

SENATE—Monday, May 4, 1981

(Legislative day of Monday, April 27, 1981)

The Senate met at 11 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:

Almighty God who knowest all things and from whom nothing is hidden; limitless, timeless, unchanging Lord, let Thy glory fill this place, let Thy love fill our hearts, let Thy wisdom fill our minds.

In these crucial days some issues appear to be impossible of resolution. But we know that what is impossible for man is not impossible to Thee for whom all things are possible.

Thou hast said:

If any man lack wisdom, let him ask of God, who gives to all generously and without reproaching, and it will be given him.—James 1: 5 R.S.V.

Grant to the Senators grace to acknowledge their need and give them Thy wisdom in their deliberations.

Thy great, impartial love encompasses all who are poor and elderly and distressed. Thou art able to guide to decisions which are responsive to their needs and conform to Thy justice and equity. Guide, O Lord, so that the legislation created here will transcend human wisdom and achieve the greatest good for the greatest number.

We pray this in the name of Thy Son, our Saviour for Thy glory and for the sake of the people of this Nation and the world. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

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

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

THE LEGISLATIVE PROGRAM FOR TODAY AND THE REMAINDER OF THIS WEEK

Mr. BAKER. Mr. President, I would like to detail the schedule of the Senate for today and for this week as it presently appears.

The distinguished minority leader or

his representatives, I believe, had been apprised of these matters at the close of last week, but let me reiterate them now to see if there are any difficulties with the schedule I am about to describe.

It is the intention of the leadership today to proceed to S. 1000, Calendar Order No. 52; S. 1002, Calendar Order No. 54; S. 1003, Calendar Order No. 55; S. 831, Calendar Order No. 56, which is the series of bills reported from the Committee on Commerce, Science, and Transportation.

It is my understanding that these bills are cleared, and that they may take a fair amount of time today, and there may be rollcall votes on one or more of these measures. As I understand it, all of them are not unanimous-consent items.

I would like to inquire of the distinguished minority leader if there is any dissent from that description of the measures that I identified.

Mr. ROBERT C. BYRD. Mr. President, efforts are continuing on this side to ascertain whether or not there is any problem with any of the four, and I should be able to get back to the majority leader within a reasonable time.

Mr. BAKER. I thank the distinguished minority leader.

I am also advised, while the minority leader is on his feet, that Calendar Order No. 60 on the Calendar of General Orders, which is a bill to designate the name of the control tower in my home State of Tennessee, has also been cleared on this side, and I would like to include that in the list of items we might dispose of today.

Mr. ROBERT C. BYRD. That will be included in the inquiry.

Mr. BAKER. I thank my friend, the distinguished minority leader.

Mr. President, in addition to the items just dealt with, it will be my hope that we will proceed to the consideration of S. 730, Calendar Order No. 50, the crop insurance bill, if that item can be cleared for today or in any event as soon as possible this week.

Mr. ROBERT C. BYRD. That will be included also in the inquiry.

Mr. BAKER. I thank the minority leader.

While we are at it, I understand we are prepared now on both sides to proceed to the consideration of the Executive Calendar, with the exception of the two nominations which have been reserved and provided for on Thursday, that is to say, the Pauken nomination and the Ruppe nomination. Other than that, I do not find any notations on my calendar.

I wonder if the minority leader can advise me if the other nominations that

appear on today's Executive Calendar might be dealt with on this day?

Mr. ROBERT C. BYRD. Mr. President, I can respond to the distinguished majority leader in due course, which will not be long.

Mr. BAKER. I thank the minority leader.

Mr. President, in view of that, let me proceed with the description of the remainder of the week as a matter of information, and then I will be glad to yield the floor.

As I indicated earlier, I would like to do the Federal Election Commission authorization bill, and as soon as we can do it, I would like to schedule it. But in any event, I hope we can clear it for disposition on today, tomorrow or Wednesday.

In addition to that, the public buildings legislation, S. 533, has now been reported from the Committee on Environment and Public Works. I would respectfully request the distinguished minority leader to consider if we might schedule that for action as soon as it qualifies or, perhaps, on Tuesday or Wednesday of this week.

Mr. ROBERT C. BYRD. That matter will also be explored.

Mr. BAKER. I thank the distinguished Senator.

I have already indicated, Mr. President, that on Thursday the Senate will proceed to the consideration of the Thomas W. Pauken nomination to be the Director of the ACTION agency under a 2-hour time agreement, and on the nomination of Lore M. Ruppe to be Director of the Peace Corps under a 1-hour time limitation as previously detailed.

Mr. President, perhaps the most pressing and important business to come before the Senate this week will be the first concurrent budget resolution which has been ordered reported from the Budget Committee. If my calculations are correct, that resolution will qualify under the 3-day rule on Thursday. It would be the intention of the leadership to proceed to it as soon as possible. I am encouraged to think that members of the Budget Committee—perhaps Members on both sides of the aisle on the Budget Committee—might be agreeable to proceeding to the consideration of that item on Wednesday, but I would like to inquire of the distinguished minority leader if he will be in a position to inquire about possible acceleration of the consideration of that resolution.

Mr. ROBERT C. BYRD. Mr. President, the inquiry will be made.

Mr. BAKER. I thank the Senator.

I wish to express my appreciation to the minority leader for permitting me to

explore the possibility of scheduling significant legislation for this week.

SENATOR BAKER SPEAKS AT COMMENCEMENT EXERCISES OF SALEM COLLEGE, W. VA.

Mr. BAKER. Mr. President, yesterday I had the opportunity to travel to the home State of the distinguished minority leader and speak at the commencement exercises of Salem College. It was a truly remarkable event, and I genuinely enjoyed the opportunity to visit that valley of learning, as is the designation given locally to Salem College.

I was accompanied there by the distinguished senior Senator from West Virginia, the long-time chairman and now ranking member of the Environment and Public Works Committee, Senator RANDOLPH.

It was with great pleasure that I was permitted to make that address. It gives me great pleasure now to report to the Senate that not only was that a pleasurable occasion for me, but also it was an awesome one politically, because I learned firsthand of the extraordinary respect in which the distinguished minority leader is held by his constituents. I want to report to him for his edification that, as far as I could tell, he and JENNINGS RANDOLPH are the most popular men in the universe.

Mr. ROBERT C. BYRD. Mr. President, yesterday was the occasion of a remarkable visit by a remarkable Senator to a remarkable State.

I welcome, as I did prior to his going, the coming of HOWARD BAKER to West Virginia at any time. We will always treat him with the greatest diplomacy, warmest of affection, and every consideration will be explored at any time he will visit our State.

I thank him for his remarks of today. I am glad that he had a useful visit. I am sure the people of West Virginia received something very beneficial and lasting from his brief visitation there. I hope he will return.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, I have no further need for my time if any is remaining under the standing order. I am prepared now to yield to any Senator or to yield to the minority leader if he has some need for it.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent, following on after the expiration or the yielding back of the time for the two leaders under the standing order and time under the special order for Senator ZORINSKY, that there be a period for the transaction of routine morning business not to extend more than 30 minutes, in which Senators may speak therein for not more than 5 minutes each.

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

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. DEN-
TON). Under the previous order, the minority leader is recognized.

ORDER OF BUSINESS

(The following proceedings occurred later in the day and are printed at this point in the RECORD by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that no business will be transacted for a little while, pending the clearance of certain matters on the calendar. If no other Senator wishes to be recognized at this time, I will proceed with my 39th statement on the U.S. Senate.

Mr. BAKER. Mr. President, I congratulate the minority leader on his continued diligence in presenting the series on the history of the U.S. Senate.

At the appropriate time, I hope he will permit me to request permission of the Senate to have these presentations prepared and bound as a Senate document.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader is very kind, and I am deeply appreciative of his remarks on this occasion, as I have been on other occasions, when he has addressed his attention to these statements.

**THE UNITED STATES SENATE:
FIRST CONGRESS**

Mr. ROBERT C. BYRD. Mr. President, I have spoken on various aspects of the history of the Senate, beginning with my first statement on the general subject of the United States Senate, which occurred on March 21, 1980. Today, I will make my 39th speech on the subject of the United States Senate; and I should like to begin a series of statements that will cover the history of the Senate and its deliberations in chronological order, examining the major issues that have faced our predecessors, and, at times, have shaken the very foundations of the Union. Along the way, I plan to focus attention on some of the remarkable personalities who walked the halls of the Senate—Richard Henry Lee, Roger Sherman, Webster, Clay and Calhoun, Randolph of Roanoke and Blaine of Maine, "Bluff Ben" Wade and "Pitchfork Ben" Tillman, Huey Long, Rebecca Felton, the senior and junior Robert La Follettes, and Henry Cabot Lodge, Joseph McCarthy, and Richard B. Russell.

I will begin by looking closely at the First Congress, where many of our current rules, precedents, and customs were first forged. In examining the First Congress, I have been aided by the work of the First Federal Congress Project

located at George Washington University. I commend the Project's fine work to my colleagues. To date, the Project has published three impressive volumes of the *Documentary History of the First Federal Congress*.

The introduction to Volume I of *Documentary History* explains the significance of the First Congress, and it is worth quoting at length. So I shall quote at some length.

