financial difficulty, and minimize the disruption of producer and market operations that inevitably occurs when a local elevator fails.●

By Mr. STAFFORD (for himself, Mr. SYMMS, Mr. PACKWOOD, and Mr. DOLE) (by request):

S. 841. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works and the Committee on Finance, by unanimous consent referred to the Committee on Environment and Public Works for consideration of title I; to the Committee on Commerce, Science, and Transportation for consideration of title II; and to the Committee on Finance for consideration of title III.

FEDERAL AID HIGHWAY ACT OF 1981

Mr. STAFFORD. Mr. President, the administration has submitted proposed legislation to authorize appropriations for the construction of highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966, and to extend the Highway Trust Fund, established by the Highway Revenue Act of 1956.

I am pleased to introduce this legislation today by request and ask unanimous consent that it be held at the desk until close of business today for the purpose of the leaderships clearing its joint referral.

Mr. President, the Committee on Environment and Public Works, on which I serve as chairman, will undertake an extensive review of the highway program this year. This legislation proposed by the administration will provide the basis for beginning this important discussion.

Mr. President, I ask unanimous consent that a letter signed by myself and Senator RANDOLPH for the Committee on Environment and Public Works, by Senators PACKWOOD and CANNON of the Committee on Commerce, Science and Transportation; and Senators DOLE and LONG of the Committee on Finance be made a part of the RECORD; that the bill be printed at this point, and that a summary of the legislation and a section-by-section analysis done by the Department of Transportation be printed in the RECORD with the bill.

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

S. 841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Federal-Aid Highway Act of 1981".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102. (a) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,200,000,000 for the fiscal year ending September 30, 1983," and all that follows through the period at the end of the sentence and by inserting in lieu thereof the following: "the additional sum of $3,300,000,000 for the fiscal year ending September 30, 1983, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1984, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1985, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1986, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1987, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1988, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1989, and the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1990."

(b) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is further amended by adding at the end thereof the following:

"Effective October 1, 1981, the obligation of funds authorized by this subsection, except for Advance Construction Interstate projects approved before October 1, 1981, shall be limited to the construction necessary to provide a minimum level of acceptable service on the Interstate which shall consist of (1) full access control; (2) a payment design to accommodate the types of volumes of traffic anticipated for the 20-year period from date of authorization of the initial basic construction contract; and (3) a design of not less than nor more than four lanes in rural areas and all urban and urbanized areas under 400,000 population, and up to six lanes in urbanized areas over 400,000 population as shown in the 1980 Federal census. The obligation of funds authorized by this subsection shall be further limited to the actual costs of only those design concepts, locations, geometrics, and other construction features included in the 1981 Interstate Cost Estimate.".

(c) Section 104(b)(5)(A) of title 23, United States Code, is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provisions of this subparagraph, the Secretary in making the revised estimate of the cost of completing the then designated Interstate System for the purpose of transmitting it to the Senate and House of Representatives within 10 days subsequent to January 2, 1983, or thereafter, shall include only those costs eligible for funds authorized by subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, and as further amended by section 102(b) of the Federal-Aid Highway Act of 1981.".

(d) The Secretary of Transportation is authorized to examine all segments of the Interstate System which have not progressed to the physical construction phase of project development to identify those routes which (1) are not essential to the completion of a unified and connected Interstate System, (2) are not considered cost effective from a transportation standpoint, or (3) have the potential for extensive environmental disruption. The Secretary may withdraw his approval of any routes thus identified under the provisions of 23 U.S.C. 103(e)(4) or 103(f), as appropriate, A route withdrawn under this subsection on or before September 30, 1983 and otherwise eligible for withdrawal under 23 U.S.C. 103(e)(4) shall be eligible for the same benefits as a route withdrawn under 23 U.S.C. 103(e)(4).

AUTHORIZATION OF USE OF COST ESTIMATES FOR APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation shall apportion for the fiscal years ending September 30, 1983, and September 30, 1984, the sums authorized to be appropriated for such periods by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in table ——— of Committee Print ——— of the Committee on Public Works and Transportation of the House of Representatives.

HIGHWAY AND SAFETY AUTHORIZATIONS

SEC. 104. (a) For the purpose of carrying out the following provisions of title 23, United States Code, the following sums are authorized to be appropriated out of the Highway Trust Fund:

(1) For the Federal-aid primary system in rural areas including the extensions of the Federal-aid primary system in urban areas, $1,500,000,000 for the fiscal year ending September 30, 1982, $1,700,000,000 for the fiscal year ending September 30, 1983, $1,800,000,000 for the fiscal year ending September 30, 1984, $1,800,000,000 for the fiscal year ending September 30, 1985, and $1,800,000,000 for the fiscal year ending September 30, 1986: *Provided*, That for each of the fiscal years 1982, 1983, 1984, 1985, and 1986, the States of Alaska and Puerto Rico shall each receive $10,000,000 from the primary system authorizations after the other deductions required by title 23, United States Code, and before the apportionment of the remainder of said authorizations under section 104(b)(1) of title 23, United States Code. Such amounts shall be used by such States to maintain their respective major arterials at a higher level of service and shall be subject to the provisions of chapter I of title 23, United States Code, as if they were apportioned primary funds. For the Federal-aid secondary system in rural areas, $700,000,000 for the fiscal year ending September 30, 1982, and $300,000,000 for the fiscal year ending September 30, 1983

(2) For the Federal-aid urban system, $900,000,000 for the fiscal year ending September 30, 1982, and $500,000,000 for the fiscal year ending September 30, 1983.

(3) For forest highways, $34,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(4) For public lands highways, $16,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(5) For bridge replacement and rehabilitation under section 144 of title 23, United States Code, $900,000,000 for the fiscal year ending September 30, 1982, $1,200,000,000 for the fiscal year ending September 30, 1983, $1,400,000,000 for the fiscal year ending September 30, 1984, $1,400,000,000 for the fiscal year ending September 30, 1985, and $1,400,000,000 for the fiscal year ending September 30, 1986.

(b)(1) The first sentence of subsection (a)(1) of section 104 of the Federal-Aid Highway Act of 1978 is amended by striking out "$1,800,000,000 for the fiscal year ending September 30, 1981, and $1,500,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $1,800,000,000 for the fiscal year ending September 30, 1981."

(2) The last sentence of subsection (a)(1) of such section 104 is amended by striking out "$600,000,000 for the fiscal year ending September 30, 1981, and $400,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $600,000,000 for the fiscal year ending September 30, 1981."

(3) Paragraphs (2), (3), (4), (5), (6), (7), (8), (9), (10), (17), and (18) of such section 104(a) are amended by striking out "September 30, 1981, and September 30, 1982." where it appears in each paragraph and inserting in lieu thereof "and September 30, 1981.".

(4)(A) Paragraph (15) of such section 104(a) is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

(B) The unobligated balance of contract authority established in paragraph (15) of such section 104(a) shall lapse September 30, 1981.

(c) Section 104(b)(1) of the Federal-Aid Highway Act of 1978 is amended by striking out "1982, and 1983," in the first sentence and inserting in lieu thereof "and 1982," and by striking out "September 30, 1982, and September 30, 1983." in the last sentence and inserting in lieu thereof "and September 30, 1982."

(d)(1) Paragraph (3) of section 202 of the Highway Safety Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

(2) The unobligated balance of contract authority established in paragraph (3) of such section 202 shall lapse September 30, 1981.

(3) Paragraph (6) of such section 202 is amended by striking out "$1,300,000,000 for the fiscal year ending September 30, 1981, and $900,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $1,300,000,000 for the fiscal year ending September 30, 1981."

(4) Paragraph (8) of such section 202 is amended by striking out "$150,000,000 for the fiscal year ending September 30, 1981, and $200,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $150,000,000 for the fiscal year ending September 30, 1981.".

(e) Section 203(b) of the Highway Safety Act of 1973, as amended by section 203(a) of the Highway Safety Act of 1978, is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

(f) Section 163 of the Federal-Aid Highway Act of 1973, as amended by section 134(c) of the Federal-Aid Highway Act of 1978, is further amended by striking out "$100,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982, except that" and inserting in lieu thereof "and $100,000,000 for the fiscal year ending September 30, 1981, except that".

(g) Section 141(i) of the Federal-Aid Highway Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

(h) Subsection (g) of section 144 of title 23, United States Code, is amended by striking the first, second, third and fourth sentences and inserting in lieu thereof the following:

"Of the amount authorized per fiscal year, for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, all but $200,000,000 for fiscal year 1982, and $300,000,000 for fiscal years 1983, 1984, 1985, and 1986, shall be apportioned as provided in subsection (e) of this section. $200,000,000 for fiscal year 1982, and $300,000,000 per fiscal year for fiscal years 1983, 1984, 1985, and 1986, of the amount authorized shall be available for obligation on the date of each such apportionment in the same manner and to the same extent as the sums apportioned on such date except that the obligation of such sums shall be at the discretion of the Secretary and shall be only for projects for those highway bridges the replacement and rehabilitation cost of each of which is more than $10,000,000 and for any project for a highway bridge replacement or rehabilitation cost of which is less than $10,000,000 if such cost is at least twice the amount apportioned to the State in which such bridge is located under subsection (e) of this section for the fiscal year in which application is made for a grant for such bridge. Funds authorized to carry out this section and allocated by the Secretary shall be available for expenditure for one year plus the year of allocation. Any funds not obligated at the end of such period shall revert back to the Secretary for allocation at his discretion to the other States in accordance with this subsection. Not less than 15 per centum nor more than 35 per centum of the amount apportioned to each State in a fiscal year shall be expended for projects to replace or rehabilitate highway bridges located on public roads, other than those on a Federal-aid system."

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

SEC. 105. (a) Section 104(b)(5)(B) of title 23, United States Code, is amended to read as follows:

"(B) For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System:

Fifty per centum in the ratio that lane miles on the Interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such lane miles in all States; and fifty per centum in the ratio that vehicle miles traveled on lanes on the Interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such vehicle miles in all States. Notwithstanding the preceding sentence, no State excluding any State that has no Interstate lane miles shall receive less than ½ of 1 per centum of the total apportionment made by this subparagraph for any fiscal year.".

(b) The amendments made by this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

SEC. 106. (a) Section 105 of the Federal-Aid Highway Act of 1978 is amended to read as follows:

"In addition to any other funds authorized to be appropriated, there is authorized to be appropriated out of the Highway Trust Fund, not to exceed $175,000,000 per fiscal year for each of the fiscal years ending September 30, 1980 and September 30, 1981, not to exceed $275,000,000 for the fiscal year ending September 30, 1982, not to exceed $800,000,000 for the fiscal year ending September 30, 1983, not to exceed $1,300,000,000 for the fiscal year ending September 30, 1984, not to exceed $2,000,000,000 for the fiscal year ending September 30, 1985, not to exceed $2,100,000,000 for the fiscal year ending September 30, 1986, and not to exceed $2,700,000,000 for the fiscal year ending September 30, 1987. Such sums shall be obligated for projects for resurfacing, restoring, rehabilitating, and reconstructing those portions of the Interstate System designated under section 103 of title 23, United States Code, which are not on toll roads."

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING

SEC. 107. (a) Section 119(a) of title 23, United States Code, is amended by striking out the words "and rehabilitating" and by inserting in lieu thereof the words "rehabilitating, and recontructing" and by striking out the words "those lanes in use for more than five years on the Interstate System (other than those on toll roads not subject to a Secretarial agreement provided for in section 105 of the Federal-Aid Highway Act of 1978)." and inserting in lieu thereof the words "routes of the Interstate System designated under section 103 of title 23, United States Code, which are not toll roads.".

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING—FEDERAL SHARE

SEC. 108. Subsection (a) of section 119 of title 23, United States Code, is amended by adding at the end thereof the following: "Effective October 1, 1981, the Federal share for projects financed by funds apportioned under 23 U.S.C. 104(b)(5)(B) for resurfacing, restoring, rehabilitating and reconstructing routes of the Interstate System designated under section 103 of this title and which are not toll roads shall be that set forth in section 120(c) of this title.".

INTERSTATE SUBSTITUTION

SEC. 109. Section 103(e)(4) of title 23, United States Code, is amended by:

(a) striking the fourth sentence and inserting in lieu thereof the following: "Sums authorized for substitute projects shall be available for obligation when appropriated.";

(b) striking the eighth sentence and inserting in lieu thereof the following: "Notwithstanding any other provision of law, for highway projects aproved on or after the date of enactment of the Federal-Aid Highway Act of 1981, there are authorized to be appropriated out of the Highway Trust Fund for liquidation of the obligations incurred under this paragraph such sums as may be necessary. Appropriations for public mass transit projects substituted pursuant to this paragraph are authorized under section 4(g) of the Urban Mass Transportation Act of 1964, as amended.";

(c) inserting after the present ninth sentence the following:

"An amount equal to such reduction shall remain available to the Secretary for reallocation to any other State in accordance with the provisions of the third sentence of section 118(b) of this title.";

(d) adding at the end of such subsection the following:

"Any route or segment thereof added to the Interstate System after March 7, 1978, pursuant to specific legislation will not be

eligible for withdrawal and substitution under this subsection.".

HOLD HARMLESS—INTERSTATE RESURFACING

SEC. 110. The amount a State, excluding any State that has no Interstate mileage, receives by apportionment on October 1, 1981, under 23 U.S.C. 104(b)(5)(B) shall be sufficient to assure that its total apportionments under 23 U.S.C. 104(b)(5) are not less than the apportionments which would have been made on October 1, 1981, to such State under 23 U.S.C. 104(b)(5) under the law as it is before the enactment of this Act.

INTERSTATE DISCRETIONARY FUND

SEC. 111. (a) Subsection (b) of section 118 of title 23, United States Code, is amended by striking the word "must" in the third sentence and inserting in lieu thereof the word "may" and by adding a new sentence immediately after the third sentence as follows: "In allocating funds under this paragraph the Secretary will give high priority to Interstate projects of unusually high cost in relation to a State's apportionment, to projects which directly contribute to the completion of an Interstate segment which is not open to traffic and to projects in States whose apportionment is less than ½ percent of the total apportionment for the Interstate System under section 104(b)(5)(A) of this title at the time of application for these funds by the State.".

(b) For each of the fiscal years 1983, 1984, 1985, 1986, and 1987, $125,000,000 shall be set aside from the Interstate System Authorizations provided by subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, before such authorizations are apportioned pursuant to 23 U.S.C. 104(b)(5)(A). Such $125,000,000 shall be available to the Secretary for allocation to any State in accordance with the Interstate Discretionary Fund provisions of 23 U.S.C. 118(b).

PRIMARY PROGRAM

SEC. 112(a). The first sentence of subsection (b)(1) of section 104 of title 23, United States Code, is amended by striking out "and priority primary routes".

(b) The first sentence of subsection (c) of section 104 of the Federal-Aid Highway Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof the following: "and September 30, 1981,".

(c) Section 147 of title 23, United States Code, is repealed.

(d) The analysis of chapter 1 of title 23 is amended by deleting

"147. Priority Primary Routes.",

and inserting in lieu thereof

"147. Repealed.".

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

SEC. 113(a). Subsection (e) of section 144 of title 23, United States Code, is amended to read as follows:

"(e) Funds authorized to carry out this section shall be apportioned among the several States on October 1 of the fiscal year for which authorized according to the following formula:

"All deficient bridges will be divided into four categories: (1) Federal-aid system bridges eligible for replacement, (2) Federal-aid system bridges eligible for rehabilitation, (3) Off-system bridges eligible for replacement, and (4) Off-system bridges eligible for rehabilitation. The square footage of deficient bridges in each category shall be multiplied by its respective unit price on a State-by-State basis; and the total cost in each State divided by the total cost of the nation's deficient bridges shall yield the apportionment factors. No State shall receive more than 8 percent or less than 0.25 percent of the total apportionment for any one fiscal year. The Secretary shall make these determinations based upon the latest available data, which shall be updated annually. Funds authorized to carry out this section which are apportioned under this section shall be available for expenditure for one year after the close of the fiscal year for which they are authorized. Any funds not obligated at the expiration of such period shall be reapportioned by the Secretary to the other States in accordance with the latest apportionment factors developed under this section.".

EMERGENCY RELIEF

SEC. 114. (a) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the word "appropriated" the words "from the Highway Trust Fund"; by striking the colon in the second sentence and inserting in lieu thereof a period; by deleting "(1)" after the colon in the second sentence; by striking the comma after the words "in such years", inserting in lieu thereof a period, and striking the remainder of the sentence.

(b) Notwithstanding any other provision of law, all expenditures made under 23 U.S.C. 125 prior to the fiscal year ending September 30, 1978, are authorized to be appropriated from the Highway Trust Fund.

(c) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the words "after September 30, 1976," the words "and not more than $150,000,000 is authorized to be expended in any one fiscal year commencing after September 30, 1980,".

(d) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the period at the end of the first sentence, inserting a colon in lieu thereof, and by adding the following:

"*Provided*, That obligations for projects under this section, including those on highways, roads, and trails mentioned in subsection (d) of this section, resulting from a single natural disaster or a single catastrophic failure shall not exceed $30,000,000 in any State.".

(e) The amendments made by subsection (d) of this section shall apply to natural disasters or catastrophic failures which the Secretary finds eligible for emergency relief subsequent to the date of enactment of this section.

(f) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 75 per centum of the cost thereof: *Provided*, That the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof. The Federal share payable shall be based on the cost of repair of a comparable facility. As used in this section with respect to bridges and in section 144 of this title, "a comparable facility" shall mean a facility which meets the current geomethics and construction standards required for the types and volume of traffic which such facility will carry over its design life."

(g) All obligations for projects resulting from a natural disaster or catastrophic failure which the Secretary finds to be eligible for emergency relief subsequent to the date of enactment of this subsection shall provide for the Federal share required by subsection (f) of section 120 of title 23, United States Code, as amended by this section.

NONDISCRIMINATION

SEC. 115. (a) The first and third sentences of subsection (a) of section 140 of title 23, United States Code, are amended by striking the words "or national origin" and inserting in lieu thereof the words "national origin or sex".

(b) Section 140 of title 23, United States Code, is amended by adding new subsection (c) as follows:

"(c) The Secretary, in cooperation with any other department or agency of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization or person, is authorized to develop, conduct, and administer training programs and assistance programs in connection with any program under this title in order that minority businesses may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. Whenever apportionments are made under subsection 104(b) of this title, the Secretary shall deduct such sums as he may deem necessary, not to exceed $10,000,000 per fiscal year, for the administration of this subsection. The provisions of section 3709 of the Revised Statute, as amended (41 U.S.C. 5), shall not be applicable to contracts and agreements made under the authority herein granted to the Secretary notwithstanding the provisions of 41 U.S.C. 252(e).".

(c) The title of section 140 of title 23, United States Code, is amended to read:

"SEC. 140. Nondiscrimination."

and the analysis of chapter 1 of title 23, United States Code, is amended by striking out

"SEC. 140. Equal employment opportunity."

and inserting in lieu thereof

"SEC. 140. Nondiscrimination."

ALLOCATION OF URBAN FUNDS

SEC. 116. Section 150 of title 23, United States Code, is amended by adding the following sentence at the end thereof: "Funds allocated to an urbanized area under the provisions of this section may, at the request of the Governor and upon approval of the local officials of the area and the Secretary, be transferred to the allocation of another such area in the State or to the State for use in any urban area.".

DEFENSE ACCESS ROAD

SEC. 117. Section 210(c) of title 23, United States Code, is amended by striking "Not exceeding $5,000,000 of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422)," and inserting in lieu thereof "Funds appropriated for defense maneuvers and exercises".

MAINTENANCE

SEC. 118. (a) The second sentence of subsection (c) of section 116 of title 23, United States Code, is amended to read as follows: "If, within ninety days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects of all types in the State highway district, municipality, county, other political or administrative subdivision of the State, or the entire State, in which such project shall be located, as he deems most appropriate until such project shall have been put in proper condition of maintenance.".

(b) Section 109 of title 23, United States Code, is amended by striking subsection (m) and by relettering subsection (n) as subsection (m).

(c) Section 116 of title 23, United States Code, is amended by adding subsection (f) as follows:

"(f) The Secretary shall issue guidelines describing the criteria applicable to the Interstate System in order to insure that the condition of these routes is maintained at the

level required by the purposes for which they were designed.".

(d) Section 119 of title 23, United States Code, is amended by striking subsection (b) and by striking "(a)" immediately following "Section 119".

(e) Section 116 of title 23, United States Code, is amended by adding subsection (g) as follows:

"(g) Not later than one year after the date of issuance of initial guidelines under subsection (f) of this section each State shall have a program for the Interstate System in accordance with such guidelines. Each State shall certify on January 1 of each year that it has such a program and the Interstate System is maintained in accordance with the program. If a State fails to certify as required or if the Secretary determines a State is not adequately maintaining the Interstate System in accordance with such program, the next apportionment of funds to such State for the Interstate System shall be reduced by amounts equal to 10 per centum of the amount which would otherwise be apportioned to such State under section 104 of this title. If, within one year from the date the apportionment for a State is reduced under this subsection, the Secretary determines that such State is maintaining the Interstate System in accordance with the guidelines the apportionment of such State shall be increased by an amount equal to the reduction. If the Secretary does not make such a determination within such one year period, the amount withheld shall be reapportioned to all other eligible States.".

CERTIFICATION ACCEPTANCE

SEC. 119(a) Subsection 117(a) of title 23, United States Code, is amended by striking out "projects on Federal-aid systems, except the Interstate System," and inserting in lieu thereof "Federal-aid projects on systems other than the Interstate System" and by adding at the end thereof the following new sentence: "Notwithstanding the above, the Secretary may discharge any of his responsibilities under this title relative to the physical construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects using the procedures of this section.".

(b) Subsection 117(b) is amended by striking out "make a final inspection of each such project upon its" and inserting in lieu thereof "establish procedures for the inspection of such projects upon".

(c) Subsection 117(f)(1) is amended by striking out the words "the Federal-aid secondary system," when they first appear and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System," and by striking out "all projects on the Federal-aid secondary system" and inserting in lieu thereof "such projects".

(d) Subsection 117(f)(3) is revised to read as follows:

"Paragraphs (1) and (2) of this subsection shall not be construed to relieve the Secretary of his obligation to establish procedures for the inspection of such projects upon completion and to require an adequate report of the estimated and actual cost of construction as well as other information as he determines necessary.".

(e) Subsection 105(b) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects".

(f) Subsection 106(b) of title 23, United States Code, is amended to read as follows:

"In addition to the approval required under subsection (a) of this section, proposed specifications for projects for construction, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation and reconstruction projects, except in States where all public roads and highways are under the control and supervision of the State highway department, shall be determined by the State highway department and the appropriate local road officials in cooperation with each other.".

(g) Subsection 112(e) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of interstate resurfacing, restoration, rehabilitation and reconstruction projects,".

HISTORIC SITES

SEC. 120. (a) The third sentence of section 138 of title 23, United States Code, is hereby amended by striking ", or any land from an historic site of national, State, or local significance as so determined by such officials" and deleting subsequently in the section the phrase "or historic site,".

(b) The third sentence of section 4(f) of the Department of Transportation Act of 1966, P.L. 89-670, is hereby amended by striking ", or any land from an historic site of national, State, or local significance as so determined by such officials" and striking subsequently in that sentence the phrase "or historic site".

WOODROW WILSON MEMORIAL BRIDGE

SEC. 121. (a) The Secretary of Transportation is authorized upon application of the States of Maryland and Virginia and of the District of Columbia to approve reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge to geometric and structural standards as approved by the Secretary. Such reconstruction may include widening of the bridge.

(b) Funds to carry out the project authorized by this section shall come equally from funds apportioned to the States of Maryland and Virginia and to the District of Columbia for the Interstate System under section 104(b)(5)(A) of title 23, United States Code; *provided* that, funds apportioned under section 104(b)(5)(A) of title 23, United States Code, may not be obligated for widening of the bridge. The Federal share of the project cost shall be 75 per centum. Notwithstanding any other provision of law, funds to carry out this project shall not be subject to any obligation limitations.

(c) The Federal share payable for preliminary engineering on this project performed prior to the date of enactment of this Act shall be 75 per centum as provided in subsection (b).

(d) No funds shall be obligated for the purposes of this section until the States of Maryland and Virginia and the District of Columbia enter into an agreement with the Secretary which shall provide that upon commencement of actual reconstruction and rehabilitation the Secretary will convey to the States of Maryland and Virginia and the District of Columbia the respective portions of the Woodrow Wilson Bridge within their jurisdictions and that such States and the District of Columbia will accept the conveyance without monetary consideration.

COOPERATION WITH FEDERAL AND STATE AGENCIES AND FOREIGN COUNTRIES

SEC. 122. Section 308 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) The Secretary is authorized to carry out the provisions of this title in cooperation with State highway and transportation departments and with organizations which are principally composed of duly elected and appointed State and local highway and transportation officials without regard to the provisions of the Federal Advisory Committee Act.".

TERRITORIAL HIGHWAY PROGRAM

SEC. 123 (a). Section 215 of title 23, United States Code, is hereby repealed.

(b) Paragraphs (12) and (13) of section 104(a) of the Federal-Aid Highway Act of 1978 are amended by deleting "September 30, 1981, and September 30, 1982." each place it appears and inserting in lieu thereof "and September 30, 1981.".

(c)(1) The unexpended or unobligated balance of sums appropriated prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code shall remain available for expenditure under the conditions applicable prior to such enactment.

(2) The unappropriated balance of sums authorized prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code, is rescinded.

(d) Section 120(1) of title 23, United States Code, is repealed.

(e) Section 152(h) of title 23, United States Code, is repealed.

(f) Section 152(c) of title 23, United States Code, is amended by placing a period after the parentheses and deleting the remainder of the sentence.

(g) Section 401 of title 23, United States Code, is amended by deleting the second sentence thereof.

(h) The sixth sentence of section 402(c) of title 23, United States Code, is amended to read as follows: "The annual apportionment to each State shall not be less than one-half of 1 per centum of the total apportionment.".

(i) The analysis of chapter 2 of title 23, United States Code, is amended by deleting:

"215. Territories highway development program."

and inserting in lieu thereof:

"215. Repealed.".

ACCELERATION OF BRIDGE PROJECTS

SEC. 124. Section 147 of the Surface Transportation Assistance Act of 1978, as amended by section 15 of Public Law 96-106, 93 Stat. 798, is repealed. Funds previously set aside in accordance with section 147 and not obligated by the date of enactment of this Act, shall be permanently withdrawn. The withdrawn funds shall be apportioned among the several States in accordance with subsection (e) of section 144 of title 23, United States Code.

CARPOOL AND VANPOOL PROJECTS

SEC. 125. Section 146 of title 23, United States Code, is amended by redesignating existing subsection (b) as subsection (c) and by inserting the following new subsection (b):

"(b)(1) The Secretary may approve for Federal financial assistance from funds apportioned under section 104(b)(5)(B) of this title, projects for designating existing facilities, or acquisition of rights of way or construction of new facilities, for use as preferential parking for carpools, provided that such facilities (1) are located outside of a central business district and within an Interstate highway corridor, and (2) have as their primary purpose the reduction of vehicular traffic on the Interstate highway.

"(2) Nothing in this subsection, or in any rule or regulation issued under this subsection, or in any agreement required by this subsection, shall prohibit (1) any State, political subdivision, or agency or instrumentality thereof, from contracting with any person to operate any parking facility designated or constructed under this subsection, or (2) any such person from so operating such facility. Any fees charged for the use of any such facility in connection with the

purpose of this subsection shall not be in excess of the amount required for operation and maintenance, including compensation to any person for operating the facility.

"(3) For the purposes of this subsection, the terms "facilities" and "parking facilities" are synonymous and shall have the same meaning given "parking facilities" in section 137 of this title."

HIGHLAND SCENIC HIGHWAY

SEC. 126. Section 161(f) of the Federal-Aid Highway Act of 1973, as amended by section 21 of P.L. 96-106, is further amended to read as follows:

"161(f). The Highland Scenic Highway as authorized by subsection (a) of this section and all associated lands and rights-of-way shall be managed as part of the Monongahela National Forest for scenic and recreational purposes. Vehicle use shall be confined to passenger cars, recreational vehicles and limited truck traffic to the extent such use is compatible with the purpose for which the highway was constructed. Commercial use by trucks may be limited and controlled by permit.".

CONSTRUCTION

SEC. 127. (a) Subsection (a) of Section 114 of title 23, United States Code is amended to read as follows:

"(a) The construction of any highways or portions of highways located on a Federal-aid system shall be undertaken by the respective State highway departments or under their direct supervision. The construction work and labor in each State shall be in accordance with the laws of that State and applicable Federal laws. Except as provided in Section 117 of this title, the Secretary shall establish procedures for the inspection and approval of such construction. Construction may begin as soon as funds are available pursuant to Subsection (a) of Section 118 of this title. The State highway department shall not erect any informational signs other than official traffic control devices conforming with standards developed by the Secretary on any project where actual construction is in progress and visible to highway users.".

(b) Subsection (c) of Section 121 of title 23, United States Code, is amended by striking the words "following inspections".

RESEARCH AND PLANNING

SEC. 128. (a) Subsection (c) of Section 307, title 23, United States Code, is amended by adding paragraph (5) as follows:

"(5) The sums provided pursuant to paragraph (2) of this subsection shall be combined and administered by the Secretary as a single fund which shall be available for obligation for the same period as funds apportioned under Section 104(b)(1) of this Chapter."

(b) Section 120 of title 23, United States Code, is amended by adding a subsection (j) as follows:

"(j) The Federal share payable on account of any project financed under Section 307(c) of this title shall be 85 percent, except that in the case of any State containing nontaxable Indian lands, individual and tribal, and public domain lands (both reserved and unreserved) exclusive of national forests and national parks and monuments, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area, except that such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of any such project.".

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 129. (a) There are hereby transferred to and vested in the Secretary of Transportation all functions, powers, and duties of the Appalachian Regional Commission that relate to the Appalachian Development Highway System provided for in section 201 of the Appalachian Regional Development Act of 1965, as amended.

(b) So much of the personnel, assets, liabilities, contracts, properties, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties transferred by subsection (a) of this section as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary of Transportation.

(c) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective in the exercise of duties, powers, or functions which are transferred under this section which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation or by operation of law.

(d) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before the Appalachian Regional Commission; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department of Transportation. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued where they were pending at the time of such transfer. In either case, orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, or by operation of law.

(e)(1) Except as provided in paragraph (2), the provisions of this section shall not affect suits commenced prior to the date this section takes effect, and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted.

(2) No suit, action, or other proceeding commenced by or against an officer of the Appalachian Regional Commission in that officer's official capacity shall abate by reason of the enactment of this section. No cause of action by or against any department or agency, functions of which are transferred by this section or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this section. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department of Transportation as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(3) If before the date on which this section takes effect, the Appalachian Regional Commission, or officer thereof in official capacity, is a party to a suit, then such suit shall be continued by the Secretary of Transportation (except in the case of a suit not involving functions transferred to the Secretary).

(f) With respect to any function, power, or duty transferred by this section and exercised after the effective date of this section, reference in any other Federal law to the Appalachian Regional Commission shall be deemed to mean the Secretary of Transportation.

(g) Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965, as amended, is amended by striking out "and $215,000,000 for the fiscal year 1982." and by inserting in lieu thereof "and out of the Highway Trust Fund $215,000,000 for the fiscal year ending September 30, 1982, $234,000,000 for the fiscal year ending September 30, 1983, $250,000,000 for the fiscal year ending September 30, 1984, $270,000,000 for the fiscal year ending September 30, 1985, and $289,000,000 for the fiscal year ending September 30, 1986."

(h) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March 31, 1979, may be adjusted to receive a Federal share not greater than 80 per centum.".

(i) This section shall be effective on October 1, 1981.

TECHNICAL AMENDMENTS

SEC. 130(a). Section 104 of title 23, United States Code, is amended as follows:

(1) by deleting paragraph (4) of subsection (b);

(2) by redesignating paragraph "(5)" of subsection (b) as paragraph "(4)", and by deleting therein the first full sentence and the fifth sentence through the twenty-first sentence;

(3) by redesignating paragraph "(6)" of subsection (b) as paragraph "(5)"; and

(4) in subsection (c)(1), by deleting the phrase ", commencing with the apportionment of funds authorized to be appropriated under subsection (a) of section 102 of the Federal-Aid Highway Act of 1956 (70 Stat. 374).".

(b) The analysis of Chapter 1 of title 23, United States Code, is amended by deleting "146. Repealed." and inserting in lieu thereof "146. Carpool and vanpool projects.".

TITLE II—HIGHWAY SAFETY AMENDMENTS

SHORT TITLE

SEC. 201. This title may be cited as the "Highway Safety Act of 1981".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 202. (a) The authorizations contained in paragraphs (1), (2), (4), (5), (9), and (10) of section 202 of the Highway Safety Act of 1978 for the fiscal year ending September 30, 1982, are hereby repealed. The following sums are hereby authorized to be appropriated:

(1) For carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, $77,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(2) For carrying out section 403 of title 23, United States Code (relating to highway safety research and development), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, $31,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986

(3) For carrying out sections 307(a) and 403 of title 23, United States Code (relating to highway safety research and development), by the Federal Highway Administration, out of the Highway Trust Fund, $10,000,000 for the fiscal year ending September 30, 1982, and $13,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(b) The unobligated balance of contract authority established in paragraphs (1) and (10) of section 202 of the Highway Safety Act of 1978 shall lapse September 30, 1981.

HIGHWAY SAFETY PROGRAMS

SEC. 203. (a) Subsection 402(a) of title 23, United States Code, is amended to read as follows:

"(a) Each State shall have a highway safety program designed to reduce traffic deaths and injuries by identifying its highway safety problems, by adopting measures to reduce its highway safety problems, and by evaluating the effectiveness of such measures. As part of its highway safety program, each State shall achieve uniformity in the collection of traffic accident and other data related to highway safety, and uniformity in laws and practices that affect interstate motorists. In its highway safety program, each State shall include programs which the Secretary determines to be effective in reducing deaths and injuries, such as alcohol safety, emergency medical services, police traffic services, and the collection of traffic accident data. Each State shall conduct its program in accordance with guidelines developed by the Secretary in cooperation with the States, their political subdivisions, appropriate Federal departments and agencies, and such other public and private organizations as the Secretary deems appropriate. The Secretary shall limit the use of sums authorized to be appropriated under this section to the purposes specified in this subsection."

HIGHWAY SAFETY PROGRAM REQUIREMENTS

SEC. 204. Subsections (b), (h), and (j) of section 402 of title 23, United States Code, are hereby repealed.

SCHOOL BUS DRIVER TRAINING

SEC. 205. (a) Section 406 of title 23, United States Code, is hereby repealed.

(b) The analysis of Chapter 4 of title 23, United States Code, is amended by deleting "406. School bus driver training." and inserting in lieu thereof "406. Repealed.".

INNOVATIVE PROJECT GRANTS

SEC. 206. (a) Section 407 of title 23, United States Code, is hereby repealed.

(b) The analysis of Chapter 4 of title 23, United States Code, is amended by deleting "Innovative project grants." and inserting in lieu thereof "407. Repealed.".

TITLE III—HIGHWAY REVENUE ACT OF 1981

SHORT TITLE

SEC. 301. This title may be cited as the "Highway Revenue Act of 1981".

EXTENSION OF THE TAXES WHICH ARE TRANSFERRED INTO THE HIGHWAY TRUST FUND

SEC. 302. (a) GENERAL RULE.—The following provisions of the Internal Revenue Code of 1954 are amended by striking out "1984" each place it appears and inserting in lieu thereof "1989":

(1) Section 4041(e) (relating to rate reduction).

(2) Section 4061(a)(1) (relating to imposition of tax on trucks, buses, etc.).

(3) Section 4061(b)(1) (relating to imposition of tax on parts and accessories).

(4) Section 4071(d) (relating to imposition of tax on tires, tubes, and tread rubber).

(5) Section 4081(b) (relating to imposition of tax on gasoline).

(6) Section 4481(a) (relating to imposition of tax on use of highway motor vehicles).

(7) Section 4481(e) (relating to period tax in effect).

(8) Section 4482(c)(4) (defining taxable period).

(9) Section 6156(e)(2) (relating to installment payments of tax on use of highway motor vehicles).

(10) Section 6421(h) (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems).

(b) AMENDMENT OF SECTION 6412(a)(1).—Section 6412(a)(1) of such Code (relating to floor stocks refunds) is amended—

(1) by striking out "1984" each place it appears and inserting in lieu thereof "1989"; and

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1990".

EXTENSION OF HIGHWAY TRUST FUND

SEC. 303. (a) HIGHWAY TRUST FUND—Subsections (c), (e)(1), and (f) of section 209 of the Highway Revenue Act of 1956 (relating to the Highway Trust Fund; 23 U.S.C. 120 note) are amended—

(1) by striking out "1984" each place it appears and inserting in lieu thereof "1990";

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1991", and

(b) CONFORMING AMENDMENTS TO LAND AND WATER CONSERVATION FUND.—Subsection (b) of section 201 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4061-11) is amended—

(1) by striking out "1984" and inserting in lieu thereof "1990"; and

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1991".

SECTION-BY-SECTION ANALYSIS

TITLE I

SHORT TITLE

SEC. 101 provides that the title may be cited as the "Federal-Aid Highway Act of 1981".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102 authorizes $3.3 billion for fiscal year 1983, and $3.625 billion for each of the fiscal years 1984 through 1990 for the Interstate Highway System construction program. Effective October 1, 1981, obligation of the funds is limited except for Advance Construction Interstate projects approved before October 1, 1981, to the construction necessary to provide a minimum level of acceptable service on the Interstate system which shall consist of (1) full access control; (2) a pavement design to accommodate the types and volumes of traffic anticipated for a 20-year period from the date of authorization of initial basic construction; (3) a design of not less than nor more than 4 lanes in rural areas and all urban and urbanized areas under 400,000 population, and up to 6 lanes in urbanized areas over 400,000 population. Obligation of the funds is further limited to the actual costs of only those design concepts, locations, geometrics and other construction features included in the 1981 Interstate Cost Estimate. This section also provides that the Interstate Cost Estimate shall include only those costs eligible for Interstate construction funds.

Section 102(b) provides a new definition for Interstate "completion". In general, the definition will limit regular Interstate funding to the improvement of all Interstate segments to standards and a level of completion which will provide acceptable service for the Interstate traveler. The basic standards will include full access control for all sections.

On gap sections, "completion" would include, in addition to essential access control features, engineering, minimum right-of-way requirements, utility relocation, grading, erosion control, drainage, interchanges, structures, pavement, shoulders, signing, lighting, guardrail, and fencing. The number of lanes would be limited to six lanes in urbanized areas with a population over 400,000, and to four lanes in all other areas. Generally excluded from Interstate fund eligibility would be items such as weigh stations, landscaping, pedestrian and bikeway facilities, additional lanes over the maximum allowable and certain added construction costs for special features or treatments to accommodate social, economic, and environmental concerns.

On sections built without regular Interstate funds and incorporated into the Interstate System, "completion" will generally include features necessary to provide full access control and upgrading of sections previously identified as having major structural, geometric, and operational deficiencies. Improvements could include capacity expansion to the maximum number of lanes permitted for gap sections, but only where the section is a seriously inadequate link in the System and had been identified as such previously. Traffic control and roadside elements essential to the operation of the highway facility will be included; however, general safety corrective work will be permitted only as incidental to major, justified, and approved upgrading projects.

Sections constructed initially with regular Interstate funds may be improved only to the extent necessary to provide full access control and to complete the roadside and traffic control features essential to the operation of the highway facility. Completion of essential work may also include construction of additional lanes (up to the maximum number permitted for gap sections), added stages of pavement structure, interchanges, and grade separation structures all of which were identified as portions of the ultimate design and approved for future Interstate funding as stage construction at the time of initial construction project authorization. Generally excluded will be items such as new added lanes in excess of the maximum, new interchanges, new grade separations, safety improvements, noise abatement measures, rest areas, HOV lanes and related facilities, landscaping, etc.

Section 102(b) also limits the costs eligible for regular Interstate funds to those items, locations, design concepts, etc., as included in the 1981 Interstate Cost Estimate. This limitation constitutes an actual ceiling, exclusive of cost increases relating to price inflation, to preclude addition of new design elements or changes to more costly locations or design concepts. Design or location changes resulting in lower costs will, of course, be permitted.

Section 102(c) provides that future Interstate cost estimates will be prepared on the basis of the new "completion" definition and the general cost limitation of Section 102(b).

All items that become ineligible for Federal-aid Interstate funding as a result of the redefinition of Interstate "completion" will be eligible for resurfacing, restoring, rehabilitating, and reconstruction (4R) funding provided under Section 106 of this bill.

Subsection (d) of this section directs the Secretary to examine all segments of the Interstate System which have not progressed to the physical construction phase of project development to identify those routes which are not essential to the completion of the Interstate System, are not considered cost effective from a transportation standpoint, or have the potential for extensive environmental disruption. In the case of such routes, the Secretary is given the discretion to withdraw his approval of such under section 103(a)(4) or section 103(f) of title 23, as appropriate. If a route is withdrawn on or before September 30, 1983, and is otherwise eligible for withdrawal under the Interstate Substitution provision, 23 U.S.C. 103(e)(4), it shall be treated as if withdrawn under 23 U.S.C. 103(e)(4) and shall be eligible for the benefits provided by that provision.

AUTHORIZATION OF USE OF COST ESTIMATES FOR APPORTIONMENT OF INTERSTATE FUNDS

Sec. 103 approves the use of apportionment factors for fiscal years 1983 and 1984 Interstate fund apportionments. These factors will come from the 1981 Interstate Cost Estimate which reflects the new definition of Interstate "completion".