When the First Federal Congress convened in March 1789, it seemed unlikely that the experiment represented by the new Federal Constitution would succeed. The United States had a population of four million and its area was larger than any European state except Russia. There was no example in history and no support in traditional political theory to encourage those who would attempt to govern such a nation by a republican form of government based on the consent of the governed. Many Federalist supporters of the Constitution, as well as Antifederalist critics, doubted that the plan of government devised by the Philadelphia Convention would work in practice, unless changes were made—either formally by amendment or informally by interpretation—to bring the new Constitution closer to their sometimes-conflicting standards of perfection.

Yet the American experiment did succeed. For almost two centuries, this has astonished skeptics. 'God,' a familiar epigram observes, 'looks after fools, drunkards, and the United States of America.' Indeed, the success of the American form of government has been remarkable; not only has the U.S. Constitution operated to provide a greater degree of justice, prosperity, and liberty to its citizens than that realized by any nation in recorded history, but it has also shown such impressive stability that it is now the oldest written constitution in operation in any modern state.

How can we account for this success? Much credit belongs to the genius of the framers of the Constitution—their historical and intuitive knowledge of man and politics. Yet that is not the full explanation. Many nations have come to ruin under constitutions deliberately patterned on the American model. It was the way in which the American people implemented their Constitution that made a functioning system from the document's abstractions. Nothing was more essential to the enduring success of that system than the First Federal Congress . . .

The First Congress was to meet on March 4, 1789, in the newly refurbished Federal Hall in New York City to count the electoral votes for president and vice president, inaugurate the winners, and get on with their business. At sunset on March 3, thirteen of the big guns on New York's battery were fired to signal the end of the floundering Confederation. At sunrise the next day, church bells rang to welcome the birth of the new constitutional government. The *Pennsylvania Gazette* reported that "A general joy pervaded the whole city on this great, important and memorable day."

The jubilation soon died for want of fuel. When the members of the House and Senate assembled, it was embarrassingly clear that only thirteen of the fifty-nine representatives and only eight of the twenty-two senators from the eleven states (Rhode Island and North Carolina had not yet ratified the Constitution)

were present. The first entry in the Senate's *Journal* reads, "The number not being sufficient to constitute a quorum, they adjourned . . ."

I think these first eight men deserve special recognition. From New Hampshire, there was John Langdon, who had shepherded the Constitution through his state's convention, and Paine Wingate, the Harvard-educated congregational minister. Massachusetts was represented by Caleb Strong, active in the Constitutional Convention and later governor of his state. Connecticut sent two aggressive Federalists: Oliver Ellsworth, destined to become Chief Justice of the Supreme Court, and William Johnson, newly elected president of Columbia College. Pennsylvania's two senators were the wealthy Philadelphia financier Robert Morris, and the irascible William Maclay, from whose journal of the First Congress I have often quoted. Finally, there was William Few, who had completed his long journey from Georgia before the members from New Jersey could bestir themselves to cross the Hudson River.

I have mentioned in an earlier statement the efforts of these exasperated eight to spur their absent colleagues into attendance. At Mount Vernon, George Washington, a man with a strict sense of duty, who felt certain he would be president if only Congress could convene to count the votes, regretted the "stupor and listlessness . . ." On April 1, Thomas Scott came over the Alleghenies from western Pennsylvania to give the House its first quorum. But it was not until April 6, when Richard Henry Lee arrived from Virginia that the first quorum of twelve senators was secured.

Many of his younger colleagues stood in awe of Richard Henry Lee. A striking, tight-lipped gentleman, he was fifty-seven, the same age as George Washington. He, along with Thomas Jefferson and Patrick Henry, had drafted Virginia's first protests against Great Britain. He was most revered for the resolution he introduced at the Continental Congress on June 7, 1776, which began with the thrilling words, "Resolved: That these United Colonies are, and of right ought to be, free and independent states . . ." By the time he reached the Senate, Lee had only a few years to live, but he would play an active role.

The twelve senators who met on April 6, were the first of the ninety-four men who would serve from that point until 1801. This figure, I should note, does not include Albert Gallatin of Pennsylvania, who attended and voted in the Senate but was afterward declared ineligible. For information on the characteristics of these first ninety-four senators, I am deeply indebted to a fine doctoral dissertation by Roy Swanstrom of Seattle Pacific College which was printed as a Senate Document in 1962.

Though the nation was new, these men brought with them records of long experience in political statecraft. Eighteen had been members of the Constitutional Convention. More than forty had served in the ratifying conventions of

their states. Forty-two had had experience as legislators in the Continental Congress or the Congress of the Confederation. Eighty-four had served in their state or provincial legislatures. Nine had been governors. Others served as judges, mayors, state attorneys general, and treasurers. No wonder John Adams, standing before the Senate for the first time as vice president, was moved and reassured to see before him: . . . so many of those characters, of whose virtuous exertions I have so often been a witness—from whose countenances and examples I have ever derived encouragement and animation . . . Those celebrated defenders of the liberties of this country, whom menaces could not intimidate, corruption seduce, nor flattery allure . . .

About sixty of these first eighteenth century senators had been in uniform during the Revolution. Joseph Anderson of Tennessee, a Continental Captain at twenty years of age, served at the siege of Yorktown. Jesse Franklin of North Carolina, a soldier at seventeen and hero of King's Mountain and Guilford's Court House, was so hated by the loyalists on the frontier that when he was captured he was hanged by his own bride, only to have it break, allowing him to escape. Only three senators, Johnson of Connecticut, and Wingate and Livermore of New Hampshire, were lukewarm to the Revolution. These were men who made painful decisions about whether or not to support the Revolution, or whether or not to leave families behind to spend long months in Philadelphia working on a Constitution many predicted was doomed to failure. Upon reading their diaries and letters, one is tempted to think of these men as colleagues who shared many of the same concerns we do today. During the First Congress, one senator's house was robbed while he was away serving his nation. Another's wife died. William Grayson of Virginia became the first senator to die in office; another senator was badly hurt in a carriage accident. They worried about children growing up back home without them, and about infants with measles. Some grew weary during long sessions; some complained about their rooms; and one wrote home about the excellent pineapple he had tasted.

Then, as now, the majority of senators were lawyers. But being a lawyer left much time for other pursuits. In the South, many lawyer-senators owned large estates to which they devoted much time. In the North, many invested in mercantile and manufacturing projects. Elijah Paine of Vermont combined all three: he was a lawyer, farmer, and owner of a cloth factory and saw and grist mills. The Senate's critics complained about this preponderance of lawyers. Philadelphia's hypercritical *Aurora* charged that lawyers in Congress were "machines of precedent," and sneered that they could reach no decision without first consulting "Vattel, Grotius, Bynkerscock, or Puffendorf." Later, when a bankruptcy bill was before the Senate, the *Aurora* claimed that the lawyers had pushed it through, hoping it

would yield "handsome pickings to a flock of harpies."

The arrival of Richard Henry Lee was the signal for the first senators to get down to the business of the nation. They set to work by electing a president pro tempore, John Langdon of New Hampshire. Forty-eight and handsome, Langdon and his brother, Woodbury, had both been delegates to the Continental Congress. As speaker of the New Hampshire assembly in 1777, he found the colony's treasury empty just when troops were needed to repel Burgoyne's offensive. Langdon rose and said, "I have \$1,000 in hard money. I will pledge my plate for \$3,000 or more. I have seventy hogsheads of Tobago rum which I will sell for the most it will bring. They are at the service of the state." He then adjourned the assembly so that its members might volunteer for military service. Langdon joined the brigade, equipped through his generosity, that won the battle of Bennington. After the Revolution, he personally paid the expenses of the New Hampshire delegation to the Constitutional Convention.

Having elected Langdon, the senators next chose Oliver Ellsworth to go downstairs and inform the House that the Senate was prepared to carry out its constitutional duty of counting electoral votes in the presence of the representatives.

Every step of the procedure that followed was a first. In the hushed chamber—hushed as it is now, one can hear a pin drop—the members watched Langdon open and count the electoral ballots. According to the Constitution, the individual receiving the highest number of votes would become president, the second highest would be vice president. While this plan was to secure the ablest men for both offices, in practice, it was certain that sooner or later it would produce a president and vice president of opposite political persuasions. Indeed, this happened sooner rather than later, but I will speak of that at a later date.

Fortunately, in the first election, there was no party contest. Langdon announced that George Washington had received sixty-nine votes, John Adams, thirty-four, John Jay was a distant third with nine, and nine other men divided the remaining twenty-six votes among them. As vice president, Adams could be relied upon to cooperate fully with George Washington.

The Senate dispatched messengers to carry the certificates of election to George Washington at Mount Vernon and to John Adams in Braintree, Massachusetts. Can you imagine not having television? Upon receiving the news, Washington said he was "much affected by this fresh proof of my country's esteem and confidence." He set off for New York on April 16, 1789.

While the Senate waited for Adams and Washington to arrive, it continued its own organization. The House and Senate appointed chaplains and other officers, and they adopted their rules of procedure. In the Senate, the appoint-

ment of committees would be by ballot and every member could introduce bills on his own responsibility. In the House, the appointment of committees was left to the Speaker, and bills were to be introduced only by special committees after discussion in the Committee of the Whole.