HIGHWAY AND SAFETY AUTHORIZATIONS

Sec. 104. This section authorizes the appropriation, out of the Highway Trust Fund, of the following sums for the fiscal years 1982, 1983, 1984, 1985, and 1986:

For the Federal-aid primary system in rural areas including the extension of the Federal-aid primary system in urban areas, $1.5 billion for fiscal year 1982, $1.7 billion for fiscal year 1983, $1.8 billion for fiscal year 1984, $1.8 billion for fiscal year 1985, and $1.8 billion for fiscal year 1986; for the Federal-aid secondary system in rural areas, $.7 billion for fiscal year 1982 and $.3 billion for fiscal year 1983; for the Federal-aid urban system, $.9 billion for fiscal year 1982 and $.5 billion for fiscal year 1983; for public lands highways, $16 million for each of the fiscal years 1982 through 1986; for the forest highways, $34 million for each of the fiscal years 1982 through 1986; and for bridge replacement and rehabilitation (23 U.S.C. 144), $.9 billion for fiscal year 1982, $1.2 billion for fiscal year 1983, and $1.4 billion for fiscal years 1984 through 1986.

This section provides that for each of the fiscal years 1982, 1983, 1984, 1985, and 1986, the States of Alaska and Puerto Rico shall each receive $10 million of the total apportionment for the primary system before such apportionment is made under section 104 (b)(1) of title 23, United States Code.

Subsection (c) of this section eliminates the minimum ½ of 1 percent of the total Interstate apportionment guaranteed for each State.

In the case of the primary, secondary and urban systems, public lands highways, forest highways, and the bridge replacement and rehabilitation program, the 1982 authorization levels established by this section replace existing 1982 authorization levels provided in the Surface Transportation Assistance Act of 1978 (STAA) and authorizations levels are provided for such programs, except secondary and urban, through fiscal year 1986. The secondary and urban programs are funded only through fiscal year 1983, at which time they will have to be assumed as State and local responsibilities. This section makes conforming amendments to pertinent sections of the STAA accordingly.

It eliminates existing 1982 authorization levels for several categorical highway programs: forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads and bridges, economic growth center development highways, Great River Road, safer-off-system roads, access highways, section 402 FHWA highway safety programs, section 152 elimination of hazards program, rail-highway crossings, railroad-highway crossings demonstration program, and bicycle transportation and pedestrian walkways. In the case of the Great River Road and section 402 FHWA highway safety programs, the unobligated balance of contract authority established in the STAA for such activities shall lapse September 30, 1981. None of these programs will receive new separate funding levels. Most of these projects are eligible for funding under the primary, secondary and urban programs. For example, all safety activities provided for in title 23, United States Code, are eligible under the primary, secondary and urban programs and this provision will enhance the ability of States to address highway safety needs as an integral part of their regular highway construction programs.

Once all outstanding funds authorized specifically for these programs have been expended or obligated, title 23 will be amended to eliminate the sections establishing those programs.

Subsection (h) of this section provides a Discretionary Bridge Fund of $200,000,000 for fiscal year 1982 and $300,000,000 per fiscal year for each of the fiscal years 1983 through 1986. Discretionary Bridge Funds shall be available for obligation for a period of 2 years. Projects eligible for the funds are those costing more than $10 million or those costing at least twice a State's annual bridge fund apportionment. Discretionary bridge funds not obligated within the two year period shall be reallocated at the descretion of the Secretary of Transportation.

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

Sec. 105 establishes a new Interstate 4R apportionment formula and provides a ½ of 1 percent guarantee of 4R Interstate apportionments for each State except for Alaska and the Commonwealth of Puerto Rico which have no Interstate mileage.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

Sec. 106 provides authorization for fiscal years 1983, 1984, 1985, 1986, and 1987 for Interstate 4R and authorizes October 1, 1981, as the effective date when the obligation of Interstate 4R funds for reconstruction can begin. Reconstruction includes all items previously eligible for Interstate construction funds. Interstate 4R funds cannot be used for the reconstruction of toll roads and cannot be used to resurface, restore, and rehabilitate toll roads. The requirement that Interstate 4R funds be used only on lanes in use for more than 5 years is discontinued.

INTERSTATE SYSTEM RESURFACING

Sec. 107 makes technical amendments to 23 U.S.C. 119 to conform with the changes made in sections 105 and 106 of the bill.

INTERSTATE SYSTEM RESURFACING—FEDERAL SHARE

Sec. 108 changes the Federal share for Interstate 4R projects from 75 percent to 90 percent effective October 1, 1981.

INTERSTATE SUBSTITUTION

Sec. 109. Subsection (a) makes it clear that Interstate Substitution Projects do not have contract authority and that sums must be appropriated before they are available for obligation. This has been the case since 1974.

Subsection (b) authorizes funds from the Highway Trust Fund for highway substitute projects. Funds for mass transit substitute projects will continue to come from the General Funds of the Treasury.

Subsection (c) provides that sums deducted from a State's Interstate unobligated apportionments when a substitution is made shall be available in the interstate Discretionary Fund for reallocation by the Secretary.

Subsection (d) prohibits withdrawal and substitution for routes or segments of routes added to the Interstate System by specific legislation after March 7, 1978.

HOLD HARMLESS—INTERSTATE RESURFACING

Sec. 110. This section provides a hold harmless feature so that for the first apportionment under the legislation for fiscal year 1983, no State, except Alaska, will receive a combined total of Interstate and 4R funds which is less than the combined Interstate and 3R apportionment would have been under existing law for fiscal year 1983.

INTERSTATE DISCRETIONARY FUND

Sec. 111. This section would amend 23 U.S.C. 118(b) by striking the word "must" and inserting the word "may". The effect of this amendment is to make the Interstate Discretionary Fund truly discretionary. Presently, Interstate Discretionary Funds are allocated to the States on a first come, first served basis with no discretion to the Secretary. This section would also require the Secretary to give high priority to Interstate projects of unusually high cost in relation to the State's apportionment, to projects which contribute to the completion of Interstate segments not open to traffic, and to projects in States receiving apportionments of less than one-half percent of the total national apportionment.

This section also provides that $125 million of the amount available for apportionment for the Interstate program will be set aside for the Interstate Discretionary Fund. This will ensure that funds will be available for particularly important projects which are eligible for these discretionary funds.

PRIMARY PROGRAM

Sec. 112. This section repeals the priority primary program, 23 U.S.C. 147. It amends section 104(b)(1) of title 23, to reflect the elimination of the priority primary program, and section 104(c) of the Federal-Aid Highway Act of 1978 to eliminate the 1982 authorization for the program.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

Sec. 113. This section provides for an annual apportionment in fiscal years 1982, 1983, 1984, 1985, and 1986, based upon a formula: All deficient bridges will be divided into four categories: (1) Federal-aid system bridges eligible for replacement, (2) Federal-aid bridges eligible for rehabilitation, (3) Off-system bridges eligible for replacement and (4) Off-system bridges eligible for rehabilitation. The square footage of deficient bridges in each category shall be multiplied by its respective unit price on a State-by-State basis and the total cost in each State divided by the total cost of the nation's deficient bridges to yield the apportionment factors, except that no State shall receive less than one quarter of one percent nor more than 8 percent of the annual apportionment.

These funds are available for two years and shall be reapportioned to other States if they are not obligated within the period of availability.

EMERGENCY RELIEF

Sec. 114. Subsections (a) and (b) of this section provide that all expenditures for emergency relief under 23 U.S.C. 125, whether past or future, shall come from the Highway Trust Fund and not from the General Fund of the Treasury. Section 125 of title 23, United States Code, now provides that 40 percent of emergency relief expenditures prior to the fiscal year ending September 30, 1978, are authorized from the General Fund of the Treasury.

Subsection (c) would amend 23 U.S.C. 125(a) to increase annual permissible expenditures from $100 million to $150 million commencing with fiscal year 1981.

Subsection (d) would amend 23 U.S.C. 125(b) to provide that expenditures for projects resulting from a single natural disaster or a single catastrophic failure shall not exceed $30 million in a State.

Subsection (e) would apply the amendment made by subsection (d) to natural disasters or catastrophic failures which the Secretary finds to be eligible for emergency relief subsequent to the enactment of this section.

Subsection (f) would amend 23 U.S.C. 120 (f), which pertains to the Federal share for highway emergency relief, to change the Federal share payable to 75 percent, except for forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads, which would still receive 100 percent Federal funding. Under current law, the Secretary is authorized to increase the Federal share for emergency relief projects to 100 percent. The proposed change is in accord with Administration policy that the Federal share for disaster assistance should be 75 percent.

Subsection (g) would apply the Federal share provisions of 23 U.S.C. 120(f) as amended by this bill to all natural disasters or catastrophic failures which the Secretary

finds to be eligible for emergency relief subsequent to the enactment of the bill.

NONDISCRIMINATION

Sec. 115 amends section 140 of title 23, United States Code, to assure that equal employment opportunity must be provided without regard to sex; to authorize the Secretary of Transportation to conduct and finance minority business enterprise training programs and assistance programs; and to authorize the use of $10 million per fiscal year from the sum apportioned under 23 U.S.C. 104(b) to conduct and finance minority business enterprise training programs and assistance programs.

ALLOCATION OF URBAN FUND

Sec. 116. Existing law permits transferability between urban and primary system funds. However, it does not permit transfer of funds allocated out of urban system funds attributable to urbanized areas of 200,000 or more population from the allocation of one urbanized area to that of another urbanized area or to an urban area. This amendment to section 150 of title 23, United States Code, will permit the transfer of such attributable funds to the allocation of another urbanized area in the State or to any other urban area in the State. A transfer, requested by the State, would be subject to the approval of the Secretary and the local officials of the urbanized area from which the funds are to be transferred. The proposed transfer provision would enhance the capability of the States and local governments by giving them more flexibility in programming projects, setting priorities, and utilizing scarce financial resources.

DEFENSE ACCESS ROADS

SEC. 117. Section 210(c) of title 23, United States Code, provides for the use, up to $5,000,000, of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422) for highways in military training and maneuver areas. In 1958, Public Law 85–767 (72 Stat. 885), which revised and codified prior highway legislation as title 23, United States Code, repealed other Acts and portions of Acts. In addition, the second Supplemental Appropriations Act of 1957 (including the Bureau of Public Roads under the Department of Commerce) rescinded, effective June 20, 1957, all unexpended appropriations from prior laws. (Public Law 84–855). Thus, there are no current highway appropriations from which any part of $5,000,000 could be made available for the construction, maintenance, and repair of maneuver areas.

In 1955, the Office of Management and Budget directed the Department of Defense to budget for defense access roads. Since 1957, each military department has budgeted separately for defense access roads. By direction of the Assistant Secretary of Defense (Comptroller), maintenance and repair of public highways used for maneuvers will be accomplished from funds made available by the appropriate military department; but in order to insure prompt repairs, military regulations provide that the Commander, Military Traffic Management Command, may authorize the Federal Highway Administration to temporarily use available access road funds, pending payment by the military department concerned from its operation and maintenance funds. Since funds for the repair of maneuver road damage are not available from highway appropriations acts, but are available from defense appropriations acts, the opening clause is misleading and should be amended to reflect current law and practice.

This amendment to section 210(c) of title 23, United States Code, has been coordinated with the Military Traffic Management Command.

MAINTENANCE

SEC. 118. This section would amend subsection 116(c) of title 23, United States Code, to permit the Secretary to withhold project approval for projects in specific areas within a State, or for the entire State, where the Secretary finds that a project is not being properly maintained. Under present law, the Secretary must withhold project approval for the entire State for all projects when a single project is not being properly maintained. Present law does not represent a practical enforcement sanction. Stopping all project approvals in an entire State could involve massive disruption of planning and considerable economic waste. The amendment provides a practical enforcement sanction which should be an effective tool in enforcing maintenance.

Subsections (b), (c), (d) and (e) transfer maintenance provisions from 23 U.S.C. 109 and 119 to 23 U.S.C. 116.

CERTIFICATION ACCEPTANCE

Sec. 119 amends 23 U.S.C. 117 to provide for: (1) the application of certification acceptance to the physical construction phase of Interstate restoration projects; (2) the elimination of the requirement to make a final inspection on every project under both the certification acceptance and secondary road plan programs; and (3) the extension of coverage under the secondary road plan program to: "projects, as defined by the Secretary and which are not on the Interstate System." These changes in no way would relieve the State highway departments from the requirement of entering into formal project agreements with the Secretary pursuant to section 110 of title 23. Certification acceptance would be available to Interstate restoration projects once they reach the construction phase; thus it would apply only to those work areas such as time extensions, construction contract change orders, assessment of liquidated damage, etc., which take place subsequent to the actual construction project being authorized. The amendments would make both concepts more attractive to the States because of the expanded coverage and the reduction in Federal involvement and redtape.

HISTORIC SITES

Sec. 120. This section would eliminate identical language in Section 4(f) of the DOT Act and 23 U.S.C. 138 which overlap requirements under section 106 of the National Historic Preservation Act. Section 4(f) and section 106 are both applicable to historic and archeological resources which are on or eligible for the National Register of Historic Places. Section 4(f) is also applicable to historic sites which are not listed on or eligible for the National Register. The overlap has resulted in some project delays and duplication of efforts.

The proposal would eliminate the requirement of section 4(f) with respect to historic sites in all programs and projects of the Department of Transportation. The elimination of this delay and duplication of effort will take on increasing significance in the immediate future in the FHWA bridge program, by virtue of the increase in funds for that program provided in this bill. The bridge replacement program almost by definition involves concern with old, i.e. historic, structures.

Under this proposal, the extensive consultation and mitigation planning requirements afforded by section 106 and its implementing regulations will still apply to proposals for use of historic sites for transportation purposes. The section 4(f) requirement that the Secretary determine that there is "no feasible and prudent alternative to the use" (including constructive use) of protected land such as historic sites is virtually identical to the current requirement under Section 106 and its implementing regulations for an investigation to determine whether there is "a feasible and prudent alternative to avoid the adverse effect."

Similarly, the section 4(f) requirement to perform "all possible planning to minimize harm" is identical in practical effect to the section 106 regulatory requirement for consultation to determine if there is "a feasible and prudent alternative to satisfactorily mitigate the adverse effect of the undertaking."

WOODROW WILSON MEMORIAL BRIDGE

Sec. 121. This section authorizes the Secretary to approve a joint application by the States of Maryland and Virginia and the District of Columbia for the reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge, which may include widening and a bicycle path if necessary. Any project for widening the bridge would not be eligible for Interstate funds but could be financed with primary system funds. Pursuant to prior legislation, the bridge was constructed by the Bureau of Public Roads (now Federal Highway Administration) with the three jurisdictions being charged with its operation and maintenance. As a result, this bridge became Federal property. However, it is in excess to the needs of the Federal Government. This condition is corrected by providing in this section that the three jurisdictions enter into an agreement with the Secretary to accept a conveyance of their respective portions of the bridge prior to actual reconstruction work on the project. Funds for this project shall come equally from the Interstate apportionments for the three jurisdictions in the normal contract authority manner without application of obligational limits, and the 1981 estimate shall be adjusted to reflect an equal share of the total estimated project cost in the States of Maryland and Virginia and the District of Columbia. The Federal share for preliminary engineering performed prior to enactment of this section and for carrying out this project shall be 75 percent.

COOPERATION WITH FEDERAL AND STATE AGENCIES AND FOREIGN COUNTRIES

Sec. 122. This proposal would amend section 308 of title 23, United States Code, by authorizing the Secretary to carry out the provisions of this title in cooperation with the State highway and transportation departments and with organizations which are principally composed of duly elected and appointed State and local highway and transportation officials without regard to the provisions of the Federal Advisory Committee Act, 5 U.S.C. Appendix I. Expansive judicial interpretations of the Federal Advisory Committee Act have unnecessarily stifled government-to-government communications generally and, in particular, with respect to those grant-in-aid programs such as the Federal-aid highway program which require close coordination between State and local government officials and Federal officials to ensure effective planning and implementation. This revision would authorize the Secretary to administer Federal highway programs in cooperation with State and local highway and transportation officials either individually or collectively without the procedural burdens of the Federal Advisory Committee Act. The procedural requirements and safeguards which apply to the rulemaking process under the Administrative Procedure Act would not be affected by this revision.

TERRITORIAL HIGHWAY PROGRAM

Sec. 123. Subsection (a) of this section repeals section 215 (Territorial Highway Program) of title 23, United States Code. This program will be eligible for funding by the Department of the Interior.

Subsection (b) of this section amends paragraphs (12) and (13) of section 104(a) of the Federal-Aid Highway Act of 1978 to

reflect elimination of the program by rescinding existing 1982 highway program authorizations for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Subsection (c)(1) of this section would facilitate an orderly transfer of the program to the Department of the Interior by expressly stating that outstanding funds appropriated for carrying out repealed section 215 shall remain available for expenditure under the conditions applicable prior to such repeal. Subsection (c)(2) rescinds the unappropriated balance of all sums authorized prior to the repeal of the program.

Subsections (e), (f), (g), and (h) eliminate the Federal Highway Administration's involvement in the highway-safety activities of the territories program by amending pertinent sections of title 23, United States Code.

ACCELERATION OF BRIDGE PROJECTS

Sec. 124. This section repeals the acceleration of bridge project program which provided special funding for the U.S. Grant Bridge in Kentucky and the East Huntington Bridge in West Virginia.

CARPOOL AND VANPOOL PROJECTS

Sec. 125. This section amends section 146 (carpool and vanpool projects) of title 23, United States Code. It would permit the use of sums apportioned for Interstate 4R to fund projects for designating existing facilities, or acquisition of rights of way, or construction of new facilities, for use as preferential parking for carpools. Any such facilities must be located outside of a central business district and within an Interstate highway corridor and primarily intended to reduce Interstate highway traffic. It would permit a State to contract with any person to operate any such parking facility, but any fees charged for use pursuant to the purpose of this provision shall not be in excess of the amount required to cover operating and maintenance costs. The term "parking facility" would include access roads, buildings, roads, structures, equipment, improvements, and interests in land.

HIGHLAND SCENIC HIGHWAY

Sec. 126. This section would amend section 161(f) of the Federal-Aid Highway Act of 1973, as amended by section 21 of P.L. 96–106 to remove a technical problem presently preventing the State of West Virginia from maintaining the Highland Scenic Highway, located partially within and adjacent to the Monongahela National Forest in the State. It would also allow local light truck traffic and limited commercial truck traffic on a permit basis only.

The Highland Scenic Highway was originally designed and constructed as a multipurpose State highway on the Federal-Aid Highway System. As such, it was maintained by the State until the passage of the Federal-Aid Highway Act of 1973 which designated it as a scenic highway with portions limited solely to scenic and recreational use and passenger car use. The scenic highway designation precludes community service vehicles such as bread trucks, service trucks and farm trucks from using the highway and use of the road for National Forest management activities requiring use of trucks. This designation thus made the highway a limited service highway which precludes continued maintenance by the State as State law prohibits the expenditure of maintenance funds on limited service highways.

This amendment would correct this anomaly by modifying the vehicle limitation so that the State could maintain the road and, at the same time, protect the important recreational and scenic values of the highway.

CONSTRUCTION

Sec. 127. Title 23, United States Code, now requires that the Secretary inspect each highway construction project. This amendment would remove that requirement. The Secretary would establish procedures for inspecting and approving construction but would not have to inspect each project. The amendment would thereby eliminate an unnecessary requirement.

RESEARCH AND PLANNING

Sec. 128. This section would amend 23 U.S.C. 307 to confirm the legal basis for pooling 1½ percent highway planning and research (HPR) funds into a single fund and to establish a uniform period of availability.

The 1½ percent HPR funds are currently pooled by administrative decision. Over the years the funds from which the HPR funds are derived have been legislatively assigned varying periods of availability.

The provision establishing a standard Federal share for HPR funds simplifies the program and eliminates paperwork.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Sec. 129. Subsection (a) of this section would transfer the functions, powers, and duties of the Appalachian Regional Commission related to the Appalachian Development Highway System to the Secretary of Transportation. Subsections (b), (c), (d), (e), and (f) are technical transfer provisions and savings provisions.

Subsection (g) provides authorizations out of the Highway Trust Fund for the Appalachian Development Highway System of $215 million for FY 1982, $234 million for FY 1983, $250 million for FY 1984, $270 million for FY 1985, and $289 million for FY 1986.

Subsection (h) changes the Federal share for advance construction projects in the Appalachian Development Highway System from 70 percent to 80 percent. The Federal share for regular construction projects on said system was changed from 70 percent to 80 percent by section 138 of the Federal-Aid Highway Act of 1978. Advance construction projects were inadvertently overlooked at that time.

Subsection (i) provides an effective date of October 1, 1981.

TECHNICAL AMENDMENTS

Sec. 130. This section streamlines section 104 of title 23 by deleting language that no longer applies and makes a correction to the analysis of Chapter 1 of title 23.

TITLE II—HIGHWAY SAFETY AMENDMENTS

SHORT TITLE

Sec. 201 states that this title may be cited as the "Highway Safety Act of 1981".