There was little initial dissent over these measures. Rancor between the Senate and House only began to grow when the Senate showed a tendency for self-aggrandizement. Can you imagine? The Senate's inflated opinion of itself—heavens, one would never have contemplated such—rekindled all the old fears that had been raised at the Constitutional Convention. The fact that the first dilatory senators had been so slow in coming to New York hadn't helped matters. Representative Henry Wynkoop of Pennsylvania expressed the misgivings of many when he wrote that their conduct savored "too much of the remains of Monarchical Government, where those promoted to public office consider themselves as clothed with Magisterial Dignity instead of confidential servants of the People."

During the debates on the Constitution, the Senate was portrayed by its friends as a bulwark of stability—of the "haves" against the hasty and radical actions of the "have nots"—and denounced by its foes as dangerous to the liberties of the people. The type of men elected to the Senate in its early years encouraged those who hoped it would be a conservative influence and confirmed the worst fears of its detractors. No one looking at these first senators could have any doubt about the social class they represented. The Senate roll from 1789 to 1801 read like the "Who's Who" of wealthy and socially prominent families—they were the "haves" their supporters counted on.

Two of Pennsylvania's first senators were among the nation's richest men. Robert Morris was known as the "financier of the Revolution." William Bingham had made a fortune in war profiteering and invested his profits in land speculation. While the Senate met in Philadelphia, their homes were the scenes of some of the most lavish entertainment in America.

Maryland's Charles Carroll of Carrollton was reputedly worth half a million dollars—a lot of money in those days. New York's Philip Schuyler owned thousands of acres in the Mohawk and Hudson Valleys. George Cabot represented one of the most patrician families in Massachusetts. Ralph Izard of South Carolina was a member of one of that state's oldest families. Even senators from the frontier states of Kentucky and Tennessee came from socially prominent families. William Cocke of Tennessee who, at sixty-five enlisted as a private to fight the Creek Indians with Andrew Jackson, came from a family established in Virginia since 1628.

Once it finally met, the Senate lost no

time in trying to assert its superiority over the House. The senators decided that all communications from the upper to the lower chamber should be merely sent down by the Secretary, but that in the reverse case, two members of the House must bring the communications to the bar of the Senate. The House greeted the suggestion with a mixture of amusement and resentment. It replied, via its clerk, that it would send its message any way it pleased, and the Senate was powerless to enforce its will.

Bruised but uncowed, the senators next tried to enhance their prestige by proposing a pay differential in their favor. At the Constitutional Convention, there had been a move in this direction, but it was checked by Charles Pinckney of South Carolina who proposed that senators receive no salary at all, limiting their numbers to wealthy men only. The Constitution stated only that congressmen would receive unspecified compensation from the federal treasury. The House suggested a compensation of \$6.00 a day for members of both chambers, plus \$6.00 for each twenty-five miles traveled to and from sessions. The Senate objected to the implied equality and amended the bill to increase the senators' pay to \$8.00 per day. Those independently wealthy senators hardly needed the extra \$2.00. The issue was one of prestige, not penury.

Several senators used this opportunity to expound on the superior rank of their chamber and their personal disdain for money. The sharp-tongued Maclay listened in disgust. And I quote from his journal:

Up rose Izard; said that the members of the Senate went to boarding houses, lodged in holes and corners, associated with improper company, and conversed improperly, so as to lower their dignity and character; that the delegates from South Carolina used to have 600 pounds per year, and could live like gentlemen, etc. Butler rose; said a great deal of stuff of the same kind; that a member of the Senate should not only have a handsome income, but should spend it all . . . Mr. Morris likewise paid himself some compliments on his manner and conduct in life, his disregard of money, and the little respect he paid to the common opinions of people.

Maclay was outraged and claimed he led the fight against the pay differential as well as against high salaries for any Federal official. He adds in his diary, "I did not speak long, and, enraged as I was at such doctrines, I am sure I did not speak well." When the matter came to a vote, however, only three other Senators voted with Maclay.

The House naturally denounced the Senate's proposal. Some representatives argued that they should have the higher pay. Others claimed that higher pay would only cause the senators to prolong sessions. But the amended bill had come back to the House in August, uncomfortably close to the end of the session. And, of course, there was no air conditioning in those days. Representatives feared that if they defeated it out-

right they would have to go home without any pay at all. While Representative James Jackson of Georgia claimed he would rather go home penniless than accept the principle of House inferiority, his colleagues were in a compromising mood. They reluctantly accepted the salary discrimination, but only for special sessions. The pay bill as passed reduced the differentiation to \$1.00—senators to receive \$7.00 per day while representatives received \$6.00. Moreover, the differentiation did not go into effect until March 4, 1795, and applied only to the special session that met between June 8 and June 26, 1795. The act expired March 4, 1796, making the Senate's victory rather hollow. In fact, when the matter of pay came up again in 1796, in the midst of the intense antiaristocratic sentiment spurred by the French Revolution, the senators realized that renewed claims of superiority would only damage their reputation and dropped the issue after only one year of receiving the higher salary.

Ironically, what was interpreted as the Senate's ultimate display of arrogance was not intended as such. The closing of the Senate's doors to the public subjected its members to a sustained barrage of criticism for five years. The sight of its closed doors, day in and day out, goaded suspicions that dark anti-democratic plots were hatching behind them. The Senate's secrecy contrasted sharply with the deliberations of the House, which were not only open to the public but reports of which were widely circulated through the newspapers. The *National Gazette* fumed in 1792:

This patrician style, this concealment, this affection of preeminence but illy accords with the spirit of republican government. The Constitution of the United States acknowledges no superiority of one legislative body over the other, and to assume it is a violation of its principle, and an insult to the character of freemen. It is a strange maxim in republican policy, that the agents of the people should keep their deliberations concealed from those from whom they derive their political existence.

Yet while this policy was soon bitterly attacked for its aristocratic connotations, it was apparently not adopted in a deliberately anti-republican spirit. The Senate was merely following the precedent of its predecessor, the Congress of the Confederation. Even the most outspoken critics of patrician pretensions voiced little objection at the time. Maclay, the bitter foe of aristocracy, was a member of the committee assigned to write the Senate's Standing Rules which not only said nothing about opening the Senate's doors but ordered that "inviolable secrecy shall be observed with respect to all matters transacted in the Senate . . ."

In their letters home, senators justified their decision. Samuel Johnston of North Carolina claimed that opening the doors to visitors would encourage posturing—can we imagine posturing by Senators?—waste time, and cost money. Paine Wingate of New Hampshire told

friends, "You know I am not a friend to mystery and hypocrisy, but there are certain foibles which are inseparable from men and bodies of men and perhaps considerable faults which had better be concealed from observation. How would all the little domestic transactions of even the best regulated family appear if exposed to the world . . ."

The Senate's doors remained tightly closed throughout the First Congress, but the battle to pry them open was brewing.

Once the ground rules for the Senate and House were laid, the House turned its attention to financing the new government. Upstairs, however, the Senate still floundered over questions of etiquette, matters it considered of equal importance to the concerns before the House. The arrival of Vice President Adams raised a number of procedural questions. "Bonny Johnny Adams," as Maclay satirically called him, was fresh from nine years abroad as American minister, chiefly to England. Many felt the experience had undermined his native republican simplicity. With the House of Lords in mind, Adams wanted the Senate Sergeant at Arms to be called the "Usher of the Black Rod." Senators must, he believed, be called the "Right Honorable" in the minutes. But Adams' greatest story was his own role. Surveying the Senate, he was much distressed. Maclay recorded Adams' plaintive speech:

Gentlemen, I feel great difficulty how to act. I am possessed of two separate powers . . . I am Vice President. In this I am nothing, but I may be everything. But I am president also of the Senate. When the President comes into the Senate, what shall I be? I cannot be president then. No Gentlemen, I cannot, I cannot. I wish gentlemen to think what I shall be.

Maclay goes on:

Here as if oppressed with a sense of his distressed situation, he threw himself back in his chair. A solemn silence ensued. God forgive me, for it was involuntary but the profane muscles of my face were in tune for laughter in spite of my indisposition.

Next Adams turned his attention to a title for the president. He and several senators felt that "President of the United States" was too humble an appellation. After all, there were "Presidents" of fire companies and cricket clubs. The senators finally hit upon a title the majority liked—"His Highness, the President of the United States of America, and Protector of the Rights of the Same"—and hoped the House would go along. The House would not. "President", its members argued, was perfectly good enough. Several members, not wishing to appear reluctant in the distribution of appropriate titles, devised one for the portly vice president. Adams, who wore a side-curling wig on his balding head, was thereafter lampooned as "His Rotundity."

While this bickering was going on, the president-elect was making his way to New York. The inauguration was set for April 30 in the Senate Chamber. The Senators assembled in their chambers

that morning to await the arrival of the House and the new chief executive. Everyone was a bit nervous and confused—not the least being Adams. Minutes before Washington was to arrive, the vice president again sought help from the senators:

Gentlemen, I wish for the direction of the Senate. The President will, I suppose, address the Congress. How shall I behave? How shall we receive it? Shall it be sitting or standing?

In the midst of the discussion that followed, the representatives arrived at the door. This raised the question as to how they were to be received. While the senators were trying to decide what to do, the representatives filed in and unceremoniously took their seats. Finally, preceded by drums and bagpipes, George Washington arrived, and was escorted out onto the balcony where he took his oath of office.

With this ceremony finished, Maclay rejoiced that at last the Senate could get down to the business of government. But it was not yet to be. Washington had hardly left the chamber when the exasperating Adams brought up the matter of how the Senate should respond to the president's inaugural address. Their patience by then thoroughly tried, the senators agreed that it would be best for them to prepare a reply which they would then deliver to the president at his residence.

On May 18, the Senate traveled by carriage to Washington's house on Cherry Street. Maclay grumbled all the way but left us a good description of what followed:

We made our bows as we entered, and the Vice-President, having made a bow, began to read an address. He was much confused. The paper trembled in his hand, though he had the aid of both by resting it on his hat, which he held in his left hand. He read very badly all that was on the front page. The turning of the page seemed to restore him, and he read the rest with more propriety.

The President took his reply out of his coatpocket. He had his spectacles in his jacket-pocket, having his hat in his left hand and the paper in his right. He had too many objects for his hands. . . .

He held his hat and his spectacles and his paper. So, he had too many objects for his hands.

Having adjusted his spectacles, which was not very easy, considering the engagement of his hands—holding the hat and holding the paper—he read the reply with tolerable exactness and without emotion.

On the surface, it may seem that the Senate was merely frittering away precious time in fussing over its relations with the president. But, as historian Forrest McDonald, in his *The Presidency of George Washington*, noted, "beneath all this nonsensical ostentation and formality . . . lay some deadly serious jockeying for power . . . The exaggerated deference toward the president was designed, at least in part, to ensure that if court politics developed, the senators would have first rank as courtiers. The exaggerated insistence on formality, on the other hand, was part of a design by

the senators to protect their prerogatives against executive encroachment."

One might conclude that the Senate's persistent claims to superiority over the House might have resulted in such bitterness that their interactions were suffused with mutual rancor. But that was generally not the case. Relations between the Senate and House during the First Congress were usually friendly. Joint committees, exchanged information, visits to each others' chambers, and social contacts all helped promote good will.

Nor is it true that the Senate spent the whole First Congress arguing over etiquette and form. Despite its foibles, the first Senate left behind a record of solid achievement, as we shall see.

When Washington replied to the Congress' response to his inaugural address, he told the senators and representatives that he was ready and eager to join with them "in the arduous but pleasing task of attempting to make a nation happy." Both Houses of Congress, dominated by strong Federalist majorities, set about this task with optimism.

The first order of substantive business in putting the machinery of the national government to work was the raising of the revenue to run it. In mid-May, the House passed a revenue-producing tariff bill and sent it to the Senate. The Senate added numerous amendments and sent the measure back to the House which rejected nearly every one of them. In conference, a bill acceptable to both Houses was finally hammered out and passed. This may sound pretty routine to us, accustomed as we are to such negotiations. But imagine what it was like in 1789 to be truly feeling your way along—without precedent, without previous experience between these two Houses, feeling your way along—to face your colleagues in the very first bargaining session, where you felt the whole weight of the Senate's prestige at stake in your compromises.

With the promise of revenue, the House and Senate set up various executive departments. The first three were the Departments of Foreign Affairs, afterwards named the Departments of State, Treasury, and War. Washington selected Thomas Jefferson as the first Secretary of State, thirty-five-year-old Alexander Hamilton as Secretary of Treasury, and General Henry Knox, who weighed 300 pounds, as Secretary of War.

Next, the Congress set salaries for everyone from the President down to the clerks of the departments. Washington had suggested that, as was his arrangement during the Revolution, he not be paid a salary. He was willing to be reimbursed only for expenses incurred in the line of duty. Many senators, however, recalled that those bills had been rather high and might go higher. Washington's liquor bill alone—perish the thought, for 1789, totaled almost \$2,000, \$2,000! How much would that amount to in these days of high inflation? So they decided to allot him \$25,000 a year. The vice president received \$5,000; the Secretary

of State, \$3,500; and the other cabinet officers, \$3,000.

Throughout the summer of 1789, the House and Senate struggled to agree on a set of amendments to the Constitution, to be known as the "Bill of Rights," which would pacify North Carolina and Rhode Island and encourage them to ratify the whole Constitution. In September, the amendments were submitted to the states. By December 1791, the required three-fourths of the states had ratified them.

As the first session of the First Congress drew to a close in September, it was clear that much of the legislation it had produced had been initiated by the House and fine-tuned by the Senate. The Senate worked over House bills with great diligence: In the case of a bill regulating coastal trade, the Senate made 169 amendments. This was largely how the framers of the Constitution had viewed the Senate's role. But the Senate also made two major contributions of its own to the session. The first was the Senate's efforts to establish its "advice and consent" prerogatives.

I think it would be well if Senators in our day would go back and read the history of the Senate's efforts in that early day, in that first session, to establish its own advice and consent prerogatives. Perhaps we would be more clearly assured that the constitutional provision regarding advice and consent is not a pro forma—not a pro forma—requirement and that the Senate does not have a responsibility to rubberstamp the nominees of any President. It is a serious responsibility and it is an event which gives the people of the United States, acting through their elected representatives in the Senate, the opportunity to reach a judgment on the basis of the merits and qualifications of each nominee as to whether that nominee should be confirmed or rejected.

The second contribution was embodied in the Judiciary Act, which created the third branch of the government.

The framers of the Constitution envisioned the Senate as an executive council to advise and restrain the president, particularly in the areas of appointments and treaty making. Before the Senate had been in session two months, its powers were put to the test. In June, John Jay, acting as temporary Secretary of State until Jefferson could return from France where he was the American Minister, appeared before the senators to explain that President Washington desired their advice and consent to appoint William Short to replace Jefferson in Paris.

The question seemed only to require a simple "yes" or "no" vote, but a controversy arose as to whether this should be by voice votes or by secret ballot. Maclay vehemently supported the secret ballot. A senator who openly voted against the president, he argued, would surely lose his place in the presidential "sunshine," or, conversely, he might vote against his conscience to win the president's "warmth." Ellsworth of Connecticut argued that secret ballots were the

devices of, at best, the bashful, at worst, the most "bad and unprincipled" men. Maclay's forces won and, by secret ballot, the senators declared their advice and consent to Short's appointment. This was but the first of several sparring matches between the president and the Senate in which the latter sought to make clear that its prerogatives were not to be trifled with by the former.

In August, the question of voting methods arose again in regard to treaty approval. Washington notified the Senate that he was coming to their chamber to seek their advice and consent to some Indian treaties. This time, despite objections, the senators voted that they would record their positions by voice vote. On Saturday, August 22—incidentally, the dates of the current year, 1981, fall on the same days as those in 1789. So August 22, of 1981 will be Saturday, just as August 22, 1789 was a Saturday. On Saturday August 22, Washington and General Knox entered the chamber carrying the treaties which Vice President Adams read aloud to the assembled senators. "Carriages were driving past," reported Maclay, "and such a noise, I could tell it was something about 'Indians,' but was not a master of one sentence of it. Signs were made to the doorkeeper to shut down the shades."

Adams asked the senators to give their advice and consent to the first article, but Senator Morris said it was so noisy that he hadn't heard the article and asked for a rereading. Adams obliged, but when he again asked for the senators' verdict, "there was," Maclay said, "a dead pause." The senators had not been able to digest the material so quickly, but were so in awe of having the president in their midst that they hesitated to ask him questions. Another reading was requested, but still the senators couldn't vote. Growing more bold, they voted to postpone their decision and finally Morris moved that the treaties be referred to committee. Seeing "no chance of a fair investigation of subjects while the President of the United States sat there, with his Secretary of War—weighing 300 pounds, as I indicated earlier—to support his opinions and overawe the timid and neutral part of the Senate," Maclay seconded the motion.

"As I sat down," Maclay noted "the President of the United States started up in a violent fret. 'This defeats every purpose of my coming here' were the first words that he said." Indeed, Washington was right. The confrontation between the President and the senators had significance. This episode ended forever the idea that obtaining the Senate's advice and consent was merely a formality.

Listen, Senators of today! Not merely a formality.

Though the senators approved the treaties two days later, they had vigorously asserted their independence from the executive. Washington was deeply insulted. His first visit to the Senate was his last, establishing he precedent of presidential communications by written message.

While the importance of the Senate's

treaty powers became more and more clear as years passed, the significance of the Judiciary Act was evident at once. The Act was largely the work of three senators: Ellsworth of Connecticut, Paterson of New Jersey, and Strong of Massachusetts. By coincidence, all three men were forty-four years old. Although Ellsworth was known for his copious use of snuff and his disconcerting habit of talking to himself, many of his colleagues regarded Ellsworth as one of the shrewdest members of the Senate. In 1796, Washington acknowledged the Connecticut senator's political and legal acumen by naming him Chief Justice of the Supreme Court. Paterson had led the fight of the small states at the Constitutional Convention. The year after the Judiciary Act passed, he resigned from the Senate to become governor of New Jersey. Who would want to resign from the Senate to become a Governor? Well, he did. Three years later, Washington named him an associate justice of the Supreme Court he helped to create. Strong was another able lawyer, whose seriously impaired eyesight, the result of smallpox, did not prevent him from rising to the top of Massachusetts' political ladder.