AUTHORIZATION FOR APPROPRIATIONS

Sec. 202 would repeal the existing authorizations provided by section 202 of the Highway Safety Act of 1978 (P.L. 95–599), for the National Highway Traffic Safety Administration under sections 402, 403, 406, and 407 of title 23, United States Code, and for the 55 mile per hour speed limit under section 154.

Subsection 202(a)(1) would authorize $77,000,000, out of the Highway Trust Fund, for each of fiscal years 1982, 1983, 1984, 1985, and 1986, for carrying out the highway safety grant program under section 402 of title 23, United States Code, by the National Highway Traffic Safety Administration.

Subsection 202(a)(2) would authorize $31,000,000 for each of fiscal years 1982, 1983, 1984, 1985, and 1986, for carrying out the research and development programs under section 403 of title 23, United States Code, by the National Highway Traffic Safety Administration.

Subsection 202(a)(3) would authorize $10,000,000 for fiscal year 1982, and $13,000,000 for each of fiscal years 1983, 1984, 1985, and 1986, for carrying out the research and development programs under sections 307 (a) and 403 of title 23, United States Code, by the Federal Highway Administration.

Subsection 202(b) provides that the unobligated balance of contract authority for 23 U.S.C. 402 and 406 will lapse on September 30, 1981.

HIGHWAY SAFETY PROGRAMS

Sec. 203 would amend the existing list of highway safety programs required of the States by eliminating from eligibility those programs that have been less successful in promoting highway safety. The section would amend subsection 402(a) to place emphasis on problem identification, counter-measure development, and the evaluation of program effectiveness. The revised subsection would require the States to achieve uniformity in the collection of traffic accident and other highway safety data and in the adoption of laws and practices that affect interstate motorists. The States would also be required to address themselves to programs that the Secretary determines to be effective in reducing deaths and injuries, such as alcohol safety, emergency medical services, and police traffic services. Guidelines relating to these programs would be issued by the Secretary in cooperation with the States, their political subdivisions, appropriate Federal departments and agencies, and such other public and private organizations as the Secretary might deem appropriate. Funding under the program would be limited to the safety programs specified in the subsection.

HIGHWAY SAFETY PROGRAM REQUIREMENTS

Sec. 204 would repeal subsections (b), (h), and (j) of section 402. Subsection (b) presently places a number of restrictions on the States, by requiring them to operate the program through a specific State agency, by specifying a percentage of funds to be passed through to local political subdivisions, and by requiring comprehensive driver education programs. These restrictions do not seem appropriate in light of the need to make the most efficient use of limited funds, and would accordingly be repealed.

Subsection (h) restricts the Secretary from issuing or amending highway safety standards under the existing subsection 402(a). Under the revised 402(a), such a restriction would impede the development of the new program and should therefore be repealed. Subsection (j) relates to various incentive programs that have not been funded since fiscal year 1975, and should be deleted as obsolete.

SCHOOL BUS DRIVER TRAINING

Sec. 205 would repeal section 406 of title 23, relating to school bus driver training. Many States with long standing training programs have found the driver training funds under section 406 to be of little additional value. This section would return bus driver training to a State-funded status.

INNOVATIVE PROJECT GRANTS

Sec. 206 would repeal section 407 of title 23, relating to innovative project grants.

TITLE III

SHORT TITLE

Sec. 301 states that this title may be cited as the "Highway Revenue Act of 1981".

EXTENSION OF THE TAXES WHICH ARE TRANSFERRED INTO THE HIGHWAY TRUST FUND

Sec. 302 extends the highway excise taxes allocated to the Highway Trust Fund for five years; that is, the rate reductions or expirations of highway taxes now scheduled for October 1, 1984, are deferred until October 1, 1989.

EXTENSION OF HIGHWAY TRUST FUND

Sec. 303 extends the Highway Trust Fund for six years from September 30, 1984, through September 30, 1990.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., March 31, 1981.

Hon. HOWARD H. BAKER, Jr.,
Majority Leader,
U.S. Senate, Washington, D.C.

DEAR HOWARD: The Department of Transportation has submitted proposed legislation to authorize appropriations for the construction of highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966, and to extend the Highway Trust Fund, established by the Highway Revenue Act of 1956. A copy of the proposed legislation is attached.

We respectfully request that by unanimous consent, Title I of this bill be referred to the Committee on Environment and Public Works, Title II be referred to the Committee on Commerce, Science and Transportation and that Title III be solely referred to the Committee on Finance.

Jennings Randolph, Ranking Member, Committee on Environment and Public Works; Howard W. Cannon, Ranking Member, Committee on Commerce, Science and Transportation; Russell B. Long, Ranking Member, Committee on Finance; Robert T. Stafford, Chairman, Committee on Environment and Public Works; Bob Packwood, Chairman, Commerce, Science and Transportation; Robert Dole, Chairman, Committee on Finance.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 17, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation is submitting for your consideration and appropriate reference a draft bill:

"To authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes."

It is essential that the Federal-aid highway program be structured in a way that it can be financed within acceptable budget levels and yet achieve national goals and other interests. The extent of Federal involvement in the program has been carefully analyzed in reaching the program decisions reflected in this legislation. Completion of the Interstate System and the preservation of this system is the highest Federal priority. The Primary system is also of national significance and will continue to receive high levels of Federal funding. State and local governments should have the principal responsibility for highway systems which are not of national importance. Therefore, this legislation eliminates or phases out a number of separate categorical programs, while increasing the flexibility with which States can use available Federal funding.

The changes proposed by this bill will produce budget savings of approximately $11.2 billion through 1986, compared to the previous Administration's bill.

TITLE I

Title I provides for 5-year highway authorizations, for 1982 through 1986, that would average $9.0 billion annually, including Interstate authorizations. The authorization levels are based on an assessment of changes in highway conditions and performance since 1970, and an analysis of investments needed to maintain acceptable levels of performance.

The bill amends the authorization for the Interstate System by increasing the amount authorized in existing law for FY 1983 from $3.2 billion to $3.3 billion and maintains the $3.625 billion authorized for fiscal years 1984 through 1990.

Interstate System

The 1981 Interstate Cost Estimate shows that despite $8 billion in investments and significant Interstate withdrawals over the past two years, the cost-to-complete has increased significantly. Clearly, Interstate completion, as currently defined, is not an achievable goal. This proposal, therefore, recommends a more reasonable approach by reducing the cost to complete to only those items required to provide a minimum level of acceptable service on a safely operating system. This change makes Interstate completion possible by 1990 and allows for greater emphasis to be placed on preserving 94 percent of Interstate mileage now open to traffic.

Beginning October 1, 1981, Interstate construction funds would be available only to construct Interstate segments to a minimum level of acceptable service consisting of (1) full-access control, (2) a pavement design to accommodate traffic anticipated for the next 20 years, and (3) a design of not less nor more than four lanes in rural areas and all urban areas and urbanized areas under 400,000 population, and up to six lanes in urbanized areas over 400,000 population. Future Interstate Cost Estimates would include only costs for the projects eligible under these criteria.

To ensure cost effective use of Interstate funds, the bill would require the Secretary of Transportation to examine all Interstate System segments on which physical construction has not started to identify possible segments which are not essential to the unified and connected Interstate System, are not cost effective or are environmentally disruptive. The Secretary would be authorized to remove undesirable, non-essential segments from the Interstate System. Current law authorizes State and local governments to withdraw non-essential Interstate segments in or serving urbanized areas until September 30, 1983. Local areas are then entitled to an equal amount of funds for substitute transit or highway projects. The proposed legislation provides the same benefits for otherwise eligible segments removed by the Secretary.

To further the objective of expeditious completion of the Interstate System, the proposed legislation revises the criteria for distribution of Interstate Discretionary funds. Rather than being allocated on a first come, first served basis as under present law, the funds will be allocated on a priority basis by the Secretary to Interstate projects which will help complete Interstate segments not open to traffic, to projects of unusually high cost relative to a State's apportionment and to projects in States which receive apportionments of less than ½ of one percent of the total National apportionment. The minimum ½ of one percent apportionment of Interstate construction funds to all States will be eliminated.

In addition to redefining Interstate completion, this bill would continue the transition to a post-Interstate construction program by expanding the current resurfacing, restoration and rehabilitation (3R) program to include reconstruction (4R). Those work items deleted from Interstate construction would be eligible under the expanded 4R program and funding for the program would increase substantially. Each State with Interstate routes would receive at least ½ of one percent of the overall 4R apportionment. To prevent any abrupt funding changes in Interstate programs in individual States, the bill provides a "hold harmless" feature so that the apportionment of Interstate and Interstate 4R funds that each State with Interstate routes receives on October 1, 1981 will not be less than the combined Interstate and 3R apportionment it would have received under existing legislation.

Effective October 1, 1981, the bill eliminates the eligibility of 4R work on toll roads and allows 4R work only on routes designated under 23 U.S.C. 103. The Federal share for 4R work would be changed from the existing 75 percent to 90 percent effective October 1, 1981.

PRIMARY PROGRAM

Second to the Interstate System the primary system is of greatest Federal interest. The primary system is the highest order State system and has received considerable State and Federal funding. As a consequence, the system has been built to high standards and is in good condition overall. The bill recognizes the Federal interest in the Federal-aid primary system by increasing program authorizations from the existing authorization of $1.5 billion for fiscal year 1982 to $1.8 billion by fiscal year 1986. The only program change we recommend is eliminating the priority primary program so that States can select these projects that reflect their own priorities.

Bridge program

There is a high national interest in reducing the safety problem presented by deficient and obsolete bridges. Therefore, the bridge program would remain as a separate program.

The bridge program authorizations are extended through fiscal year 1986 (rising from $900 million in fiscal year 1982 to $1.4 billion in fiscal year 1986) and a new bridge apportionment formula is established to provide more equitable distribution. Within these overall program levels the Discretionary Bridge Program is continued, with $200 million set aside in fiscal year 1982 and $300 million for each of the fiscal years 1983 through 1986. Projects eligible for these funds must cost more than $10 million, or at least twice a State's annual bridge fund apportionment.

Secondary and urban systems

State and local governments have a greater interest than the Federal government in highway systems below the Interstate and primary systems. To return responsibility for these highways to the appropriate level of government, the bill phases out Federal responsibility for, and involvement in, the secondary and urban system programs. To facilitate the transition, the bill provides authorizations for these programs for fiscal years 1982 and 1983. These transition authorizations should provide the States time to make budget adjustments to assume full funding responsibility for these programs.

Safety

Highway safety projects should be an integral part of all highway construction. To increase State and local flexibility in meeting highway safety needs, the bill eliminates separate safety categorical programs administered by the Federal Highway Administration, which in most cases are eligible for the primary, secondary and urban program funds. Funding which would otherwise be authorized for safety projects is incorporated into the larger categories.

Other

The bill eliminates a number of existing categorical highway programs and the existing separate 1982 funding authorizations as-

sociated with them. States will be able to make their own determinations as to the priority of these programs, most of which will be eligible for Federal funds under the regular primary, secondary, or urban programs. The bill also contains a number of amendments considered essential to better manage certain programs. Finally, the Appalachian Development Highway System program would be transferred from the Appalachian Regional Commission and would be financed from the Highway Trust Fund.

TITLE II

Title II provides authorizations for highway safety (sec. 402) grants administered by the National Highway Traffic Safety Administration at a level of $77 million for each of fiscal years 1982 through 1986. The highway safety program is restructured to focus on projects which are most closely related to the reduction of accidents, such as alcohol programs and police traffic services. Funds for safety research and development are also authorized. Separate funding for speed limit enforcement is eliminated.

TITLE III

Financing

Title III of this bill retains the Highway Trust Fund as the mechanism for Federal highway financing and extends it for six years to September 30, 1990. It also extends current highway excise taxes allocated to the Highway Trust Fund for five years.

Summary

The program restructuring and authorization levels proposed in this bill represent a strong Federal commitment to an effective Federal-aid highway program. The new Federal focus on the Interstate and primary systems, accompanied by providing greater responsibility to the States and allowing greater flexibility at the State level, will ensure fulfillment of the nation's highway transportation needs.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the President's program.

Sincerely,

DREW LEWIS.

● Mr. DOLE. Mr. President, I am today joining with my colleagues from the Committees on Environment and Public Works and Commerce to introduce the Federal-Aid Highway Act of 1981. This bill incorporates the President's proposals for restructuring the Federal highway program. The bill would eliminate a number of separate categorical programs and increase State program flexibility. It is noteworthy that this bill will produce $11.2 billion in budget savings when compared with the prior administration's highway bill.

Mr. President, the Senator from Kansas is particularly interested in title III of this legislation, which will be referred to the Committee on Finance. Title III, which is referred to as the Highway Revenue Act of 1981, would extend the existing highway excise taxes until October 1, 1989. Under current law, those taxes would expire or be automatically reduced in 1984. The bill also would extend the highway trust fund for 6 years, through September 30, 1990.

Mr. President, I welcome the administration's leadership in shaping future Federal highway policy. There has been a growing concern about long-term solvency of the highway trust fund. The most significant source of revenue to the highway trust fund has been the 4 cent per gallon excise tax on motor fuel. In recent years, gas tax revenue has declined as nationwide gasoline consumption has declined. Obviously, the need for an expansion of Federal trust fund revenue largely depends on the role that Federal Government chooses to play with respect to the Nation's highways.

I expect that the bill that we are introducing today will help shape and focus the debate on what that role should be. The Committee on Finance looks forward to playing a constructive role in that debate.●

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the bill introduced today by Senator STAFFORD to authorize appropriations for the construction of highways in accordance with title 23 of the United States Code to amend the Highway Safety Act of 1966, and to extend the highway trust fund, established by the Highway Revenue Act of 1956 be referred to the following committees in the specified manner:

Title I to be referred to the Committee on Environment and Public Works.

Title II to be referred to the Committee on Commerce, Science and Transportation, and

Title III to be referred to the Committee on Finance.

By Mr. HAYAKAWA (for himself, Mr. MCCLURE, Mr. HELMS, Mr. HEFLIN, and Mr. SYMMS):

S. 842. A bill to provide for stability and certainty in planning and management of certain National Forest lands; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

RARE II REVIEW ACT OF 1981

Mr. HAYAKAWA. Mr. President, I am introducing today, with Senators HELMS of North Carolina and MCCLURE of Idaho, HEFLIN of Alabama and SYMMS of Idaho, legislation which will provide for an orderly completion of basic land use decisions in the roadless areas of our national forests.

For more than 10 years, some 62 million acres—one-third of our entire national forest system—have been in a planning limbo of studies, lawsuits and restudies.

As our national long-term demands increase for resources ranging from timber to minerals, from oil and gas to recreation sites, we no longer can afford the paralysis of planning inaction.

Resolution of these issues is particularly vital in my State of California, where a lawsuit has tied up vital forest lands even more than in most other States.

This legislation provides for final answers to the key question which was studied during 1977–79 by the Forest Service and Department of Agriculture in their Second Roadless Area Review and Evaluation—known as RARE II.

That question was: Which roadless areas of the national forests should be devoted exclusively to wilderness and which should be managed for a multiplicity of uses ranging from outdoor recreation to timber harvesting to minerals development to wildlife enhancement?

This bill does not of itself enact any new lands into wilderness. Neither does it tie the hands of any future Congress from enacting any wilderness legislation it may choose. But it does provide for an end to the frustrating cycles of delay and resultant de facto wilderness which have thrown our forest resource allocations far out of balance.

Congress took a significant step in this direction last fall when it wrote so-called release language into two wilderness bills concerning Colorado and New Mexico. The bill introduced today completes that process by applying release principles nationally, setting reasonable deadlines for congressional action on wilderness recommendation, and asserting congressional primacy in providing for any future wilderness studies.

For lands west of the 100th Meridian, our RARE II Review Act of 1981 includes these provisions:

Lands recommended for nonwilderness by the RARE II study would be immediately returned to management for nonwilderness, multiple-use purposes. Some 36 million acres are in this category.

Lands recommended by the RARE II study for wilderness designation by Congress would remain subject to those recommendations until January 1, 1985. Wilderness-recommended lands not enacted into wilderness status by that date would then revert to nonwilderness status. About 15 million acres were recommended for wilderness by RARE II.

Lands recommended for further planning by RARE II would be subject to a deadline of September 30, 1985, for completion of that further planning by the Forest Service. We have to set a deadline on this planning, because we have been planning forever. Lands recommended for nonwilderness as a result of that further planning would immediately revert to nonwilderness status. Lands recommended for wilderness as a result of that planning would continue to be so recommended until January 1, 1988, at which time they would revert to nonwilderness status if not already enacted into wilderness by Congress.

Understand, Mr. President, that this leaves great leeway to act in one direction or another regarding wilderness in future Congresses.

For lands east of the 100th meridian, our act includes these provisions:

Lands recommended for wilderness by RARE II shall become wilderness study areas as defined in the Eastern Wilderness Act until January 1, 1983, after which they will be managed for other than wilderness unless otherwise directed by Congress.

Lands reviewed in RARE II and not recommended for wilderness shall be managed for uses other than wilderness unless Congress otherwise directs.

Nationally Congress would reserve to itself the authority to provide for further study of the wilderness potential of these national forest lands. With such congressional direction, the wilderness alternative would not be further considered administratively during the periodic national forest planning cycles.

The RARE II final environmental impact statement would be insulated from

any judicial review or court rule on legal or factual sufficiency of the RARE II environmental impact statement.

The Wilderness Act of 1964 provided that only Congress could enact Federal lands into the national wilderness preservation system. The legislation reflects this congressional policy. It would bring an end to the present policy-frustrating situation in which vast acreage is kept in de facto wilderness through repeated studies, appeals, and litigation.

It would once again permit this Nation to make best, highest, and balanced use of all its national forest resources.

As chairman of the Senate Agriculture Subcommittee on Forestry, Water Resources, and Environment, I intend to schedule hearings and move to mark-up of this needed bill.

I look forward as well to working with the new Reagan administration on this legislation. It can contribute significantly to the President's goals of stemming inflation, aiding business recovery, promoting energy self-sufficiency and improving the homeowning prospects for millions of Americans during the 1980's.

I ask unanimous consent that this bill be held at the desk until close of business today for the purpose of the leadership to clear its approval.

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

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the bill Senator HAYAKAWA introduced regarding the issue of releasing national forest system lands be jointly referred to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources.

ADDITIONAL COSPONSORS

S. 267

At the request of Mr. DECONCINI, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 398

At the request of Mr. ARMSTRONG, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 517

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of S. 517, a bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes.

S. 546

At the request of Mr. RANDOLPH, the Senator from Alabama (Mr. DENTON) was added as a cosponsor of S. 546, a bill entitled "The Fish Restoration Act of 1981."

S. 602

At the request of Mr. RIEGLE, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 602, a bill to amend the investment credit provisions of the Internal Revenue Code of 1954 to provide for refundability of currently earned investment credits after the close of the year in which earned and for refundability of any previously earned but unused investment credit after the close of the last year to which the unused credit may be carried.

S. 631

At the request of Mr. DECONCINI, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 631, a bill to dismiss certain cases pending before the Education Appeal Board.

S. 725

At the request of Mr. WALLOP, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 725, a bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale property for the purposes of the energy investment credit.

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of Senate Joint Resolution 40, a joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

SENATE JOINT RESOLUTION 50

At the request of Mr. DECONCINI, the Senator from Arizona (Mr. GOLDWATER), the Senator from Hawaii (Mr. INOUYE), the Senator from Indiana (Mr. QUAYLE), the Senator from Kentucky (Mr. FORD), the Senator from Maryland (Mr. SARBANES), the Senator from Maine (Mr. MITCHELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. NICKLES), the Senator from South Carolina (Mr. THURMOND), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating July 17, 1981, as "National P.O.W.-M.I.A. Recognition Day."

SENATE RESOLUTION 20

At the request of Mr. BAKER, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Resolution 20, a resolution providing for television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 104—RESOLUTION DISAPPROVING THE PROPOSED DEFERRAL OF CERTAIN BUDGET AUTHORITY

Mr. GLENN submitted the following resolution; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Finance, and the Committee on Labor and Human Resources:

S. RES. 104

Resolved, That the Senate disapproves the proposed deferral of budget authority for the Welfare Reform Demonstration Programs administered by the Employment and Training Administration of the Department of Labor as set forth in the special message transmitted by the President to the Congress on March 10, 1981, under section 1013 of the Impoundment Control Act of 1974 (Deferral No. D-81-36A).

AMENDMENTS SUBMITTED FOR PRINTING

EXPORT TRADING COMPANY ACT OF 1981

AMENDMENT NO. 25

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 734) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

CONSUMER PRODUCT SAFETY ACT AMENDMENTS OF 1981

AMENDMENT NO. 26

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation.)

Mr. CANNON submitted an amendment intended to be proposed by him to the bill (S. 833) to amend the Consumer Product Safety Act to authorize appropriations for fiscal year 1981, and for other purposes.

● Mr. CANNON. Mr. President, today I am introducing an amendment to section 6b of the Consumer Product Safety Act. I have been concerned about the release of information by the Commission which may result in adverse publicity to an industry before the Commission has had the opportunity to weigh all the evidence in a formal proceeding. At the same time, I realize that an important function of the Commission is to educate the public about potential product hazards. Therefore, the first part of this amendment would establish procedures to insure that when the Commission disseminates information about the safety of a product or a class of consumer products, that the information is accurate. This section will help to prevent the Commission from publishing inaccurate information thereby reducing injuries suffered by manufacturers who are adversely affected by inaccurate well-publicized CPSC information.

My second concern is that the publication of a formal action proposed by the Commission may result in decreased sales within an industry although later the Commission may reverse its position. The second part of my amendment would require the Commission to publicize the withdrawal of a regulatory proposal in the same degree as the original proposal. This would mean that finding that a standard or a ban is not necessary would receive as much publicity as when the ban or standard was originally proposed.

The Consumer Subcommittee of the Senate Committee on Commerce, Sci-

ence, and Transportation will hold oversight hearings on April 1, 2, 3, and 7, 1981. I submit this amendment today before these hearings, so that witnesses may have the opportunity to comment.

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

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

AMENDMENT No. 26

After section 13 of the bill, insert the following new section, and redesignate section 14 of the bill as section 15:

"INFORMATION DISSEMINATION

"SEC. 14. Section 6(b)(1) of the Act (15 U.S.C. 2055(b)(1)) is amended by inserting immediately before the last sentence thereof the following: "The Commission shall establish procedures to reasonably ensure that information which it affirmatively disseminates reflecting on the safety of any consumer product or class of consumer products is accurate and not misleading. If, after proposing a formal action, the Commission decides to withdraw such proposal, the Commission shall, in a manner similar to that in which such proposal was publicized, make known the decision to withdraw.".●

BUDGET RECONCILIATION RESOLUTION

AMENDMENT NO. 27

(Ordered to be printed and to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 9) revising the Congressional Budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

ADDITIONAL STATEMENTS

OUR URGENT NATIONAL SECURITY TASKS

● Mr. JACKSON. Mr. President, on March 28, I was honored to participate at Groton, Conn., in the commissioning ceremony of the nuclear powered attack submarine U.S.S. *Bremerton* (SSN-698) named for Bremerton, Wash., the home of Puget Sound Naval Shipyard.

I took the opportunity of my commissioning address to underscore certain urgent foreign policy and defense tasks facing this country.

I ask that the full text be printed in the RECORD.

The address follows:

REMARKS BY SENATOR HENRY M. JACKSON, MARCH 28, 1981

Four years and some ten months have gone by since the Jackson family joined in the keel-laying ceremonies for the U.S.S. *Bremerton;* two years and seven months have passed since we shared in the launching of this superb ship. During that time much has changed at home and abroad. But one thing remains the same. Hyman Rickover is still the pervading genius of our nuclear navy. Our thoughts turn with profound respect and affection to our long-time friend, Admiral Rickover, as we commission his latest contribution to the fleet.

As you know, the Jacksons have a special fondness for the *Bremerton.* She bears not only an honored Navy name, a great name from the State of Washington, but also, welded upon her keel, she carries the initials of my wife, Helen.

I am convinced that the American people are now ready and eager to restore United States strength and influence in the world. There is a new mood in the country. Americans are yearning to have this nation again strong and resolute, the trusted leader of the free nations, proud of its greatness. Moreover, there is a new understanding at the top of our government that we are in a continuing long-term military and political competition with the Soviets, and that we are not maintaining a competitive position.

What are the most urgent tasks? I want to underscore a few:

First: This country needs to restore its overall military strength. As I see it, a sturdy strategic equivalence with the Soviet Union is the indispensable foundation for an effective American foreign policy—one which meets our responsibilities and safeguards our interests around the world. But even if we succeed in maintaining strategic equality, areas like the Middle East and Southeast Asia will become more vulnerable to the growing Soviet capacity for regional intervention. Indeed, a substantial buildup in both our nuclear and conventional capabilities is absolutely vital.

At the same time, I welcome the Reagan Administration's emphasis on developing a more rational division of labor, under which our Atlantic allies and Japan will be asked to join us in providing more for the common defense. And I support the Administration's effort to reduce unnecessary costs in our defense programs—giving the American taxpayer the best return for the dollars spent.

Second: There is a special need to bolster deterrence and promote stability in Southwest Asia. Should Moscow establish a controlling presence in the Persian Gulf area, they would have a warm-water port, from which they would have access to the whole of the Indian Ocean and a broad highway to Third-World Nations. Hence, even if the area did not contain vast oil resources, it would be a great strategic prize for geopolitical reasons. But, of course, it does contain oil on which we and our allies depend.

The West has significant assets in the region. Israel, Egypt, and Turkey have substantial military capacity. Saudi Arabia and other Gulf states have a part to play. Taking advantage of what these countries can offer—in ways that are acceptable to them—is increasingly necessary.

And Secretary of Defense Weinberger is right that we cannot deter the Kremlin's efforts from seven thousand miles away. We require a credible American presence in the area with appropriate facilities—a clear signal to Moscow that our local military capabilities will make it too costly for them to consider exercising their military options.

What is lacking most of all is a well-considered, general strategy to deal with the range of threats confronting the region. The threats include not only direct Soviet military moves, but also indirect, more subtle forms of coercion, and internal insurgencies and military coups in critical states.

I urge President Reagan to give a very high priority to fashioning—with our key friends and allies—a coherent, overall strategy for the defense of Southwest Asia, before the time runs out.

Third: We must do our part to forge an enduring, constructive relationship with the People's Republic of China, and this we have only begun to do. As a starter, Americans need to accept the fact that China and the Soviet Union are fundamentally different countries, with different ambitions and different allies, and different intentions toward us. Our interests with respect to each of them differ, and the way we deal with them will be distinctive.

The key for us is China's strategic role in tying down on its northern border roughly 25 percent of the Soviet defense burden. For our part, if we keep America strong and resolute, we will be perceived by Chinese leaders as a credible counterweight to the Soviet Union—now China's main adversary. Also, we must vigorously abide by our normalization agreement with the People's Republic. If America violates that agreement, on such matters as how we deal with Taiwan, then Peking is free to depart from their part of the bargain. And basic to the deal is the understanding that Peking will be patient and peaceful in its attempt to woo Taiwan back to the mainland.

The Kremlin is now trying to rekindle the myths of detente, lull the world into complacency about Afghanistan, and pry apart West Europe, Japan, and America.

What fools Moscow has made of so many over the years. A classic case: taking us to the cleaners in the SALT II treaty, and then calling it equal, fair and verifiable. I am reminded of a comment made to me by China's Premier Zhou Enlai, "The leadership of Russia," he said, "will look you in the eye and lie to you."

As we get serious about our defenses, we need not abandon our longstanding goal of reaching truly equal, and truly verifiable accords with the Soviet Union to mutually reduce weapons of mass destruction. But we will never achieve this kind of stabilizing and durable agreement if we negotiate from a position of weakness and make gratuitous concessions. And the Soviets should understand that we are prepared to live in a world without arms limitation if they persist in their pattern of aggression and subversion, and continue to settle only for unequal, one-sided agreements.

My friends, this ship we commission today is an indispensable addition to American strength. The *Bremerton,* and her sister nuclear ships, will sail the seas as a reminder that the United States can stand up to the Soviet Union, help safeguard the interests of our friends and allies, and conduct wise and steady diplomacy.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. D. Michael Harvey and Ms. Elizabeth A. Moler of the Committee on Energy and Natural Resources under the supervision of Senator JACKSON, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a privately supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Harvey and Ms. Moler in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. William E. Pursley of Senator MURKOWSKI's staff, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a privately supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Pursley in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Mark Schneider of Senator STEVENS staff, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a private supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Schneider in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.●

MR. REAGAN'S AND MR. HAIG'S REALISTIC VIEW OF MOSCOW'S WAYS

● Mr. GOLDWATER. Mr. President, an old friend of mine, Mr. Milorad M. Drachkovitch, who was the director of the Archives and senior fellow of the Hoover Institution, addressed a letter to the New York Times the other day which appeared in the February 21 issue. The letter is so much to the point, so direct, and explains in relatively few words exactly what the President and Alexander Haig have been trying to say and have said that I would like to make it available to my colleagues. I ask that it appear at this point in the RECORD.

The article follows:

[From the New York Times, Feb. 21, 1981]

MR. REAGAN'S AND MR. HAIG'S REALISTIC VIEW OF MOSCOW'S WAYS

To the Editor:

In his Feb. 3 Op-Ed article, Yuri Kornilov, political correspondent for the Soviet press agency Tass, expressed "concern and anxiety" about the emergent foreign policy of the Reagan Administration.

Mr. Kornilov accused the Administration of either deliberately misrepresenting the crux of the Soviet Union's foreign policy or analyzing it in a fundamentally erroneous way. He then explained the basic Soviet postulates as "peaceful and equitable cooperation with other nations . . . respecting the right of every people to be masters in their homes and resolving international disputes not by force of arms but peacefully, at the negotiation table."

As Mr. Kornilov wrote those words, the Soviet Union, which in the last several years has feverishly built a most impressive modern military machine, had at least 80,000 soldiers in Afghanistan and 26 divisions crouching at Poland's borders. It was continuing to send military aid to Vietnam, which not long ago utilized such aid to invade Cambodia. Its military advisers were supervising Cuban and East German military and police forces supporting governments in Angola, Mozambique, Ethiopia and South Yemen. Its military presence in Cuba was bolstering Fidel Castro's activities both in Africa and in the Caribbean.

How to reconcile the blatant discrepancy between the sweet and reasonable words of Mr. Kornilov and the stern realities of Soviet military and political expansion, direct or indirect, on four continents? Simple. They are a rather crude application of Lenin's neo-Machiavellian advice to his followers to speak in one way while pursuing completely opposite policies.

Mr. Kornilov must have studied Lenin's celebrated booklet "Left-Wing Communism, an Infantile Disorder," written in April, 1920, one of the greatest manuals on political warfare ever put together. The former President of the Communist International, Grigori Zinoviev, called this work "the gospel of the proletariat," adding that "for the tactics of Communist parties, this work is no less important than is Karl Marx's 'Kapital' for the theory of Marxism."

Among many of Lenin's precepts on how to wage a worldwide revolutionary struggle, is "resort to various stratagems, artifices, illegal methods, to evasions and subterfuges." The goal Lenin had in mind was penetration of the "reactionary" trade unions.

President Reagan might have employed undiplomatic language when he stated at his first news conference that "the only morality [the Soviet leaders] recognize is what will further their cause, meaning they reserve unto themselves the right to commit any crime, to lie, to cheat." Secretary of State Haig might have been indelicate when he charged the Soviet Union with "training, funding and equipping international terrorism." But both hit the nail on its Leninist head. And in his heart, Yuri Kornilov knows that they are right.●

THE WATER RESOURCES BUDGET

● Mr. ABDNOR. Mr. President, the Committee on Environment and Public Works recently studied with great care the various items within its responsibility that relate to the Federal Government's water resources budget.

By a vote of 11 to 1, the committee came to the conclusion that the Federal Government must not eliminate those programs within the Water Resources Council and the Office of Water Research and Technology that assist the States and regions in carrying out effective water development and research programs. If such an elimination occurs, it should take place with sufficient lead time to allow the States to make the transition without disruption.

While the dollar figures are rather modest ones, this is an important issue to national water development. Therefore, Mr. President, I ask that the appropriate portions of the committee's report to the Budget Committee be printed in the RECORD.

The material follows:

WATER RESOURCES

The committee voted to endorse the overall figures proposed by the Reagan administration for expenditures on water resources planning and development, with some minor transfers.

The committee recommends that $40 million be deleted from the fiscal year 1982 construction general account of the U.S. Army Corps of Engineers, with those funds to be transferred and divided between the Office of Water Research and Technology (OWRT) and the Water Resources Council (WRC), enabling those agencies to continue their important work. At $20 million apiece in fiscal year 1982, each agency would spend about one-third less than its fiscal year 1981 appropriations. Yet, these expenditures are necessary to assure continuation of the essential activities that Congress has conferred on these agencies.

WATER RESOURCES COUNCIL (WRC)

The committee urges that this program be continued, with current funding levels for its State program assistance grants ($10 million) and the various river basin commissions ($4 million), plus a reduced level of spending for administrative costs ($6 million). The Committee agrees with the Administration's decision to eliminate the WRC comprehensive national planning. The continuation of the matching State program assistance is particularly vital; without it many States would be compelled to cut back drastically on their water resources planning. If the Congress eventually transfers more responsibility to the States, they must have the capability to assume that responsibility.

OFFICE OF WATER RESEARCH AND TECHNOLOGY (OWRT)

The proposed fiscal year 1982 funding would continue, at current levels, the Federal support for the 54 State water research institutes located at land grant universities ($6,210,000). This seed money is more than matched by State and private funding and provides a valuable component of any national water resources effort. In addition, the Committee recommends reduced, but realistic, levels of funding for the matching research grants ($4,790,000), the saline research and demonstration program ($6 million), and overall program administration $3 million).

CORPS OF ENGINEERS

As stated previously, the Committee voted as offsetting $40 million reduction in the U.S. Army Corps of Engineers' construction budget for fiscal year 1982. While this change was made reluctantly, the Committee agreed that the merits of modest State assistance outweighs some of the lower priority construction work. . . .

The Committee also has recommended that the proposed fiscal year 1981 recissions in the WRC and the OWRT budgets not be approved. The funds for the proposed rescissions should be reallocated from the Construction General Account of the Corps of Engineers.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. DOLE. Mr. President, on March 29, the Byelorussian-American community in Brooklyn held a rally to commemorate the 63d anniversary of the proclamation of the Byelorussian Democratic Republic which took place in Minsk, the capital of Byelorussia. Byelorussian-Americans in my home State of Kansas and every other State of the Union joined in this celebration, if only in spirit.

Sixty-three years ago the citizens of Byelorussia savored the taste of freedom and independence following the fall of the Tsarist Russian empire. Almost immediately, the Government of the new independent Byelorussian Republic began to organize the national and local administration, the education system, the cultural activities, the restoration of the war-torn economy, and the formation of the national military forces. It

also began intensive diplomatic activities abroad.

This brief experiment with freedom ended on January 1, 1919, when the Soviet Union, during a period of Soviet expansionism, proclaimed its new colonial state, the Byelorussian Soviet Socialist Republic. Although the Byelorussian national armed forces staged a gallant struggle and made desperate but vain appeals for aid from abroad, they were soundly defeated.

Since that time, the Soviet Union, in violation of the Helsinki agreement, has continued to deprive the Byelorussian people of the human rights it pledged to observe under the Helsinki accord. Russification efforts have been aimed at stripping Byelorussia of its cultural and ethnic heritage. As is typical in Soviet-claimed territory, individuals continue to be imprisoned for speaking out on behalf of human rights. Nevertheless, the people of Byelorussia steadfastly continue to resist these Russification efforts, and to remind Moscow of its commitment to honor the Helsinki accord—even under threat of imprisonment and persecution.

SOVIET TROOPS IN BYELORUSSIA PREPARED TO INVADE POLAND

Byelorussia has been targeted as the westernmost site of Russian expansionism. As a result, Moscow has been conducting a fierce campaign of russification there aimed at the destruction of Byelorussian national identity. As Soviet troops stand poised to invade Poland, the geopolitical importance of Byelorussia becomes evident. There are currently Soviet troops stationed in the Byelorussian cities of Grodno and Brest who may be assigned to such an invasion.

VOICE OF AMERICA BROADCASTS

Needless to say, it is in the national security interests of the United States to prevent Soviet expansion. These interests are best served when the citizens of captive nations within the Soviet Union are informed of the nature of Soviet expansionism and the vitality of their respective cultural heritage in the United States. The Voice of America provides one means of communicating this information. Although the Voice of America does not currently broadcast to the Soviet Union in the Byelorussian language, the Byelorussian-American Association has asked me to lend my support to that goal.

Mr. President, I ask unanimous consent that a portion of a resolution adopted at the Byelorussian rally be printed at this point in the RECORD.

The Byelorussian language, the language of one of the largest nationalities in the USSR and one of the oldest ethnic groups in the United States, is being discriminated against by the Voice of America, which does not include the Byelorussian language in its programming. We, the participants of this rally, wish to once again express our long-standing frustration with this discrimination. We ask that the administration of the VOA and other concerned Government agencies recognize the inequity and unsoundness of VOA policy in this matter and move to include the Byelorussian language in VOA programming. Inclusion of the Byelorussian language in VOA broadcasts would foster closer relations with the Byelorussian people and the Byelorussian-American community.

Mr. President, this Senator thinks it would well serve our national security interests, especially during the present wave of Soviet expansionism, to investigate the inclusion of broadcasts in the Byelorussian language in future VOA programing.●

THE PROPOSED CONSOLIDATION OF FEDERAL ELEMENTARY AND SECONDARY EDUCATIONAL PROGRAMS INTO BLOCK GRANTS

● Mrs. KASSEBAUM. Mr. President, in our consideration of spending levels for education, training, and social services, we reviewed President Reagan's proposal to consolidate 45 separate Federal elementary and secondary educational programs into two block grants. These programs are aimed primarily at serving the special educational needs of economically disadvantaged and physically or mentally handicapped children and fall within the jurisdiction of the Committee on Labor and Human Resources.

We agreed that as in most other program areas there should be cuts there as well.

However, the majority of the committee believes that the spending cuts for these programs should be less than originally proposed by the administration. We did adopt, with my support, a spending level which is marginally higher than that proposed by the administration.

While our focus was on spending levels rather than on administrative procedures, there is considerable sentiment, as I read it, in favor of the block grant approach in this area. I am personally supportive of the grant block approach which gives greater power to State and local authorities to spend Federal assistance dollars in ways that fit their particular needs.

As we deal with handicapped programs, however, I want to study the administration's forthcoming block grant proposal carefully. Certain types of programs, particularly those of research and training, do not readily lend themselves to the block grant approach. Effective research and training can often be realized only at specialized institutions which have developed a great depth of expertise and breadth of experience.

The concentration of funds in those institutions with demonstrably successful programs would seem to be more cost-effective than thinly spreading funds in a per-capita block grant distribution. I think this is particularly true in regard to training and research programs and special education for the handicapped which in many respects is still in a new frontier.

We must be careful not to cripple those research and training institutions which in recent years have begun to produce results that are of enormous benefit to the entire handicapped community. It is quite likely that with the application of the block grant approach to the other operational handicapped program it will be all the more important to maintain the research and training programs on a discretionary, competitive basis.

Therefore, Mr. President, I do want to consult thoroughly with the members of the Labor and Human Resources Committee as they begin to consider proposed changes to the authorizing statutes.●

HANDGUNS

● Mr. PELL. Mr. President, the shameful, senseless attack on the President of the United States was shocking and horrifying to me, as it was to all Americans.

We are all relieved that the President has survived the assault and that the prognosis is for a complete and early recovery from his wound.

I earnestly hope that others wounded in the attack, James S. Brady, the President's press secretary; Secret Service Agent Timothy J. McCarthy; and Officer Thomas K. Delahanty of the District of Columbia Police Department, all will recover as much as possible from their wounds.

The shooting of President Reagan should serve as another reminder to us that we are tempting fate if we continue to permit boundless proliferation of firearms in our Nation.

The list of our national leaders who have been gunned down in the past 20 years is long and grievous, and it includes leaders in Government, in public affairs, in the arts and the sciences. But that list, grievous as it is, is only the beginning of the toll of tragedy. Added to it must be the hundreds and thousands of gun victims who were less prominent—not heads of State, but heads of families, fathers and husbands, wives and mothers, sons and daughters, whose lives have been snuffed out by pistols and firearms that can be obtained as easily as bubblegum.

I believe it is possible and indeed necessary to stem the flood of handguns that is engulfing our Nation. I see no reason why all handguns should not be registered and all owners of handguns licensed, just as we require that all automobiles be registered and all drivers be licensed.

Such a system would not infringe on legitimate ownership or use of firearms any more than our automobile laws infringe on legitimate uses of autos. Regulation and control of handguns would not eliminate violence in our society, but if regulations deterred one potential assassin and reduced the daily carnage of handgun violence, it would be worth doing and should be done.

Mr. President, an article in today's Washington Post traces the history of the handgun used in the shooting of President Reagan. As the story notes, it is but one of 15,000 to 20,000 cheap "Saturday Night Specials" assembled each month at just one handgun plant. I ask that the article from the Washington Post be printed in the RECORD at the conclusion of my remarks.

The article follows:

THE GUN: A SATURDAY NIGHT SPECIAL FROM MIAMI

(By Pete Earley)

The gun that shot Ronald Reagan yesterday was manufactured months ago, thou-

sands of miles away from the nation's capital in a small factory in Germany. The .22-caliber, blue steel revolver was then shipped in pieces to Miami, where it was assembled, thus skirting U.S. laws that make it illegal to import small, inexpensive foreign-made handguns.

The Roehm, model RG14 handgun is no stranger to American soil. The revolver is one of the best known handguns in this country, said gun experts and police.

It is best known as a Saturday Night Special—the type of handgun that Congress thought it was getting rid of when it passed the National Gun Control Act of 1968.