The leading Antifederalists in the Senate, notably Lee and Grayson of Virginia, Butler of South Carolina, Langdon and Wingate of New Hampshire and Maclay of Pennsylvania, greatly feared a system of strong federal courts, viewing them as a threat to state sovereignty and the people's rights. Though staunch Federalists, Ellsworth, Paterson and Strong could see the validity of such fears and steered a middle course. They devised an intricate system of federal and state courts which shared judicial sovereignty and allayed Antifederalist fears. Their ingenious bill passed the Senate on July 17 and became law on September 24. Two days later, John Jay of New York was confirmed as the first chief justice of the Supreme Court.

The second session of the First Congress convened on January 6, 1790. Washington stood before a joint session to deliver his State of the Union message which contained a long shopping list of proposals for legislation. Among them were a uniform system of weights and measures, procedures for naturalizing new citizens, and action on the proposals of the Secretary of Treasury. This last issue, Hamilton's proposals, would occupy the Congress throughout the session, generate the bitterest debates thus far, and expose the first scandal to touch the House and Senate.

The tempest grew out of two of Hamilton's recommendations. The first was that the certificates of the Continental Congress, originally issued to soldiers and farmers who had supplied the army with goods, be redeemed at par by a new issue of stock. Secondly, Hamilton proposed that the state debts be assumed by the federal government in the same way.

The old certificates had long since depreciated to as low as fifteen cents on the dollar, and, at that rate, most had been assigned to speculators by the im-

poorly clothed soldiers and farmers. When Hamilton permitted advance information of his scheme to leak out, the rate quickly rose to fifty cents on the dollar. Suddenly, three swift ships set sail from New York's harbor for the South to buy up as many certificates as possible at the former price before the news reached the backcountry. There was no television, no radio, no telephone, no wireless telegraph.

It was whispered that among the owners of these ships were members of Congress. Can one imagine! Representative James Jackson of Georgia thundered from the House floor, "My soul rises indignant at the avaricious and moral turpitude displayed." So also rose the souls of his fellow citizens who had parted with their certificates for fifteen cents on the dollar! It was reported that the already wealthy Senator Robert Morris stood to make \$18 million from the scheme. Maclay, always ready to believe the worst of his colleagues, confided in his diary, "I really fear the members of Congress are deeper in this business than any others."

Maclay wrote that the Senate, having nothing else to do while the House was arguing over the certificate issue, adjourned early each day so that its members might go below and watch the heated debates. After almost a month of debate, led by pro-Hamilton Federalists, James Monroe of Virginia offered what he felt was a just compromise which permitted both the speculators and the original certificate holders to earn a reasonable profit.

Maclay applauded Monroe's proposal but lamented, "The opposition are governed by principle, but I fear in this case interest will outweigh principle." He was right. Hamilton's original funding measure passed the House and the Senate. In the months that followed, it was revealed that almost forty of the measure's most vocal supporters stood to profit from its passage. In the Senate these included Robert Morris, Caleb Strong, John Langdon, Oliver Ellsworth, Pierce Butler, Rufus King, and Philip Schuyler, Hamilton's own father-in-law.

When Congress turned its attention to the problem of state debts, it immediately stumbled upon another hornet's nest. These also had been largely bought up by speculators—Senator Morris, for example, owning most of the outstanding debt of Virginia. In addition, states with smaller obligations failed to see the justice of being taxed for the benefit of states with large debts. Hamilton and his forces encountered heated opposition which threatened to tie up the entire session.

Aid came to the Federalist from an unlikely quarter—Thomas Jefferson, the leader of the opposition. Jefferson later claimed that the resolution of the impasse resulted from a deal he struck with Hamilton over dinner. Jefferson promised to use his influence to induce the southern states to support assumption in return for a promise that the nation's permanent capital would be placed somewhere along the Potomac. Recent scholarship has challenged Jef-

erson's memory and revealed a story far more complicated. Nevertheless, during June and July of 1790, several votes were changed, and Hamilton's assumption bill passed.

As important as assumption was, the other half of the compromise of 1790 was equally significant and represents the Senate's chief contribution to the second session of the First Congress. For a detailed discussion of the incredible behind-the-scenes' wheeling and dealing that led up to the decision on the capital's permanent home, I am indebted to Kenneth Bolling, whose doctoral dissertation, "Politics in the First Congress" contains an excellent chapter on the subject.

Senators arrived in New York knowing that the residence question would likely be the most divisive issue to come before the First Congress. In the length of time it was before them, in the politicking it engendered off the floor and in the number of seemingly unrelated areas, like assumption, into which it intruded, the residence issue surpassed all others. In a nation so aware of its sectional differences that it seriously speculated about the best place to divide the country into two nations, the problem had been a plague since 1783 and almost prevented the adoption of the resolution calling the new government into being in the summer of 1788.

Of course, the outcome of the months of bitter arguing and complex sectional maneuvering was the decision to move the capital to a site along the Potomac, but it came only after dozens of alternatives were discarded. Senator Morris ceaselessly lobbied for a site near Trenton on the Delaware River, where, his enemies pointed out, he happened to own a large tract of land. As part of the final deal, while the new southern capital was made ready, Congress would move to Philadelphia for ten years beginning with the First Congress' third session.

Congress adjourned on August 12, 1790, and bid goodbye to New York City. Senator Maclay, always grumbling, was one of the very few senators who had found the city inhospitable. He claimed that in six months he did not receive a single invitation from a citizen of that city. More convivial members of Congress, however, were overwhelmed with attention.

Sectional politics, not the city's hospitality, were the prime factors in the Congress' decision to move on. When the members reconvened for their third session on December 6, 1790, they found that the influx of so many government officials had overtaxed Philadelphia's housing facilities. There were the usual complaints about high prices, but thrifty Maclay paid only \$3.00 per week for room and board, a dollar less than in New York.

In his opening message to the third session, President Washington mentioned the military expedition of General Josiah Harmar to quell the Indians in the Northwest Territory. Although his audience did not yet know that Harmar's forces had met with disaster, they were briefly upset by what they considered a

waging of war without a declaration by Congress. They were soon too busy with two new economic reports from Hamilton, however, to worry about Harmar and the Indians. The first called for chartering a national bank. The second recommended, among other levies, a tax on the producers of "spirituous liquors" which, though it passed, would set to brewing the discontent that would later erupt into the Whiskey Rebellion in western Pennsylvania.

The national bank bill occupied most of the third session. To the extreme annoyance of Secretary of State Jefferson and the Antifederalists, Hamilton openly managed his supporters in the House and Senate. The bill's enemies argued that not only would the bill benefit northern commercial interests and the wealthy, but it might be unconstitutional. Despite these objections, the Federalist majorities in both Houses carried the day. The measure's critics, however, succeeded briefly in raising doubts in Washington's mind about the wisdom of signing the bill. Faced with Hamilton's masterful rebuttal and the veiled threats of northern senators to reopen the issue of a southern capital, Washington signed the bill.

Amidst the soft glow of candles and increasing factionalism exhibited by the debates over the bank bill, the First Congress came to an end on March 3, 1791. As the senators prepared to return to their homes, they could look back with satisfaction. Despite the peccadilloes of Adams and their own concern with proper etiquette, they had gotten a new nation on its feet and under way. They had witnessed the counting of the first electoral votes and the inauguration of the nation's first president. They made certain that the president understood that their constitutional powers could not be trifled with and they had established precedents at every turn. They had set up the executive departments of War, State, and Treasury. While the senators mainly had fine-tuned bills sent them from the House, they had also initiated such major legislation as the Judiciary Act, and they hoped that they had finally resolved the residence question.

In addition to major legislation, the Senate considered many bills of a routine nature among the 144 measures that it received or initiated during the First Congress. Incidentally, of that number, the Senate passed 118 bills, of which 94 became public law. The very first public law was signed on June 1, 1789, and it provided for the administration of oaths to public officials in support of the Constitution. Other acts provided for the custody of the nation's official seal, for the construction of lighthouses, for the registration of sailing vessels, patents and copyrights, and for the enumeration of the nation's population.

That first census, by the way, counted slightly under four million inhabitants, including approximately 700,000 men and women held in chattel slavery. The census revealed that Philadelphia was then our largest city and that the center of population lay twenty-three miles east of Baltimore. Based on the 1790 census, each member of the House would repre-

sent a district of approximately 33,000 persons (compared with an average of 515,000 as a result of the 1980 census). At the same time, the size of states represented by senators ranged from 59,000 in Delaware to 692,000 in Virginia, the nation's most populous state.

Volume I of the *Documentary History of the First Federal Congress* offers an excellent overview of the earliest Senate which enables us to put its work into perspective and even further enhances my respect for our predecessors who met for the very first time 192 years ago. I close with this quote:

The First Federal Congress convened in a time of national crisis. The first nation to win independence from a European colonial empire and a new nation less than a decade removed from its Revolution, the United States faced real dangers of falling into anarchy or despotism. In fact, the First Congress confronted in one form or another almost every problem that would rise to plague or threaten the Union of the States in the future: secession . . . , States' rights, constitutional amendment, admission of new states, threat of war, military preparedness, inflation, depression, unfavorable trade balance and tariff reform, taxation, speculation, sectionalism, slavery, Indian affairs, veterans' pensions, congressional salaries, election irregularities, government support of science, government patronage of the arts, administration of public lands, and many others. Some of the problems it solved; some it merely postponed. Yet, despite its difficulties, the Congress survived, leaving to the future a sturdy foundation on which a great nation could build.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I now yield to the distinguished Senator from Wisconsin, Mr. PROXMIRE, such of my time as he may utilize and the remainder thereof to Mr. ZORINSKY if he should have need for it in addition to the time allocated to him under the special order.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the minority leader. I will not take very much time.