Foreign manufacturers quickly discovered a loophole in the tough gun act, officials said. The law said nothing about bringing gun parts into this country where they could be assembled. That is what the German-based Roehm company and dozens of other foreign weapon makers have been doing for more than a decade.

The gun that shot the 40th president was assembled at a Miami factory, one of 15,000 to 20,000 cheap revolvers that roll off its assembly line each month.

Despite the cost of overseas shipping, wages for assembly-line workers and extra costs of middlemen, when model RG14 finally reaches the public, its price tag is about $47.50—one of the cheapest pistols available.

Guns like the RG14 have made Florida the nation's top gun supply state for criminals, according to the Bureau of Alcohol, Tobacco and Firearms, which traces firearms used in crimes.

Identified by sources as the gun confiscated by the Secret Service after Reagan, press aide James Brady and two law officers were shot, the Roehm revolver is a six-shot, double-action, 15-ounce revolver that can fire any .22-caliber ammunition.

Its parts are shipped to RG Industries at 2485 Northwest 20th St., Miami, for assembly. William Kirk, a spokesman for RG Industries, refused to discuss the gun or his company. Employees and sources familiar with the company, however, said RG Industries was formed by the German-based Roehm family after the 1968 gun control act was passed.

The company's primary product is cheap handguns, and it employs up to 80 assembly-line workers. Last year, RG Industries sold an estimated $3.1 million worth of handguns, according to sources.

All of the weapons are shipped to wholesalers who distribute them to smaller gun dealers, hardware stores and pawnshops, the sources said.

The gun used to shoot Reagan was purchased Oct. 13, 1980, sources said, at Rocky's Pawn Shop in Dallas, Texas, like Florida, is considered by ATF as one of the five easiest states in the nation to buy handguns.

Federal agents seized the pawnshop's books within two hours after the shooting, officials said, but owner Isaac Goldstein told reporters that he remembers selling two model RG14s to a man who listed his name as John Hinkley—the name of the man accused of shooting Reagan.

"This gun is really a piece of trash," said one gun expert here when asked about the RG14. "It gives all guns a bad name. I've seen them when the bullets (in the cylinder) don't even match up to the barrel."●

AID TO EL SALVADOR

● Mr. PELL. Mr. President, the sentiments expressed in a thoughtful editorial on El Salvador, published in the Providence Journal on March 25, closely parallels the views that I have articulated since we as a nation have been struggling with that crucial issue. The point is made that El Salvador's most pressing need is economic assistance and that is the way we in the Congress can best help.

We should support the administration's economic assistance proposal so that the Salvadoran Government can continue its ambitious and vitally necessary land reform program, and its efforts to provide jobs in the industrial sector.

Furthermore, the funds would help El Salvador stay afloat economically, through the political turmoil which has seriously affected the economy. The economic assistance will help counter the appeal of the far left and the far right. It will serve to strengthen the moderates who valiantly work to restore peace and democratic government to that troubled land.

I continue to have problems with other aspects of the administration's policy in El Salvador. I am against a purely military solution to the situation because it is unlikely to succeed. A political solution arranged through the cooperation of the region's democratic nations should be supported by the United States. I also continue to have problems with certain aspects of the present Salvadoran Government, especially on the issue of the investigation of the murders of the four American churchwomen, about which I remain unsatisfied.

Yet, I believe that we have to support those inside El Salvador who seek moderation, and a better way of life for all sectors of the population through these troubled times. I ask that the full text of the Providence Journal editorial be printed at this point in the RECORD.

The editorial follows:

U.S. AID NEEDED IN SALVADOR MOSTLY ECONOMIC

Mounting protests against U.S. policy in El Salvador make it important for the American people to distinguish between beneficial and dangerous elements in the revolutionary struggle that envelops that country. From the not-very-well informed demonstrators who paraded in Providence last weekend to the leadership of five national Protestant denominations, the protests can be valuable only if they recognize the complexity of El Salvador's problems and the area where U.S. aid can be most helpful.

Years of dictatorship and repression by a small group of military officers and landholding families have created their own internal opposition. And measures that would clearly align the United States with this right-wing group can only alienate the mass of the people, which includes what is left of the middle class and a large segment of leftist but undoctrinaire moderates.

Clearly there is a hard-core Communist group that is not interested in compromise and that would prefer to see the current junta government fail in its goal of reform both economic and political. That group is small, estimated by U.S. government sources at only several hundred. Success for the junta and for U.S. policy lies in separating the moderate leftists from the Communists.

Fortunately, the guerrillas failed in their campaign of January to overthrow the junta and set up a more radical government. They failed because they attracted little support from the mass of the people or the Christian Democrats who have been backing the government. The Catholic clergy has been backing away from the guerrillas. Moreover, the Nicaraguan government seems to have had second thoughts about supplying arms to the guerrillas, in view of its need for economic aid from the United States.

Thus, the current situation calls for a minimum amount of military aid. The military threat from the guerrillas has receded. The number of U.S. military advisers is not likely to be increased for the obvious reason that they could spark a backlash among the people. El Salvador's most pressing need is for economic aid. That's why Congress was asked yesterday to double the aid appropriation to $128 million, to help the junta fend off bankruptcy, while it proceeds with the land redistribution program that is the proof of its sincerity to the landless peasants. The aid also is needed to create industrial jobs, since the country just doesn't have enough land to go around.

Meanwhile, the right-wing military in El Salvador, which has been responsible for thousands of murders or has at least condoned them, must be kept from extreme measures, such as a new attempt at a coup. Time is on the side of revolution in El Salvador—and probably other Central American countries, too. If the extreme right is permitted to renew its police-state methods, then what remains of the moderates, will be thrown permanently into the arms of the Communists and when the final overthrow of the increasingly isolated right does occur, there will be no room for moderates or for democratic government.

U.S. advocates of intervention in El Salvador can do no better than to recall the course that the Portuguese revolution took. The first government to succeed the dictatorship there was Communist-dominated. Yet aid supplied by Socialists and Christian Democrats in other West European countries enabled the moderate parties to come back and win an overwhelming victory over the Communists. Careful nurturing of democratic forces can still have the same result in Central America.●

THE APPALACHIAN REGIONAL COMMISSION AND ITS PRODUCTIVE PROGRAMS SHOULD BE CONTINUED

● Mr. RANDOLPH. Mr. President, there is no greater evidence that the President's spending reduction proposals were hastily developed without consideration of the consequences to the American people than in the totally unjustified decision to eliminate the Appalachian Regional Commission and all of its nonhighway activities. Even a cursory examination of the structure and operation of the Commission, of its achievements and potential, would have resulted in the opposite conclusion.

The Appalachian program was initiated in 1965 to address a particularly serious set of socio-economic concerns in a 13-State section of our country. This region traditionally lagged behind the rest of the country in virtually every measure of economic strength.

The Appalachian program instituted a unique approach to solving these problems. The program is founded on the concept of partnership in which the States and the Federal Government operated as equals. Programs and projects are initiated at the local and State levels: They are not imposed by the Federal Government from Washington.

Mr. President, I know of no more precise description of the concept of the Appalachian Regional Commission and its value in the years ahead than that enunciated by Donald W. Whitehead, Federal cochairman of the ARC for 6 years under Presidents Nixon and Ford. Mr.

Whitehead, who describes himself as a lifelong Republican and a political conservative, presented testimony to the House Subcommittee on Economic Development for a hearing conducted on March 13 of this year. I quote briefly from Mr. Whitehead's statement.

I fear that the Administration's proposals to date have overlooked the value of the ARC's shared power process not only as an effective mechanism for shifting power back to the states and local governments and making better public investments, but also as a way of winning gubernatorial acceptance of federal budget cuts.

Mr. Chairman, the ARC shared power process is a proven system for enabling Governors to allocate federal funds coming into their states, to participate in writing the guidelines defining the terms under which those funds will be spent, and to select the projects deemed most important for meeting the needs determined by the local and state governments—by those closest to the problems and those who, after all, bear the primary responsibility for solving them.

This ARC shared power process is a working demonstration of the principles President Reagan has enunciated for his domestic program. It can be cited as proof that these principles, if embodied appropriately in the right institutional framework, will produce more effective use of the tax dollar in whichever program area or areas, and at whatever level (greater or lesser). And if the process works in West Virginia and parts of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee and Virginia, it ought to be replicable nationwide.

Since the Appalachian program was initiated there has been substantial progress in the region toward goals established in 1965. While the Appalachian Regional Commission cannot take sole and total credit for all of the improvements, the following have been achieved:

Per capita income in the region has risen from 78 to 86 percent of the national average.

The poverty level has declined from over 31 to 14 percent and is falling at a faster rate than that of the Nation.

More than 1.5 million new private sector jobs were created between 1965 and 1978.

The percentage of people getting a high school education is moving toward the national average; up from 33 to 53 percent compared to a national average of 64 percent.

The rate of infant deaths between 1960 and 1977 declined from 26.5 per 1,000 to 14.3 and now more nearly approximates the national rate.

The historical pattern of outmigration has been totally reversed. Between 1970 and 1980 the region has gained an average of 100,000 persons a year from inmigration and population growth rate is near the national average.

Through the locally initiated planning process a wide variety of activities has been undertaken with Appalachian Commission support. It is important to remember that the Appalachian program, like that of EDA, is to a considerable degree that of a catalyst. Many nonhighway projects are carried out with minimal participation of actual ARC funding. It is the availability of these funds, however, that often makes the difference in obtaining support from other Federal, State, and private sources. The process is intended to assure the best use of these scarce resources.

Mr. President, a Member of the House of Representatives, in recently criticizing the Appalachian program, observed that of $60 million worth of Appalachian projects in his district, only 7 percent of the money came from Commission funds. I submit that this individual completely missed the point and the philosophy behind the Appalachian program. As I have indicated, it is a major purpose of the Appalachian program to be a catalyst and to provide seed money to make projects possible. A $60 million return on a 7-percent investment by the ARC is indeed an admirable record, and it demonstrates the validity of this approach.

Since its inception the Federal Government has invested $4.3 billion through the Appalachian Regional Commission. Of this amount $2.6 billion were dedicated to work on the 3,025-mile development highway system which is intended to make the rugged terrain of our region more accessible and thereby more attractive to economic development. Another $1.7 billion was allocated to nonhighway activities covering a wide range of service and developmental projects. These funds have brought to Appalachian projects $1.7 billion in State funds, $1.8 billion from local governments, and $1.6 billion in other Federal funds.

A few of the varied types of ARC-sponsored activities are as follows:

Twenty different types of child development services that have reached 330 counties and served about 200,000 families.

Assistance to over 500 schools in providing job-related vocational and basic educational skills. More than half of Appalachian 11th and 12th graders are now getting technical and vocational job-related training.

Over 1,800 miles or approximately 60 percent of the development highways authorized for assistance are complete or under construction.

Assistance to projects which will provide over 21,000 units of critically needed housing in the region. Some 10,519 of these units have been completed; another 2,100 are under construction.

Over 1,472 community improvement projects such as water and sewer systems, community improvements and industrial parks.

Mr. President, I have received expressions of support for the Appalachian program from throughout the region. In many instances these are accompanied by examples of what the Appalachian program means to communities. I recently received a letter from Robert H. Musselwhite, county administrator of Upshur County, W. Va. He wrote as follows:

You are aware that West Virginia struggles as do other parts of the Appalachian mountain chain to provide basic services that many other areas of the country have long since established and would not consider disposing of. I am speaking of road systems, sewer systems, adequate water facilities, adequate health care; and I know that in some states recreation is considered to be an essential service. West Virginia's volatile economy has produced over the years a tendency toward an incapacity to produce a tax base that could help us to help ourselves. It is for this reason that the work of the Appalachian Regional Commission is especially important to us in helping us break the cycles created by an overdependence upon extractive types of industries.

Such projects funded by the Appalachian Regional Commission may be luxuries in other parts of the conutry but are basic necessities in my county.

While substantial progress has been made there is much to be done. There remains a high level of rural poverty in the region, at least one-third higher than the national average. The medium number of school years completed in Appalachia is a full year behind the national average, and more than half of the Appalachian counties has infant mortality rates above the national average. It is unrealistic to suppose that local and State governments can fill the gaps created by the abrupt ending of the Appalachian program.

The almost total rescission of Appalachian funds for fiscal 1981 would have an immediate and widespread effect in the region. It would eliminate 706 pending projects representing 2 to 3 years of work by local officials, organizations and citizens. These projects directly affect 4 million people.

Again, a variety of projects would be ended this year including 65 established child development projects and 16 proposed new projects. In addition, 155 health projects, 102 education projects, 14 State housing projects and 26 energy-related projects would be among those lost this year. The absence of funding in fiscal 1982 would have a comparably serious impact.

The operation of the Appalachian Regional Commission clearly is consistent with the stated objectives of the administration to make economic development an activity primarily concentrated at the local and State levels. This program, therefore, should be continued for two reasons.

First, to evaluate the ways which the Appalachian experience might be translated into a national effort; second, a continuation at least through fiscal 1982 would permit a transition to a revised program or even orderly termination of the existing effort without the shock effect that would be produced by the President's proposal.

Spokesmen for the administration have maintained that the impact of the ARC program in the region is "unidentifiable". That assertion is unfounded. While the program cannot and does not take credit for all of the regional progress in the past 15 years, there is ample evidence that it has helped to create a climate for a substantial amount of this achievement.

Mr. President, this issue was addressed eloquently and accurately by our colleague from Kentucky, Senator HUDDLESTON, in a letter of March 5, to President Reagan. I ask that Senator HUDDLESTON's letter be printed in the RECORD at the conclusion of my remarks.

Mr. President, from the beginning the Governors of the 13 Appalachian States have been intimately involved in the development and execution of Commission programs. Perhaps more than any other group, they know best the impact on their States of this unique partnership effort.

Almost immediately after the new administration made known its plans to terminate the Appalachian program there was a response from the Governors. On February 1, Gov. Lamar Alexander of Tennessee, assumed the office of State cochairman of the Appalachian Regional Commission for 1982. On February 13, he directed a letter to David Stockman, Director of the Office of Management and Budget, in response to the Presidential proposal to eliminate the Appalachian Regional Commission. His words are representative of the attitude of the Governors to this program, and I shall ask that Governor Alexander's letter be printed in the RECORD at the conclusion of my remarks.

On February 24, 1981, the Governors of the Appalachian States met in Washington and adopted a resolution strongly recommending such an approach. This bipartisan resolution, which was supported both by Democrats and Republicans, acknowledged the possibility of reduced funding levels during 1981 and 1982. It also called on President Reagan to appoint a representative to work with the Governors in planning for the future. This is an imminently sensible approach and one that should be followed. It will not work, however, unless the Congress provides an adequate level of funding for the ARC through fiscal 1982. I strongly support such continued funding.

Mr. President, I shall also ask that the resolution of the Appalachian Governors be included in the RECORD at the conclusion of my remarks.

Mr. President. I gave consideration to offering an amendment to Senate Concurrent Resolution 9 to provide continued funding for the Appalachian Regional Commission for fiscal 1981–82. In 2 days of caucus, Democratic Senators agreed to a limited number of amendments which would be proposed to this measure. These address issues with broad national impact, and it is appropriate that they receive our attention during the limited time available for debate on this bill. For that reason, I will not propose additional funds for the ARC at this time although I firmly believe that the Appalachian experience has implications far beyond the borders of our 13-State region.

I am pleased that the Committee on Public Works and Transportation of the House of Representatives has recommended to the Budget Committee in the other body a continuation of funding for the Appalachian Commission even though it is at a reduced level consistent with reductions imposed on other Government activities. I commend the Members of the House for their action and I urge Members of the Senate to endorse this action when a conference on Senate Concurrent Resolution 9 is held.

The letter and the resolution follow:

STATE OF TENNESSEE,
February 13, 1981.

Mr. DAVID STOCKMAN,
Director, Office of Management and Budget, Old Executive Office Building, Washington, D.C.

DEAR MR. STOCKMAN: This is in response to the President's plan to eliminate the Appalachian Regional Commission from the Federal budget in the next fiscal year and eliminate the non-highway funds in the current year. His letter says that responses are due within 48 hours.

The federal ARC Co-Chairman, Al Smith, is responding separately.

As states' co-chairman, I won't presume to speak within 48 hours for the governors of the 13 Appalachian states. On my own, I offer these thoughts:

(1) Tennessee spends and administers $1.3 billion in federal funds. The best spent—in terms of impact for the benefit of the most families—is our $11 million of ARC non-highway money. This is because local and state officials annually set priorities for the spending and parcel out the funds sparingly. There is virtually no overhead;

(2) You should not eliminate non-highway funds in the current year. Local governments have made obligations based on them;

(3) Rather than eliminate ARC, you may want to consider spending more of the remaining federal funds through such structures. It permits state and local planning with a federal veto, a lot better system than in *any* of the 500 plus categorical grants.

I want to support, as I believe most governors do, the President's effort to reduce federal spending. I am willing to accept Tennessee's fair share of reduction in federal spending to help in this effort It is impossible to tell what is a "fair share" of the load until I see an outline of the entire budget.

Therefore, I am suggesting by this letter to the other ARC governors that we listen to what the President has to say February 18, study his proposals, consult with our Congressmen and Senators and then respond promptly to his proposals.

The governors' response will come shortly after we meet in Washington at 1:00 p.m. on February 24.

Sincerely,

LAMAR ALEXANDER.

U.S. SENATE,
Washington, D.C., March 5, 1981.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Administration's approach to the Appalachian Regional Commission alarms me because it shows total unfamiliarity with the purpose of the program, the ARC's significant visible impact in the region and the public confidence and acceptance it enjoys. I offer the following illustration in response to the charge the ARC's impact in the region is "unidentifiable".

Item: In 1977, the American Enterprise Institute published its study of the ARC program and discovered, much to its surprise, that the ARC program ranked higher in terms of effectiveness and public confidence than any other federal program—including revenue sharing. A copy of that report titled Shared Power has been provided to OMB analysts and has been widely distributed.

Item: ARC early in its program developed a long-range plan to construct a system of highways which, with the national interstate highway system, would open up areas of the Appalachian region with a developmental potential. Today, this 3,025 mile Appalachian Development Highway System is almost 60 percent complete, with 1,806 miles open to traffic or under construction.

Item: At the beginning of the ARC program, the region's young people were leaving in droves to find work in the cities of Cincinnati, Cleveland, Chicago and Detroit. The Commission began to systematically build vocational schools until every county in the region had the facilities to provide vocational training. Today, industry is beginning to thrive and prosper in these areas where there is a skilled work force. The out-migration of the youth has been arrested and, in fact, has been reversed.

Item: Health facilities have been modernized and built where not previously in existence. Approximately 30 clinics are in operation and serving areas that have been without medical care. Health care for children and working mothers continues to be a pressing need in approximately 50 counties of the region. To meet this need, the ARC assisted in the establishment of three medical schools and the development of family practice residency programs in two others.

State and local governments have committed their resources to 20 new projects for FY 1981 that are designed to deal with the problem of infant mortality. Central Appalachia has the highest infant mortality rates of any area in the nation. Portions of Appalachia continue to be at the very bottom of the ladder and have the highest incidence of economic and social needs. A rescission of FY 1981 non-highway funds will cause severe hardship to the people of Appalachia if these projects, and others which are also important are not funded.

Item: 1978–79, the ARC provided the leadership to prevent the bankruptcy of dozens of hospitals and clinics that were threatened with collapse due to the combined effects of severe floods, and the decline in coal production that depleted the miners' welfare and retirement funds.

Item: The ARC fostered the establishment of multi-county planning and development districts. These districts provide technical assistance to local governments, promote industrial development, and encourage local governments to cooperate in providing improvements which could not be undertaken separately.

The ARC has not addressed some of the region's fundamental problems, but it is simply incorrect to say that the impact is unidentifiable. The Commission programs have succeeded in reversing decades of neglect. While significant progress has been made, there are still critical special needs which remain. The Appalachian Regional Development program is one of the least understood programs in the federal government because it is not solely a federal program.

The ARC is a federal-state partnership. The thirteen states are 50% of the program and contribute half of the funds to support the program's administration. The employees of the ARC are not federal employees and are expected to serve the needs of the federal and state sides of the program.

The Governors of the thirteen states together with a representative of the President make the policy and spending decisions for all projects funded by the ARC. It provides a forum where national priorities are refined to meet and also serve the critical needs of states and local communities. This is unlike any other federal program where the states have no inputs and must comply with myriad federal regulations.

It seems to me that if this Administration is serious in its declarations to delegate more responsibility and authority to the states that it should look at one of the most viable devices for achieving that goal.

Mr. President, the region called Appalachia needs the Appalachian Regional Commission. If this Nation is to succeed in achieving energy independence, it must successfully develop its own energy resources. Among these resources is coal. Any major expansion of coal production is going to overwhelm the ability of state and local governments to cope with the great range of problems that will accompany this development. In the East, it is the ARC that can best provide the policy and planning framework to pull together federal and state actions in this enterprise.

I share your concern about the size and cost of the federal government—it must be reduced. However, it would be penny wise

and pound foolish to attack a program that is one of the most cost-efficient and widely accepted public investment programs.