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, and 1980, I submitted for the RECORD a history of my financial holdings from the time I was first elected to the Senate in August 1957 until April 1980. In order to bring the full record up to date, I submit herewith the history of my financial holdings since April 1980.

The bulk of the securities I hold are in State and municipal bonds totaling \$50,000.

My other assets include ownership of a home in Madison, Wis., on which I owe a mortgage to the former owners; ownership of my home and furnishings in Washington, D.C., on which I owe a mortgage to the Perpetual American

Federal Savings of Washington, D.C.; ownership of a 1972 automobile; ownership of two checking accounts in Washington, D.C. banks, one checking account in a Madison, Wis., bank and one savings account in a Madison, Wis., bank. The combined balance as of this date in these four accounts is \$12,736.15.

I also hold a land contract on a house in Madison, Wis., in the amount of \$77,677.69 and a note on my former residence in Washington at 3220 Ordway Street in the amount of \$6,881.42.

I estimate my net worth to be about \$500,000.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

STATE AND LOCAL INCOME TAXES EXCEED SENATE SALARY

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of 1980 Federal income tax return and a list of all honorariums received during 1980.

I paid \$50,168 to the Federal Government in taxes on my 1980 income. In addition, I paid \$12,009 to the State of Wisconsin on 1980 income.

This means that the taxes I have just paid to the Federal Government and the State of Wisconsin added together actually exceeded my entire Senate salary by more than \$1,500. And that amount means that I received exactly nothing net last year from the Government. In fact I was paying the Government \$1,500 for the privilege of working for it. Of course when some of my Wisconsin constituents here that I got nothing for my work as a Senator, their reaction may be: "PROXMIRE got exactly what he was worth as a Senator: Nothing."

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

NET WORTH OF SENATOR WILLIAM PROXMIRE AS OF MAY 1981

Municipal and state bonds, \$50,000.00.
Three checking and one savings account: Washington NS&T checking, \$967.82.
Washington Riggs checking, \$1,245.18.
Madison, Wis., checking, \$2,755.46.
Madison, Wis., savings, \$7,767.69.
4613 Buckeye Rd., Madison land contract, \$7,767.69.
Note on 3220 Ordway St., NW, Washington, D.C., \$6,881.42.
3097 Ordway Street, NW., D.C.:
Assessed value, \$318,933.00.
Mortgage value, (\$59,542.26).
Furnishings, \$15,000.00.
118 Bradford Lane, Madison, Wisconsin:
Assessed value, \$46,100.00.
Mortgage value, (\$33,287.22).
Cash deposit in Civil Service retirement, \$68,606.77.
Total, \$501,105.55.

HONORARIA RECEIVED IN 1980

YPO Chicago Chapter, Chicago, Ill., \$2,000.
Youngstown State University, Youngstown, Ohio, \$2,000.
Denver Democratic Central Committee, Denver, Colo., \$1,500.
Western States Meat Packing, Anaheim, Calif., \$1,500.
McKendree College, Lebanon, Ill., \$1,500.
Pace University, Manhattan, N.Y.C., \$1,000.
Wm. Paterson College, Wayne, N.J., \$1,000.
Southeastern La. State U., Hammond, La., \$1,000.
Boise State University, Boise, Idaho, \$1,000.

Boca West, Boca Raton, Fla., \$1,500.
Washington Post—article, \$200.
Vanderbilt University, Nashville, Tenn., \$1,000.
Franklin University, Columbus, Ohio, \$1,000.
Mercyhurst College, Erie, Pa., \$1,250.
Health Seminar, Portsmouth, N.H., \$1,000.
Democratic Council, Albuquerque, N. Mex., \$1,000.
Birmingham Southern College, Birmingham, Ala., \$1,500.
Ocean County College, Toms River, N.J., \$1,500.
Computer Dealers Assn., Washington, D.C., \$1,000.
Towson State University, Towson, Md., \$1,000.
Brookings Institute, Washington, D.C., \$550.
CATO Institute, \$900.

U.S. INDIVIDUAL INCOME TAX RETURN, 1980, WILLIAM AND ELLEN H. PROXMIRE Income

8. Wages, salaries, tips, etc., \$90,838.
9. Interest income (attach Schedule B if over \$400), \$7,905.
10a. Dividends (attach Schedule B if over \$400), \$2,586.
10c. Subtract line 10b from line 10a, \$2,586.
11. Refunds of State and local income taxes (do not enter an amount unless you deducted those taxes in an earlier year—see page 9 of instructions), \$250.
13. Business income or (loss) (attach Schedule C), \$44,227.
14. Capital gain or (loss) (attach Schedule D), \$2,330.
18. Pensions, annuities, rents, royalties, partnerships, etc. (attach Schedule E), \$974.
21. Other income (state nature and source—see page 10 of instructions, \$2,000).
22. Total income. Add amounts in column for lines 8 through 21, \$144,502.

Adjustments to income

24. Employee business expenses (attach Form 2106), \$4,092.
30. Total adjustments. Add lines 23 through 29, \$4,092.

Adjusted gross income

31. Adjusted gross income. Subtract line 30 from line 22. If this line is less than \$10,000, see "Earned Income Credit" (line 57) on pages 13 and 14 of instructions. If you want IRS to figure your tax, see page 3 of instructions, \$140,410.

Tax computation

32. Amount from line 31 (adjusted gross income), \$140,410.
33. If you do not itemize deductions, enter zero, \$21,296.
34. Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Tables, or to figure your tax on Schedule TC, Part 1, \$119,114.
35. Tax. Enter tax here and check if from Schedule TC, \$48,070.
37. Total. Add lines 35 and 36, \$48,070.

Credits

47. Balance. Subtract line 46 from line 37 and enter difference (but not less than zero), \$48,070.

Other taxes

48. Self-employment tax (attach Schedule SE), \$2,098.
54. Balance. Add lines 47 through 53, \$50,168.

Payments

55. Total Federal income tax withheld, \$30,823.
56. 1980 estimated tax payments and amount applied from 1979 return, \$23,035.
62. Total. Add lines 55 through 61, \$53,858.

Refund or balance due

63. If line 62 is larger than line 54, enter amount overpaid, \$3,690.

65. Amount of line 63 to be applied to your 1981 estimated tax, \$3,690.

ITEMIZED DEDUCTIONS AND INTEREST AND DIVIDEND INCOME, 1980

Schedule A—Itemized Deductions

Medical and Dental Expenses

- 1. One-half (but not more than \$150) of insurance premiums you paid for medical care. (Be sure to include in line 10 below.), \$150.
- 5. Balance of insurance premiums for medical care not entered on line 1, \$177.
- 7. Total (add lines 4 through 6c), \$177.
- 8. Enter 3% of Form 1040, line 31, \$4,212.
- 10. Total medical and dental expenses (add lines 1 and 9). Enter here and on line 33, \$150.

Taxes

- 11. State and local income, \$11,973.
- 12. Real estate, \$3,288.
- 13. General sales (see sales tax tables), \$749.
- 16. Total taxes (add lines 11 through 15). Enter here and on line 34, \$16,010.

Interest expense

- 17. Home mortgage, \$4,966.
- 18. Credit and charge cards, \$565.
- 19. Other (itemize) automobile loan, \$75.
- 20. Total interest expense (add lines 17 through 19). Enter here and on line 35, \$5,606.

Contributions

- 21a. Cash contributions for which you have receipts or cancelled checks, \$1,135.
- 22. Other than cash (see page 17 of instructions for required statement), \$850.
- 24. Total contributions (add lines 21a through 23). Enter here and on line 36, \$1,985.

Miscellaneous deductions

- 31. Other (itemize):
Tax preparation, \$750.
Investment expense, \$25.
Miscellaneous expenses, USS, \$170.
- 32. Total miscellaneous deductions (add lines 30 and 31). Enter here and on line 38, \$945.

Summary of Itemized Deductions

- 33. Total medical and dental—from line 10, \$150.
- 34. Total taxes—from line 16, \$16,010.
- 35. Total interest—from line 20, \$5,606.
- 36. Total contributions—from line 24, \$1,985.
- 38. Total miscellaneous—from line 32, \$945.
- 39. Add lines 33 through 38, \$24,696.
- 40. If you checked Form 1040, Filing Status box: 3, enter \$1,700, \$3,400.

41. Subtract line 40 from line 39. Enter here and on Form 1040, line 33. (If line 40 is more than line 39, see the instructions for line 41 on page 19.), \$21,296.

Part I interest income

- Lowy note, \$606.
- O'Brien, \$7,046.
- United Bank & Trust, \$253.
- 2. Total interest income. Enter here and on Form 1040, line 9, \$7,905.

Part II dividend income

- Dreyfus Money Market, \$2,586.
- 4. Total of line 3, \$2,586.
- 8. Dividends before exclusion (subtract line 7 from line 4). Enter here and on Form 1040, line 10a, \$2,586.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Part I—Income

- 1a. Gross receipts or sales, \$25,000.
- 1c. Balance (subtract line 1b from line 1a), \$25,000.
- 3. Gross profit (subtract line 2 from line 1c), \$25,000.
- 5. Total income (add lines 3 and 4), \$25,000.