Recommendations:

In the area development program, the ARC should be directed to concentrate its efforts in two areas: 1) expanding the housing industry through the state housing authorities; and 2) to continue to address the serious problems of inadequate health care.

The Commission's FY 1981 area development funds should not be rescinded. For FY 1982, there should be continued funding for these Commission programs at a level reflecting a fair share of necessary budget cuts.

The Appalachian Development Highway System is the most important Commission program in fostering economic development in Appalachia. The transfer of this program to the Federal Highway Administration in FY 1981 would be a serious mistake. Legislation to provide future funding from the Highway Trust Fund may not be in place by the beginning of FY 1982. A number of issues must be resolved. For example:

Who will review and approve centerline locations?

What priority system will be followed?

Why do you expect Congress to permit funding of this program from Highway Trust Fund revenues without the additional revenue from the suggested 2 cents increase in the gas tax?

How will you allocate funds among the Appalachian states?

How many years of funding, and at what levels of authorizations, do you intend to propose and then support with appropriation requests?

What provision will you make for those states that have prefinanced projects on the Appalachian Development Highway System?

What will happen to the access road program? Will funding be provided to complete projects approved by the Commission? Will access road projects be approved after transfer of the highway program to FHWA? Who would do this if the Commission is still in existence?

I support the enclosed resolution passed by the Appalachian Governors on February 24 as it pertains to the Appalachian Highway program. I recommend that you work with the Governors in developing long-range solutions for the program.

The ARC has not addressed certain long-term regional issues. The Commission must develop a program of dealing with the long-term energy development issues confronting the eastern coal fields—mine safety, employment, transportation, housing, marketing, land reclamation and environmental protection. You have an opportunity to correct this with new direction.

I am very much afraid the Administration's announced intentions for the Appalachian Regional Commission will amount to an abandonment of a vital mission, sustained over four previous administrations, attacking the problems of Appalachia and its people. In your efforts to make even-handed reductions in programs of the federal government, I hope you will seriously consider the devastating impact such a policy direction as eliminating the ARC will inflict upon the existing critical needs of the people of Appalachia. The opportunity stands before you to make the determination as to just how the Commission process could be used to assist in carrying out your objectives nationally. I encourage you to neither be unmindful of the needs for the future, nor the very real progress of the past through the efforts of the Appalachian Regional Commission.

Sincerely,

WALTER D. HUDDLESTON.

APPALACHIAN REGIONAL COMMISSION

(Resolution Number 523S, February 24, 1981)

A Resolution of the Appalachian Governors Concerning the Appalachian Regional Commission

We support the President's determination to limit federal spending and agree that the Appalachian Regional Commission should take its fair share of the cuts. We are concerned because the Administration proposal terminates the Commission. We wish to call several matters to the attention of the President and the Congress:

ARC's effectiveness is based on a system of sharing power in the conduct of government business which is consistent with the President's determination to shift power from Washington to the states so that national priorities can be adapted to the real needs of states and local communities.

The Commission program is succeeding. Substantial and visible progress is being made in reversing decades of neglect. However, special needs remain.

More than 700 Appalachian communities will suffer unfairly if their projects to which we committed ourselves are denied funding by rescission of ARC FY 1981 funds.

Continuity of progress on the ARC highway system is essential. The President's proposal for future funding out of the Highway Trust Fund requires legislation which may not be in place by the beginning of FY 1982.

State capacities to assume responsibility for ARC nonhighway activities will be affected by passage and implementation of flexible block grant programs which may not be in place by the beginning of FY 1982.

Therefore:

We urge the President and the Congress not to rescind remaining ARC FY 1981 nonhighway funds.

We urge the President and the Congress to provide continued funding for ARC highway and nonhighway programs in FY 1982 at whatever levels reflect a fair share of federal budget cuts.

We urge the President to appoint a representative to work with us during the next 90 days to determine how our experience with the ARC process might be used to carry out the President's programs nationally. We commit ourselves to a cooperative, bipartisan effort. We will submit our recommendations promptly, along with various options, including a possible orderly phase-out of the Commission.●

PROPOSAL FOR A FAIR SHARE DISTRIBUTION OF FEDERAL FUNDS

● Mr. QUAYLE. Mr. President, as the Senate completes the initial phase of the reconciliation process I urge my colleagues to insure an equitable allocation of Federal funds. To accomplish this fair share distribution, I recommend that no State receive less than 90 percent of its per capita share of Federal funds approved for consolidated programs in the areas of health, education, and social services.

This fair share distribution of funds will not add one penny to total Federal spending.

Presently funds for programs that will be included in the several block grants are divided among the States using a myriad of rules and criteria. In some cases these rules are sensible for a specific program but irrelevant to a block grant. In other cases the allocation formulas seem to have favored those who were willing to spend the most time—and money—in unraveling bureaucratic redtape.

Now is the time to do away with complexity, and grantsmanship, in Federal programs for the needy. Now is the time to correct the imbalances that have arisen as the direct result of current allocation practices. The equity of Federal funds distribution will become crucial to a number of States when block grants are put in place if they are based upon current funding levels.

The wide variety of distribution formulas must be consolidated along with the programs. In some cases it may be necessary to define a relevant population subgroup for purposes of computing the per capita distribution—for example, school-age children for the education block grant. In addition, some States have older, more needy populations, or substantially more handicapped citizens. By setting the fair share standard at 90 percent of the per capita distribution, allowances can be made for unusual circumstances while retaining the principle of equitable allocation of Federal funds.

The President has recommended a 25-percent reduction in block grant programs. If these block grants are based on 1981 Federal fund receipts, then States like Indiana, North Dakota, Idaho, Michigan, Ohio, Louisiana, Utah, and others that are net losers would be locked in to receive 75 percent of this already less-than-fair share.

I believe that dividing the funds based on population is an equitable proposal. Furthermore, I acknowledge that sacrifices have been called for and will have to be made. What I am asking is that the consolidated block grants be distributed so no State receives less than 90 percent of the amount to which it would be entitled based upon population.

This is a fair distribution so that all share equitably in benefits and sacrifices.●

CONSERVATION AND LAND USE

● Mr. MATHIAS. Mr. President, we Americans are the only people on Earth who have managed to land their national bird on the endangered species list. We are also guilty of such thoughtless misuse of Earth's bounties that it is no wonder our planet has been called the lunatic of the solar system. Modern man, with Americans in the forefront, has almost—but not quite—fouled his own nest to the point where it is no longer fit for his habitation.

That is the bad news.

The good news is that in the past when Americans have been brought to the brink of ecological disaster and have peered over the brink into the abyss, they have been able to draw back in time. The result is that fish have returned to the Potomac River and the Cauhoga no longer catches fire by spontaneous combustion of the pollution on its surface. The Chesapeake Bay is on the mend and the American eagle soars again. Through

a series of near disasters Americans have learned to have a care for clean water and for clean air and we have made noticeable and heartening progress in these areas.

But the American consciousness still needs raising on the subject of conservation and land-use. I am confident, based on past experience, that once the educational job is attacked action will follow. For this reason, I would like to have printed in the RECORD at the conclusion of my remarks a very short editorial that appeared in the March 19, 1981, issue of Country Life, that quintessential journalistic expression of the English people's love of nature. The lead line of this editorial sounds the alert:

Should we destroy the present basis of life on Earth, not by nuclear war but, as seems more likely, by the slow degradation of our habitat, any intelligent humans who survive will know that the tragedy was the more poignant because, all over the world, informed men and women were aware of what was happening.

I think that poignant tragedy is avoidable. I firmly believe that informed men and women will act before it is too late. But, since this editorial suggests that the opposite may be the case, I ask that it be printed in the RECORD for the solemn warning it contains and because it suggests small ways, practical ways, to move back from the brink before it is too late.

The editorial follows:

CONSERVATION AND LAND-USE

Should we destroy the present basis of life on earth, not by nuclear war but, as seems more likely, by the slow degradation of our habitat, any intelligent humans who survive will know that the tragedy was the more poignant because, all over the world, informed men and women were aware of what was happening. In 1972, the UN Conference on the Human Environment first put the issue firmly on the platform of world politics. In 1980, the International Union for Conservation of Nature and Natural Resources published World Conservation Strategy (Country Life, March 13, 1980, page 740) to stress the need for urgent action by governments, industry and land managers to conserve living resources. The Strategy pointed to three main objectives: the maintenance of ecological processes and life-support systems; the preservation of genetic diversity; and the proper utilisation of species and ecosystems.

But what, in 1981, in this small country, can we do about it? There are two things that we have within our power: we can set our own house in order; and we can set an example. The Nature Conservancy Council, which is the statutory body responsible for nature conservation in Great Britain, in its annual report just published (HMSO, £4.90), points to ways in which both those national objectives—which have the advantage of being extra-political—can be achieved. "The problem of global resource depletion", says the Report, "might at first sight seem rather remote from our concerns in the United Kingdom. But the impact which this country has on wildlife and natural resources, both at home and abroad, is considerable. As one of the most densely populated countries in the world, with high levels of pollution and consumption . . . the United Kingdom probably does more than its fair share of resource depletion." The way ahead, the Report suggests, lies in more effective use of resources, which will in turn reduce pressure on the environment. There is, therefore, "a pressing need for an integrated policy of land-use". That need has already been proclaimed many times in Country Life. For the past 35 years each government department has used land as though its own problems were the only ones that mattered. For example, new towns and motorways have been built over first-class agricultural acres.

In the international sphere, suggests the Report, the UK, in co-operation with its EEC and Commonwealth partners, can take steps to regulate the activities of European-based companies in developing countries. "For instance, timber companies should be more selective in their felling programmes and should give more consideration to replanting with the species of tree exploited." The second of these two proposals may be harder to achieve. What happens in the rain forests of South America may be beyond our control. But at least we have no excuse for continuing to misuse our own land.●

THE CHINA FACTOR

● Mr. GLENN. Mr. President, on March 19, 1981, a group of persons from the Government, business, the professions, the academic community, foundations, and the communications media met at Arden House in Harriman, N.Y., for the 59th American Assembly on the China Factor. This assembly was cosponsored by the Council on Foreign Relations. For 3 days the participants discussed the impact of Sino-American normalization on the global scene, options available to the United States for further developing its bilateral relations with the People's Republic of China, and the consequences for U.S. national interests in other areas of the world which will result from those relations.

On March 22, following their discussions, the participants produced a report which contains both assessments and recommendations. I urge all my colleagues to read this report which I wish to have inserted in the RECORD.

Special praise is due William Sullivan, president of the American Assembly, Winston Lord, president of the Council on Foreign Relations, and Dr. Richard H. Solomon of the Rand Corp., who were responsible for this very successful conference.

The report follows:

THE CHINA FACTOR

FINAL REPORT OF THE FIFTY-NINTH AMERICAN ASSEMBLY

At the close of their discussions the participants in the Fifty-ninth American Assembly, on The China Factor, at Arden House, Harriman, New York, March 19–22, 1981, reviewed as a group the following statement. This statement represents general agreement; however, no one was asked to sign it. Furthermore, it should not be assumed that every participant subscribes to every recommendation.

INTRODUCTION

The normalization of United States relations with the People's Republic of China in the 1970s consituted a major and positive development in U.S. foreign policy. Normalization removed major burdens from our international relations and national security planning, enhanced United States strategic flexibility, imparted greater stability to the Asian region, and opened up prospects for bilateral cooperation on a range of economic and other issues.

Despite the remarkable progress of the past decade, there are uncertainties about the future of U.S.-PRC relations, especially in the area of security cooperation. There has been a significant reduction in U.S. expectations regarding its now-normal dealings with China. With the perspective of ten years of direct contacts, the PRC is now seen to be a regional rather than a global power, a developing country struggling with the problems of political instability and economic and social modernization.

This reduction in expectations, in contrast to the heady euphoria of some earlier years, now provides a healthy realism to the relationship. It also suggests that the early 1980s will be a period of consolidation of the rapid gains in U.S.-PRC relations of the 1970s rather than a time of dramatic new developments. Yet the constant, step-by-step, promotion of a positive U.S.-PRC relationship represents an investment by both nations in long-term strategic equilibrium and economic benefits. Conversely, a significant deterioration in Sino-American relations would seriously harm U.S. political, security, and economic interests.

Both sides are concerned about the stability of the relationship due to uncertainties about leadership and policy. Development of the relationship is constrained by differences in social and political values and institutions—in contrast, for example, to America's close relationship with Japan. There remains in the U.S. a concern for individual and political rights throughout the world. Yet the United States and China share important international security concerns; and it is in the U.S. interest to assist the economic and social development of China.

Meeting the Soviet challenge to American and Chinese security has been and is likely to remain a major stimulus to the evolution of U.S.-PRC relations. Nevertheless, the future of the relationship should not be based solely on the issue of resistance to Soviet expansionism. In any event it is important to broaden ties in ways that will contribute to regional stability and help stabilize the bilateral relationship through the expansion of mutually beneficial trade; cultural, professional, and other exchanges; and the training of new generations of talent in the sciences and engineering, arts, and social sciences.

It is in America's interest that China progress in its current development policies—which stress domestic modernization and open relations with the U.S., Japan, and Western Europe. The failure of these policies, or a loss of mutual confidence in the political and security aspects of the relationship, could lead to major changes in the PRC's political orientation which would confront the United States with much less favorable alignments and circumstances in Asia and the world than exist at present.

U.S.-PRC FOREIGN POLICY COOPERATION

American and Chinese policy interests and objectives intersect at specific points rather than running parallel across a broad spectrum of issues. On the key strategic question of restraining and resisting Soviet military and political pressures on the two countries and on third parties throughout the world, there is a sense of common objective even if not always of common means. This has produced major gains for the conduct of American foreign policy.

U.S. and Japanese security concerns have been fundamentally altered as a result of the improvement in China's relations with both countries. The PRC is no longer seen as a military threat. China policy is no longer a divisive issue in Japanese-American bilateral relations. Both the U.S. and Japan have been able to develop productive relations with the PRC while preserving their own close ties.

China's interest in avoiding a new conflict on the Korean Peninsula improves the prospect for stability in Northeast Asia. Encouraging the Chinese to sustain this interest should be a high priority American objective. Over time this could contribute to further easing of tensions between North and South Korea, even though at present U.S. and Chinese approaches to resolving the continuing differences between the two Korean states diverge sharply.

In Southeast Asia, China's interest in resisting Vietnam's control of Indochina and the consolidation of a Soviet foothold in the region is shared both by the U.S. and the states of ASEAN (the Association of Southeast Asian Nations). Nevertheless, Chinese policy approaches, tactics, and long-term objectives are not fully shared by the U.S. and the ASEAN countries. While consulting with China on common interests in this region, it is important for the U.S. to continue to distinguish between PRC objectives and those of the U.S. and its other friends.

China's concern for Pakistan's security in the face of Soviet aggression in Afghanistan, and over a possible further Soviet thrust toward the Persian Gulf and the Indian Ocean, represents both a strategic interest shared by the U.S. and an area for closer Sino-U.S. consultation.

In these and other areas around the periphery of the PRC where China's security interests and political reach are deeply engaged, it is important that the U.S. consult closely with Peking even though policies not be directly coordinated or worked out in a collaborative manner. At the same time, the U.S. must continue to work closely with its long-time friends and allies to ensure that their policies and our own are in harmony and that they are aware of U.S. consultation with the PRC.

Elsewhere in the world, China's political, economic, and strategic involvement and influence are much more limited. PRC interest in the strength and unity of NATO, and concern over developments in the Persian Gulf area, reflect its concerns that Soviet power be deterred at the western and southern boundaries of the Soviet Union. This reinforcing of broad American and allied security objectives is helpful to the West. At present, however, the Chinese can play only a limited direct role through diplomatic support and public encouragement.

China's interest in preserving relations with Third World countries frequently results in its taking positions which seem contrary to those of the U.S. While at times these are an irritant, they reflect the independent foreign policy posture of the PRC and, on balance, enable it to work effectively and in ways which parallel American interests in countering interventions by the Soviet Union and its proxies. In specific circumstances, there may be opportunities for U.S.-PRC consultations which would ensure that each country is fully aware of the interests and policies of the other.

Recent shifts in China's policy regarding relations with violent political movements may lead Peking to limit its involvement with insurgent and terrorist groups in Third World countries. Particularly in Southeast Asia, this has eased pressures on some countries of the area, although Peking has maintained its formal endorsement of Communist Parties in the region, and suspicions of China remain strong. Elsewhere, the PRC has preserved political contacts with revolutionary groups and, while not necessarily following the same course as that of the U.S., has helped to limit the influence of the Soviet Union or its proxies.

China has also gradually expanded its participation in a broad range of international political and economic organizations and activities in which U.S. policy interests are deeply engaged. China's influence within the international community is likely to be increasingly important—particularly with other developing states. Hence, it is important that the U.S. consult with China and encourage its support for positions and policies of concern to the U.S.

Therefore, we recommend that:

The U.S. maintain an active high-level dialogue with PRC leaders on Asian issues where American policy interests are most affected and where China may play a specially helpful—or damaging—role. At the same time, the U.S. should ensure that its own positions are closely coordinated with its long-time friends and allies, particularly Japan, the Republic of Korea, and the states of ASEAN and ANZUS, and that we consult closely with these countries on our discussions with the PRC.

The U.S. should, at frequent intervals, exchange views with the PRC on developments in other areas of the world and encourage similar consultation between our missions and those of the PRC abroad. These regular consultations should be reinforced by senior leadership exchanges on the global situation, particularly on broad strategic issues.

There will be specific situations in which close coordination between the U.S. and the PRC on foreign policies will be both appropriate and useful to both sides. The effort to attain such coordination should not be pursued by the U.S., however, to the extent of interfering with cooperation with our allies.

Since the Chinese are not reticent in criticizing American policies on specific issues where PRC interests and those of the U.S. diverge, the U.S. should not feel constrained in criticizing China's policies, when appropriate. It should convey our views strongly and firmly to PRC officials in private—or publicly when necessary—in circumstances where their policies seriously conflict with our own.

The U.S. should encourage the PRC to play an active and constructive role on other global issues of particular importance to both the U.S. and the PRC. These include energy exploration, population limitation, agricultural development, environmental issues, and scientific research.

SECURITY COOPERATION

The integrity of China is important for the maintenance of strategic balance. A weaker and more vulnerable China could invite external pressures which could force the PRC to accommodate to another power. A strong U.S.-PRC tie will help sustain the transformation in China's international alignment which has been so favorable to American security interests and strategic flexibility.

There have been important gains for American security as a result of U.S.-PRC normalization. Nevertheless, the China factor cannot be a substitute for strong American defenses. Moreover, a vulnerable and passive United States will not be an attractive partner for the PRC. A U.S. secure in its own defense preparations and active in maintaining a global balance will enable China to gain greater confidence from its current association with the United States.

Today, the U.S. and China have properly defined their relationship as a friendly one, but not as an alliance. Beyond this, there is not yet a clear agreement or firm policy guidelines for the development of U.S.-PRC cooperation in security affairs. It is clear, however, that the Soviet threat has been a major impetus to security cooperation and provides its political rationale. This lack of agreement was reflected in the discussions of the Assembly.

Public discussion of Sino-American security relations has tended to focus on the issue of weapons sales; yet such sales are less significant than political consultations, reinforcing efforts in support of mutual friends, or U.S. assistance to China's scientific and industrial modernization. These activities must be given appropriate emphasis in developing an effective policy for meeting the security concerns of the two countries.

Leadership discussions of shared Sino-American security concerns were central to the normalization process. After the Soviet Union's invasion of Afghanistan in 1979, however, American policy was modified to permit low levels of defense cooperation and sales of nonlethal military hardware. Washington and Peking now exchange high-level delegations of defense officials and share information.

The stated policy of the U.S. is to permit the sale of dual-use technology and military support equipment to the PRC, although to date few such sales have been licensed. A more active program of military cooperation with the PRC could involve military training or joint staff consultation and the removal of the current prohibition against the sale of lethal but defensive weaponry.

Security cooperation should be expanded to authorize the licensing of defense-related industrial production technology on a case-by-case basis. Beyond this, there was limited support among the participants for advancing the level of security cooperation at this time, but they recommended that this alternative be kept under continuing consideration. We must make clear to our adversaries that heightened threats to our common interests will evoke higher levels of Sino-American security cooperation. We strongly recommend that there be no reduction in present levels of activity as it would be likely to degrade the U.S.-PRC relationship.

China has a limited capacity to finance and absorb large quantities of high-technology weaponry purchased abroad. Defense cooperation, in any event, should not be developed at a rate and to a level that would be needlessly provocative to our adversaries or which would threaten the security of allies and friends.

THE BILATERAL RELATIONSHIP

The bilateral relationship between the United States and the People's Republic of China, although short on history, is long on accomplishments. It is characterized by high-level political consultations, a rapidly growing economic intercourse, and by active programs of cultural, educational, and scientific exchange. These developments serve the interests of both countries and should be systematically developed and expanded.