Part II—Deductions

- 29. Travel and entertainment, \$126.
- 32. Other expenses (specify):
a. Expenses incurred, \$5,666.
b. Expenses recovered, \$5,666.
- 33. Total deductions (add amounts in columns for lines 6 through 32s), \$126.
- 34. Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35, \$24,874.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Part I—Income

- 1a. Gross receipts or sales, \$19,855.
- 1c. Balance (subtract line 1b from line 1a), \$19,855.
- 2. Cost of goods sold and/or operations (Schedule C-1, line 8), \$442.
- 3. Gross profit (subtract line 2 from line 1c), \$19,413.
- 5. Total income (add lines 3 and 4), \$19,413.

Part II—Deductions

- 29. Travel and entertainment, \$60.
- 33. Total deductions (add amounts in columns for lines 6 through 32s), \$60.
- 34. Net profit or loss (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35, \$19,353.

Schedule C-1—Cost of goods sold and/or operations

- 4. Materials and supplies, \$442.
- 6. Add lines 1, 2c, and 3 through 5, \$442.
- 8. Cost of goods sold and/or operations (subtract line 7 from line 6). Enter here and on Part I, line 2, \$442.

CAPITAL GAINS AND LOSSES

Part II—Long-term capital gains and losses—Assets held more than one year

- 8. Mass bonds, August 14, 1978 to November 19, 1980, \$10,341, \$15,000, \$4,659.
- 11. Add lines 8, 9 and 10 in column f and column g, \$4,659.
- 12. Combine line 11, column f and line 11, column g and enter the net gain or (loss), \$4,659.
- 16. Combine lines 12 through 15, \$4,659.
- 18. Net long-term gain or (loss), combine lines 16 and 17, \$4,659.

Part III—Summary of parts I and II

- 19. Combine lines 7 and 18, and enter the net gain or (loss) here, \$4,659.
- 21. If line 19 shows a loss—a. Enter one of the following amounts: (iii) If line 7 and line 18 are net losses, enter amount on line 7 added to 50 percent of the amount on line 18, \$2,330.
- 21. b. Enter here and enter as a loss on Form 1940, line 14, the smallest of: (iii) Taxable income, as adjusted, \$2,330.

SUPPLEMENTAL INCOME SCHEDULE

- Property A, (d) Depreciation (explain in Part VI) or depletion (attach computation), \$265.
- (e) Other expenses (explain in Part VII), \$709.
- (f) Net loss, \$974.
- 8. Totals, (d) Depreciation (explain in Part VI) or depletion (attach computation), \$265.
- (e) Other expenses (explain in Part VII), \$709.
- (f) Net loss, \$974.
- 9. Total rent and royalty income or (loss). Combine amounts in columns (f) and (g), line 8. Enter here and include in line 18 below, \$974.

Part VI—Depreciation claimed in part II. If you need more space, use Form 4562

See attached.
(g) Depreciation for this year, \$265.
Totals (Property A), \$43,300.

Part VII—Expenses claimed in part II
Other (list), see attached.
Properties, A \$709.

INCOME AVERAGING

Base period income and adjustments	1st preceding	2d preceding	3d preceding	4th preceding
	base period year 1979 (a)	base period year 1978 (b)	base period year 1977 (c)	base period year 1976 (d)
1. Enter amount from: Form 1040 (1977, 1978, and 1979)—line 34. Form 1040A (1977 and 1978)—line 10. Form 1040A (1979)—line 11.				
2. (a) Multiply \$750 by your total number of exemptions in 1977 and 1978. (b) Multiply \$1,000 by your total number of exemptions in 1979.	109,041	89,578	76,540	
3. Taxable income (subtract line 2(a) or 2(b) from line 1). If less than zero, enter zero.	3,000	2,250	2,250	
4. Income earned outside of the United States or within U.S. possessions and excluded under secs. 911 and 931.	106,041	87,328	74,290	76,335
5. On your 1980 form 1040, if you checked box: 2 or 5 enter \$3,200 (in col. (d)). 1 or 4 enter \$2,200 (in col. (d)). 3 enter \$1,600 (in col. (d)).				3,200 3,200
6. Base period income (add lines 3, 4 and 5).	106,041	87,328	74,290	79,535

Computation of averageable income

- 7. Taxable income for 1980 from Schedule TC (Form 1040), Part I, line 3, \$115,114.
- 9. Subtract line 8 from line 7, \$115,114.
- 11. Adjusted taxable income (subtract line 10 from line 9). If less than zero, enter zero, \$115,114.
- 12. Add columns (a) through (d), line 6, and enter here, \$347,194.

- 13. Enter 30 percent of line 12, \$104,158.
- 14. Averageable income (subtract line 13 from line 11), \$10,956.

Computation of tax

- 15. Amount from line 13, \$104,158.
- 16. 20 percent of line 14, \$2,191.
- 17. Total (add lines 15 and 16), \$106,349.
- 19. Total (add lines 17 and 18), \$106,349.

- 20. Tax on amount on line 19 (see caution below), \$45,744.
- 21. Tax amount on line 17 (see caution below), \$45,744.
- 22. Tax on amount on line 15 (see caution below), \$44,451.
- 23. Subtract line 22 from line 21, \$1,293.
- 24. Multiply the amount on line 23 by 4, \$5,172.

28. Tax (add lines 20, 24, and 27). Enter here and on Schedule TC (Form 1040), Part I, line 4 and check Schedule G box, \$50,916.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Part II—Computation of net earnings from nonfarm self-employment

Regular Method

- 5. Net profit or (loss) from: a. Schedule C (Form 1040), \$44,227.
- 6. Total (add lines 5a through 5e), \$44,227.
- 8. Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7), \$44,227.

Nonfarm optional method

- 9a. Maximum amount reportable under both optional methods combined (farm and nonfarm), \$1,600.

Part III—Computation of social security self-employment tax

- 12. Net earnings or (loss): b. From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), \$44,227.
- 13. Total net earnings or (loss) from self-employment reported on line 12a and 12b. (If line 13 is less than \$400, you are not subject to self-employment tax. Do not fill in rest of schedule), \$44,227.
- 14. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1980 is, \$25,900.
- 16. Balance (subtract line 15c from line 14), \$25,900.
- 17. Self-employment income—line 13 or 16, whichever is smaller, \$25,900.
- 18. Self-employment tax. (If line 17 is \$25,900, enter \$2,097.90; if less, multiply the amount on line 17 by .081.) Enter here and on Form 1040, line 48, \$2,098.

TAX COMPUTATION SCHEDULE

Part I—Computation of tax for taxpayers who cannot use the tax tables

- 1. Enter the amount from Form 1040, line 34, \$119,114.
- 2. Multiply \$1,000 by the total number of exemptions claimed on Form 1040, line 7, \$4,000.

3. Taxable Income. Subtract line 2 from line 1. (Figure your tax on this amount by using the Tax Rate Schedules or one of the other methods listed on line 4.), \$115,114.

4. Income Tax. Enter tax and check if from: × Form 4726. Also enter on Form 1040, line 35, \$48,070.

EMPLOYEE BUSINESS EXPENSES

Employee business expenses deductible in computing adjusted gross income on form 1040, line 31

- 23. Other Expenses: Schedule attached, \$2,669.
- 24. Total of lines 19 through 23, \$2,669.
- 26. Excess expenses (lines 24 less line 25). Enter here and include on Form 1040, line 24, \$2,669.

EMPLOYEE BUSINESS EXPENSES

ELLEN H. PROXMIRE

Automobile expenses

- A. Months auto held for business use, 9 months.
- B. Total mileage for months in A, 7,000 miles.
- C. Portion of B applicable to business, 4,900 miles.

Regular method:

- 1. Gasoline, oil, lubrication, etc., \$637.
- 2. Repairs, \$293.
- 3. Tires, supplies, etc.,
- 4. Other: Taxes, \$18. Lease payment, \$3,049. Insurance, \$529.
- 5. Total \$4,726.
- 6. Percentage of expense applicable to business (line C above divided by line B above), 70.00 percent.
- 7. Business portion (line 5 multiplied by line 6), \$3,308.
- 9. Total, \$3,308.
- 16. Enter the amount from line 9 or line 15 whichever is used \$3,308.
- 17. And parking fees and tolls \$200.
- 18. Total, \$3,508.

Employee business expenses deductible in computing adjusted gross income on form 1040, line 31

- 19. Airplane, boat, railroad, etc., fares, \$284.

21. Automobile expenses (from line 18), \$3,508.

23. Other Expenses: 1,400 ml. second car, \$280.

24. Total of lines 19 through 23, \$4,072.

25. Less: Employer's payments for above expenses (other than amounts included on Form W-2), \$2,649.

26. Excess expenses (line 24 less line 25). Enter here and include on Form 1040, line 24, \$1,423.

MAXIMUM TAX ON PERSONAL SERVICE INCOME

Personal service income

- Wages, \$90,838.
- Business income, \$44,227.
- Miscellaneous, \$2,000.