The United States can play an important role in training new generations of Chinese scientific, managerial, and other intellectual talent, and it should do so. These training programs should be balanced with those for other countries already involved in U.S. government-funded programs for educational purposes. The United States should not deprive China of opportunities available to other countries. The U.S. government should, therefore, remove those remaining legal barriers to Chinese participation in these programs, such as are contained in the provisions of the Foreign Assistance Act, and in other ways facilitate training programs for Chinese to the fullest extent possible.

It is also important in developing a positive U.S.-PRC relationship that American students and scholars have the fullest access possible to the PRC for study and research. Considerable progress has already been made. Differences in the two societies, in their respective levels of economic, scientific, and technological development, and in the needs they seek to satisfy through exchange programs, make unrealistic and undesirable any rigid formula for reciprocity although appropriate balance is a major ob-

jective. Nonetheless, a situation in which China has largely unrestricted opportunities for training and research in the United States while Americans have relatively limited opportunities to engage in comparable activities in China will become increasingly untenable. We recommend, therefore, that the PRC be encouraged to provide at an early date greater access for Americans interested in pursuing study and research in China.

The training of new generations of Americans with deep professional expertise about a country that for too long was viewed from a distoring distance is clearly in America's long-term national interest. It is also important therefore, to sustain, at an adequate level, training programs in Chinese language, history, culture, and politics, as well as related programs in Asian studies, at various American universities. Both government and private organizations should be strongly encouraged to provide sufficient funding to ensure the continued development of these vitally important training programs.

A key issue in U.S.-PRC bilateral relations is Taiwan. Over the past three decades. Taiwan has achieved remarkable economic growth and has enjoyed close and friendly relations with the United States. The Taiwan Relations Act of 1979 and the unofficial relations between the U.S. and Taiwan which were established with normalization provide the legal framework for sustaining friendly and mutually beneficial relations between the people of Taiwan and the U.S. These relations should be maintained. Expansion of this framework that would have adverse consequences for U.S. relations with the PRC should be avoided.

The United States should sustain support for the policy—as established by law in the Taiwan Relations Act—of providing Taiwan with carefully selected defensive weapons necessary to maintain sufficient self-defense capability. While decisions about any specific new weapons systems to be made available to Taiwan will be based on a variety of considerations, they should take particular account of actual defense needs.

The American policy of sales of defensive arms to Taiwan must be pursued within the context of the continuing U.S. interest in a peaceful settlement of the Taiwan question by the Chinese themselves. Neither a sharp reduction of weapons sales nor a significant upgrading of the types of arms sales permitted would contribute to this objective. The United States should welcome efforts by Taiwan and the PRC to resolve their differences peacefully, but it should not seek to involve itself in such efforts.

CHINA'S ECONOMIC DEVELOPMENT AND THE INTERNATIONAL ECONOMY

Critical as the U.S.-PRC security relationship may be, our economic relationship with China is the most important and effective means through which the U.S. can support and affirm our interest in the PRC's long-term stability.

Given the size of the Chinese economy, U.S. contributions to its development will be significant but still marginal. The continuing growth and orderly development of China's economy, in both domestic and international terms, is of substantial concern to the U.S. government, the American business community, and the international economic system. We should seek to bring about greater involvement by the PRC in the international trading and financial system in a manner that will promote mutually beneficial economic interdependence and a sense of shared interest in a stable and developing international economy.

In order to expand its international economic relations, PRC authorities have enacted in recent years new investment laws, tax laws, and other regulations. While these measures are not yet fully adequate, they provide a framework for U.S.-PRC trade relations. We encourage further initiatives in the area of business facilitation by both the U.S. and Chinese authorities.

The American business community initially responded with euphoria to the reopening of "the China trade." With the experience of a decade, however, a greater sense of realism has emerged. This new attitude, which is also evident in revised PRC economic plans and policies, provides a more manageable set of expectations for the evolution of U.S.-PRC economic relations.

In this context, the recent Chinese cutbacks in, or cancellations of, various economic programs, the emphasis on fiscal discipline, and the deferral of the utilization of large credit lines, should not be viewed with alarm. Rather we should recognize that the long-term potential for Sino-American trade remains, but it will develop on a more realistic basis.

The present and future performance of the energy and agricultural sectors are central to China's economic growth. The U.S. shares an interest in the development of the energy sector, such as oil, hydropower, and coal. U.S. technology is available and applicable, and its use by China should be encouraged. The agricultural sector is equally important in Sino-American economic relations. China will continue to be a major market for U.S. grain exports for some time. The major task for PRC authorities will be to ensure that domestic agricultural production keeps abreast of the basic consumption needs of a population expected to reach at least 1,200,000,000 by the end of the century.

The PRC's international trade will continue to grow. Developing new foreign markets will challenge China as it has other developing countries in the past decades. This expected increase in trade need not disrupt international economic patterns. It can be absorbed by the ever-increasing volume of world trade. Some dislocations will occur, however, and the U.S. should help to ensure that the resources of the international Financial Institutions are available to compensate for temporary imbalances. Fundamentally, however, market forces should be permitted to prevail in adjusting to China's growth as an exporter.

In this context, we recommend that the U.S. government:

Eliminate existing laws and regulations which unfairly discriminate against the PRC.

Amend those laws or regulations which inhibit the U.S. business community and financial intermediaries from participating in China's economic development, and which adversely affect the U.S. competitive position.

Promote our mutual interests by a broader utilization of existing programs, such as the Export-Import Bank and Generalized System of Preferences.

Actively promote the licensing of high technology, including "dual use" technologies, destined for China after careful review of their "end use."

Ensure that the financial resources of the International Monetary Fund and World Bank Group are adequate to meet the needs of developing countries, including China.

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GOSPEL MUSIC MONTH

Mrs. KASSEBAUM. Mr. President, I call up Calendar Order No. 41, Senate Joint Resolution 20, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will state the joint resolution by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 20), to designate the month of April 1981 as "Gospel Music Month."

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

The resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. Res. 20

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 1981 is designated as "Gospel Music Month" and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the resolution was passed.

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

The motion to lay on the table was agreed to.

● Mr. SASSER. Mr. President, it is with great pride and appreciation that I note the Senate's approval of Senate Joint Resolution 20, my resolution to designate the month of April 1981 as Gospel Music Month.

The Senate's action today is confirmation of gospel music's broad appeal in our Nation. It is a musical force to be reckoned with; the good news reaches so many in its expression.

I would like to take this opportunity to thank my colleagues who cosponsored Senate Joint Resolution 20, particularly my friend Senator THURMOND, who was instrumental in having the legislation reported from the Judiciary Committee.

Gospel Music Month, Mr. President, is a fitting tribute to the musical interpretation of the Lord's Message. I call on those who have been touched by gospel music, and ask them to continue to sing their joyful songs of praise, bringing the glad tidings to so many worldwide.

Finally, Mr. President, I look to the other body to give its early approval to our resolution. Hopefully, April 1981 will be officially declared Gospel Music Month by President Reagan in a few short days.

I thank the Senate for its positive action on Senate Joint Resolution 20.●

NATIONAL RECOGNITION DAY FOR VETERANS OF THE VIETNAM ERA

Mrs. KASSEBAUM. Mr. President, I call up Calendar Order No. 43, House Joint Resolution 182, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the joint resolution.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 182) to designate April 26, 1981, as "National Recognition Day For Veterans Of The Vietnam Era."

Mr. FORD. Mr. President, there is no objection to this resolution.

Mr. President, I am proud to be a cosponsor of Senate Joint Resolution 40, which calls for a "National Recognition Day for Veterans of the Vietnam Era" on April 26, 1981, and commend my colleague Senator RIEGLE for its introduction.

This Nation's recognition of its Vietnam veterans is long overdue. It is time we publicly expressed our gratitude to the men and women who served their country in a war we never declared and to which we never made a total commitment. Adding sorrow to injury is the silent reception these veterans received when they returned home to America. Rather than being proud of their sacrifice, they found that few were willing to listen to their experiences and that it was actually better if they kept them to themselves.

In a column he writes for the Cincinnati Enquirer, Bob Brumfield recently described what I think we have denied our Vietnam veterans.

There was a brief, heady feeling of victory and relief after WWII. There was no such feeling after the Vietnam War, through no fault of the returning fighting men who, for the most part, fought bravely and with distinction against a tough, determined enemy. . . .

The important benefits (from serving in a war) are the personal ones a soldier gets from serving. These include membership in a very exclusive club: a club whose members don't have to apologize for a debt of honor left unpaid. Perhaps the most important benefit is the knowledge of self derived from hazardous duty and long periods of loneliness and deprivation. Then there is the sense of values that is honed to a fine edge by terror. And pride; always personal pride in a job well done, even if nobody else knows or cares.

No one can take these things from a combat veteran. They are his priceless treasures and they are the secret envy of every person who has not served. The more the sacrifice, the more the pride and satisfaction and personal feeling of worth.

Senate Joint Resolution 30 gives us the chance to let all the men and women who served in Vietnam know that this is theirs by right and is theirs to cherish. Up to now we have never told them so and I am thankful for the opportunity now.

● Mr. GORTON. I am pleased to support House Joint Resolution 182, to make April 26, 1981, a day of national recognition for the veterans of the Vietnam era.

This resolution is to honor those who, having fought in the jungles of Vietnam, returned to an America in turmoil. It was an America in transition, much unlike the country they had left.

I am certain that each soldier had, during his journey home, envisioned a welcome not unlike those accorded his father and grandfather. But those who returned home from the horror that was Vietnam returned to no celebrating welcome, few greetings, and—as America tried to cleanse itself of the war in Southeast Asia—almost immediate neglect.

Of these men—good Americans all—most recovered from the scars of battle. Many recovered from the culture shock and disdain that met them stateside. But some will bear physical injury forever, and many still carry mental scars unique to Vietnam.

I call on all Americans to heed this day of recognition so long overdue. On April 26, let us give these men their special welcome. In the true American spirit, let us welcome them home as we did our fathers and grandfathers.●

● Mr. NICKLES. Mr. President, it is with pride that I support this measure to honor the men and women who valiantly served this country through the Vietnam era.

Withdrawing our forces from Vietnam without victory caused the lack of proper recognition for these brave citizens who answered the call to duty.

It is time to give them the recognition that is not only deserved, but long overdue. There are 9 million Vietnam veterans in this country—129,000 in my State of Oklahoma, and there is no better time than now to honor their important contribution.

At the same time, I reaffirm my support of President Reagan and his plans to make America strong, militarily, once again.

We must also continue to support the basic needs of all combat veterans whose service to their country has made the United States the great and free nation it is today.

Mr. President, I join my colleagues in

supporting this joint resolution designating April 26 of this year as "National Recognition Day for Veterans of the Vietnam Era."●

● Mr. RIEGLE. Mr. President, 8 years have now passed since American troops have been stationed in Vietnam. This was the longest and most tragic war in American history. Fifty-five thousand American lives were lost, 150,000 men were permanently maimed, and over 300,000 soldiers were wounded. Regardless of one's opinion on the merits of the war itself, there is no doubt that the men who fought this war are men of great honor. They served their country diligently and heroically under difficult circumstances. There are many of us who look at the Vietnam conflict and feel that the 8 million men who served have never received appropriate recognition. We have not yet come forth as a nation and adequately thanked those Vietnam veterans for their sacrifices and service to our Nation.

Moreover, many severe problems faced by the returning veterans of the Vietnam conflict have never been fully dealt with. Over 480,000 are currently unemployed; and, due to the 10-year delimiting date provision of the GI bill, some 60 percent of Vietnam veterans are not eligible for educational benefits under the GI bill. I regard the present and past treatment of our Vietnam veterans as intolerable. It is my hope that the joint resolution which is considered today will spark a renewed interest in our Vietnam-era veterans and an outpouring of support and understanding.

All Americans should be proud of our Vietnam veterans—just as proud as we are of our veterans of World War I, World War II, and the Korean conflict. I urge my colleagues to support this proposal for the long overdue recognition of our Vietnam era veterans.

Mr. President, I am pleased that the Senate is acting on the measure. The response to the measure has been overwhelming, and I have been joined by more than 65 of my colleagues in support of the "National Day of Recognition."

We are acting today on House Joint Resolution 182, which is the companion measure introduced by my colleague Congressman ALBOSTA. The House approved the joint resolution 391–0, and I am confident that the Senate will give a similar sign of support for the veterans of this era.●

● Mr. SASSER. Mr. President, the Senate has passed a joint resolution, House Joint Resolution 182, designating April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

It is about time that we take a day to remember the 9 million men and women who served during the Vietnam era. It is about time that we recognize that of that 9 million, over 700,000 still need psychological readjustment assistance. It is about time that the Federal Government reaffirm its commitment to the veteran, particularly those from the Southeast Asian conflict. And it is about time we admit that we have a national obligation to the Vietnam veteran.

Now Mr. President, I have to admit I was surprised by the Senate's failure to restore $330 million to the Veterans' Administration health care programs during our consideration of the budget reconciliation measure. I was dismayed by the Senate's rejection of Senator CRANSTON's effort to restore $104 million in a subsequent amendment. This is no way to bolster the veteran's confidence in the Federal Government—the Senate's action in rejecting these amendments is merely confirmation that we have forgotten about the veteran.

During the 96th Congress, legislation was approved for a Vietnam veterans memorial in Constitution Gardens. We have now approved House Joint Resolution 182, establishing a "National Day of Recognition for Vietnam Vets." I supported both these efforts, Mr. President, and I commend the sponsors for their thoughtful efforts. Just the other day, we barely saved the Vietnam vets readjustment counseling program from elimination. But let us take a look at what still needs to be done for the Vietnam-era veteran.

There has been no real movement toward a solution of the agent orange problem, although I commend the VA for acting to obtain valid information about the defoliant and its health effects. The GI bill needs to be reworked, to permit more veterans to take advantage of educational opportunities. And 10 percent of the veterans who came home from Vietnam still do not have a full-time job.

The priorities are clear, Mr. President. But to me it is obvious that we must also act to correct the very real problems that plague the Vietnam-era veteran.

The time to recognize the Vietnam veteran is long overdue. Hopefully, we will be able to put together a similar bipartisan coalition in addressing the needs of America's veterans sometime in the near future.

I look forward to the "National Recognition of the Vietnam Veteran" this coming April 26.●

● Mr. BUMPERS. Mr. President, I am indeed proud to support House Joint Resolution 182, which will designate April 26, 1981 as a national day of recognition for veterans of the Vietnam era. If there is one group in our Nation that has yet to receive the respect and praise it so justly deserves, it is the brave men and women who answered the call to serve during that long and frustrating conflict in Southeast Asia. This day of recognition reflects a growing awareness on the part of the Nation that we owe a tremendous debt to all those who endured the hardships and made the sacrifices demanded of them during one of the most trying periods in our long history.●

The PRESIDING OFFICER. The joint resolution is before the Senate, and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 182) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

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

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

ORDER TO INDEFINITELY POSTPONE SENATE JOINT RESOLUTION 40

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate indefinitely postpone Calendar Order No. 42, Senate Joint Resolution 40.

Mr. FORD. Mr. President, there is no objection on our side to remove the Senate joint resolution from the calendar.

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

EXTENSION OF TIME FOR FILING REPORT REGARDING SENATE RESOLUTION 109, 96TH CONGRESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the deadline established by Senate order regarding Senate Resolution 109 of the 96th Congress, a resolution to direct the Select Committee on Ethics to undertake a comprehensive review of the Senate Code of Official Conduct and provision for its enforcement and implementation, by which the Select Committee on Ethics is to report the results of its study of the Senate Code of Official Conduct and make recommendations for its revision, be extended from April 1, 1981, until May 15, 1981.

Mr. FORD. Mr. President, the minority has no objection to this extension.

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

Mrs. KASSEBAUM. I thank the Senator from Kentucky.

CONTINUING AUTHORITY PROVIDED UNDER THE DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1980

Mrs. KASSEBAUM. Mr. President, I send a bill to the desk on behalf of Senator THURMOND and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 840) to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, fiscal year 1980, for a certain period.

The PRESIDING OFFICER. Without objection, the bill will be considered to have been read twice, and the Senate will proceed to its consideration.

Mr. THURMOND. Mr. President, the Department of Justice is currently operating on a continuing resolution for its fiscal year 1981 authorization. Public Law 96–397 simply extended to April 5, 1981, the Department's 1980 authorization. This bill would extend those authorities to September 30, 1981.

Mr. President, although the Senate completed action on the Department's

1981 authorization in the last session of Congress, the House was unable to consider the Department of Justice's fiscal year 1981 authorization bill during the last session because of various scheduling problems. A continuing resolution was therefore enacted to permit the Department to carry on many of its vital activities. The resolution, however, lapses on April 5, 1981.

The Judiciary Committee already has received the Justice Department's new fiscal year 1982 authorization request. The request is very comprehensive and the committee is currently reviewing it. I do not believe that this body has sufficient time to reconsider a 1981 Justice authorization bill just prior to considering the 1982 authorization. Such deliberations would not be productive since the 1982 request addresses many of the same programs and initiatives previously recommended in the 1981 proposal.

The Department of Justice has assured us that it can continue to function effectively if the authorities contained in the fiscal year 1980 Authorization Act are continued to the end of this fiscal year. What we need today is this simple bill. Because the first continuing resolution expires on April 5, 1981, authority to conduct various vital Department activities would not exist after that date and, therefore, we need to extend this authority to September 30, 1981.

Unless this simple extension of the Department's authority to the end of this fiscal year is agreed to, the following problems are posed:

Authority for the FBI to conduct undercover operations in all areas of their investigative responsibilities would expire.

Authority to expend funds by the FBI to protect the President and the Attorney General would expire.

Authority to hire motor vehicles for the Drug Enforcement Administration (DEA) in its undercover operations would expire.

The Bureau of Prisons would lose its authority to expend funds for assisting State and local governments to improve their correctional systems.

The Attorney General's authority to expend funds for certain emergency situations would be curtailed.

The authority to pay rewards by the FBI, DEA, INS, and the Bureau of Prisons would expire.

The authority for the U.S. Marshals to expend funds to provide for the supervision of U.S. prisoners in non-Federal institutions would be curtailed.

The authority to permit the U.S. Marshals to bring to the United States from foreign countries persons charged with a crime would expire.

The specific authority to expend funds by the FBI to acquire, collect, and classify records and exchange them with authorized Federal, State, local, and other institutions would expire.

Authority for the Attorney General to expend funds regarding the conduct of certain investigations requested by the Department of State would be curtailed.

The reprograming restrictions this Congress placed on the movement of funds from one program to another to improve fiscal discipline within the Department would lapse.

The requirement that the Attorney General report to Congress any policy change in the enforcement of a law, which is the responsibility of the Department, would lapse.

INS would not have authority to pay interpreters and translators needed to classify documents.

Authority for DEA to employ aliens by contract abroad would not be available.

DEA's authority to conduct research related to enforcement and drug control would expire.

Mr. President, these are just a few of the critical authorities that could lapse if the House does not take action on this bill. I urge the immediate adoption of this bill.

Mr. BIDEN. Mr. President, I rise in support of the legislation offered by the distinguished chairman of the Judiciary Committee to extend the continuing resolution for the Department of Justice until September 30, 1981.

I must say I am a bit dismayed that we are faced here in the Senate with acting on this resolution which is to expire in less than a week and we have not even had a chance to review it in committee. However, I think that the chairman's insistence that this matter be handled expeditiously and without referral to committee is entirely appropriate under the circumstances. I suppose the reason for this extraordinary approach to continuing the Department's authority is that the Department is under new leadership and it took some time for fiscal and budget officials in the Department to get the appropriate authorities in the Department and the Senate to focus on this impending expiration of authority.

However, I feel it essential to point out that I hope this will not be a precedent for how we will deal with the Department's authorization in the future. Indeed, I feel that the committee should thoroughly examine the Department's budget in the context of the authorization bill. As I have already stated in the Budget Committee I have severe doubts about the large cuts being proposed in the Department's budget, especially in the drug enforcement area. I would like to congratulate the chairman for initiating in committee a thorough set of hearings on the Department's budget authorization and I view my acquiescence to immediate consideration of this bill as being without prejudice to continuation of that process.

In conclusion, I would like to underscore the urgency in moving to adopt this continuing resolution. The current statute authorizes a number of sensitive and important undercover operations by the FBI. In the organized crime area, for instance, the FBI has in the past created artificial organizations—fencing operations, loan sharking operations, et cetera—for the purpose of luring sophisticated and otherwise inclined criminals into engaging in criminal acts in the presence of FBI agents. If the authority to engage in that activity was even in question on April 5 it would not only jeopardize many of these sting operations but might jeopardize the lives and safety of the agents involved.

This is only one of the consequences of the failure to extend authority. The chairman lists a number of others in his statement. I hope the Senate will move promptly to adopt the extension.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authority, and any limitation on authority, contained in the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, shall continue in effect with respect to activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) until September 30, 1981.

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

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS UNTIL 9:30 A.M. TOMORROW

Mrs. KASSEBAUM. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:30 a.m. tomorrow.

Thereupon, at 7:13 p.m., the Senate recessed until tomorrow, Wednesday, April 1, 1981, at 9:30 a.m.