Deductions against personal service income

- Employee business, exp., \$4,092.
- 1. Total personal service income, \$137,065.
- 2. Total deductions against personal service income, \$4,092.
- 3. Personal service net income—Subtract total of line 2 from total of line 1, \$132,973.
- 4. Enter your adjusted gross income, \$140,410.
- 5. Divide the amount on line 3 by the amount on line 4. Enter result as a percentage. If more than 100 percent, enter 100 percent. Round to nearest 4 numbers, 9470.
- 6. Enter your taxable income, \$115,114.
- 7. Multiply the amount on line 6 by the percentage on line 5, \$109,013.
- 9. Personal service taxable income. Subtract line 8 from line 7, \$109,013.
- 10. If: on Form 1040, you checked box 2 or box 5, enter \$60,000, \$60,000.
- 11. Subtract line 10 from line 9. If line 10 is more than line 9, do not complete rest of form, \$49,013.
- 12. Enter 50 percent of line 11, \$24,507.
- 13. Tax on amount on line 6*, \$51,201.
- 14. Tax on amount on line 9*, \$47,316.
- 15. Subtract line 14 from line 13, \$3,885.
- 16. If the amount on line 10 is: \$60,000, enter \$19,678, \$19,678.
- 17. Add lines 12, 15, and 16. This is your maximum tax, \$48,070.

*Use Tax Rate Schedules from Form 1040 or Form 1041 instructions.

WILLIAM AND ELLEN H. PROXMIRE, H RENTS AND ROYALTIES

	Amount						
Income.....	0						
Other expenses:							
Miscellaneous.....	50						
Taxes.....	104						
Interest.....	555						
Total.....	709						
Description and date	Basis	Prior	Method	Life	Depre- ciation	Accumu- lation	
Depreciation:							
Land—November 22, 1980.....	11,500						
Bradford—November 22, 1980.....	31,800		5L	26/20	265	265	
Total.....	43,300	0			265	265	
Total expenses and depreciation.....	974						
Net profit or loss.....	974						

PREVENTION OF BLINDNESS SOCIETY, Washington, D.C., December 29, 1980.

Received from Ellen Proxmire merchandise which donor values at \$850.

Your generous donation means more services to save sight—more glaucoma tests, more help for children with eye problems, and more sight restoration for people with cataract.

Thank you very much.

Sincerely,

ARNOLD B. SIMONSE, Ph. D.,

Executive Director.

CERTIFICATE

I hereby certify that I was in a travel status in the Washington, D.C. area, away from my home in my home State of Wisconsin, in the performance of my official duties as a Member of Congress for 245 days during the year 1980 and that my deductible living expenses while in such travel status amounted to \$3,000.

STATEMENT OF CONGRESSIONAL REIMBURSEMENTS AND EXPENSES

Note: Before preparing this statement, please read the accompanying information.

WILLIAM AND ELLEN H. PROXMIRE, 1980 EARNINGS

	Gross	Federal with- holding taxes	FICA	State with- holding taxes	City with- holding taxes
U.S. Senate (H).....	60,663	24,912		5,104	
Washington whirlaround (W).....	30,175	5,911	1,588		
Total.....	90,838	30,823	1,588	5,104	
Miscellaneous income: Washington Whirlaround (total).....	2,000				
	50 percent	30 percent	20 percent		
Contributions:					
Prevention blind.....	850				
By check (H).....	985				
By check (W).....	150				
Total.....	1,985				
Allowable.....	1,985				

Some reimbursements are not includible in gross income and other reimbursements, in some circumstances, need not be reported on your return. Do not include amounts received from non-Congressional sources. You may use Form 2106 in place of this statement. (attached.)

CONGRESSIONAL REIMBURSEMENTS FOR EXPENSES

- 1. Reimbursement at the rate of 20 cents a mile for one round trip to the Home District during each regular session, \$5,710.
- 2. Reimbursement for other travel expenses, \$331.
- 3. Reimbursement for other deductible expenses (if any), \$12,109.

4. Reimbursement for nondeductible expenses (if any), None.

5. Total reportable reimbursements, \$18,150.

EXPENSES DEDUCTIBLE AS ADJUSTMENTS TO INCOME

6. Travel expenses: Living expenses in the Washington, D.C. area. The maximum amount allowable is \$3,000, \$3,000.

7. Travel expenses: Other (attach detailed statement), \$5,710.

8. Other expenses (limited to amount on line 3), \$12,109.

9. Total expenses, \$20,819.

10. Excess Reimbursement (Excess of line 5 over line 9. Include on Form 1040, line 20), None.

11. Deductible Expenses (Excess of line 9 over line 5. Include on Form 1040, line 23), \$2,669.

EXPENSES DEDUCTIBLE AS ITEMIZED DEDUCTIONS

Note: These expenses include deductible Congressional expenses, other than for travel, which were not reimbursed by Congressional allowances. They include those expenses which may have been reimbursed from outside sources, such as contributed funds. Specify the kind of expense and total all expenses of the same kind. If additional space is needed, list the expenses on a separate sheet. Write "See separate sheet attached" on line 12 and enter the total amount on line 13.

12. Parade Vest, \$45. Photography expenses, \$125.

13. Total expenses deductible. Include on line 31, Schedule A (Form 1040), \$170.

SENATOR WILLIAM PROXMIRE, EXPENSE SCHEDULE, 1980

Travel	Office	Phone	Dues and sub	Per diem	Air mail	Court costs
104	42	630	120	115	121	3,498
127	191	470	96	45	69	1,239
115	31	205	143	155	94	395
138	19	617	147	42		
118	139	290	581	214		
115				39		
133				123		
158				44		
124				558		
131				104		
121				84		
133				51		
155				121		
33				123		
137				92		
166				306		
166				109		
15				27		
144				101		
137				76		
144				150		
133				67		
133				146		
266						
147						
44						
136						
136						
147						
147						
147						
136						
147						
136						
331						
136						
300						
374						
5,710	422	2,292	1,087	2,892	284	5,132

Note: Statutory reimbursement, 331.

Mr. PROXMIRE. Mr. President, I may have come close in the past, but, as far as I know, this is the first time I have paid more in taxes to the Federal and State Governments than I received in salary from the Federal Government for my duties as a U.S. Senator.

HISTORY, MYTH, AND THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in the April issue of the journal Democracy, historian Pierre Vidal-Naquet attacks the notion, supported by a growing number of scholars, that the Jewish holocaust never really occurred.

Vidal-Naquet lists the critical shortcomings of this "revisionist" school, which deals with the fact of the Hitler genocide by "replacing an unbearable truth with a reassuring lie." The revisionists share a few basic premises, as Vidal-Naquet notes: There was no genocide, and the instruments that symbolized it, the gas chambers, never existed. They claim that most Jews in the camps died because of illness, or at the hands of the Soviet Russians; the "final solution" for Jews in the West was no more than expulsion of Jews to Eastern Europe; the figure cited for Jewish victims of Nazism is much lower than has been stated. Writes German lawyer Manfred Roeder:

There does not exist a single document worthy of the name that places the total losses of the Jewish population during the last war at more than 200,000 . . . It should be mentioned, too, that Jews who died a natural death are included in this figure; and that the genocide theory is an invention of Allied, and especially Zionist, propaganda.

Vidal-Naquet charges that the revisionist literature "is not a history of the 1939-45 war, but a reflection of contemporary mental attitudes, principally since the 1960's"—neo-Nazism, anti-Zionism, German nationalism, and so forth. He discusses some of the techniques of the revisionist scholars.

For example, any direct testimony furnished by Jews is considered a lie and an invention; in general, any document that gives firsthand evidence of Nazi methods is branded as either false or tampered with; any Nazi document is accepted at face value if it is written in coded, unfamiliar language, but is ignored if written plainly—as in Goebels' diary entry for May 13, 1943:

There is therefore no other solution for modern nations except to exterminate the Jews.

All postwar evidence from Nazis is considered to have been obtained by means of torture or intimidation. Yet Vidal-Naquet notes that—

Under these circumstances, it is rather strange that not one SS leader should have denied the existence of the gas chambers.

The aim of this school is quite clear, as Vidal-Naquet points out "to ideologically deprive a community of what is represented by its historic memory."

George Orwell's famous formula, "who controls the past controls the future . . . Who controls the present controls the past," has great pertinence here. It is certain that mainstream holocaust research contains some inaccuracies and misinformation, but such faults cannot invalidate the historical fact. And by perverting this enormous historical fact into equally grotesque fiction, the revisionists dilute the horror of genocide, thus

making it possible—even unnoticeable—once again.

The Genocide Convention is designed to combat this travesty. Its definitions and assumptions are quite specific: it outlaws the act or intent to destroy, in whole or in part, any racial, ethnic, religious, or national group. By defining the crime so specifically, the treaty should withstand the attempts of those who pervert the language or select the evidence to present historically inaccurate viewpoints.

The Greek Muses claimed to "know how to tell lies that are exactly like realities; but when we want to do so, we also know how to proclaim truths." The revisionists can make the same claim. Yet in the fact of such disturbing irresponsibility, Vidal-Naquet thinks that "we may be grateful if, in the dreariness of our time, we can garner a few particles of truth" and "experience an occasional small satisfaction." That genocide is a crime is one such truth. Let us ratify the Genocide Convention.

Mr. President, I yield back the remainder of my time to the distinguished Senator from Nebraska.

RECOGNITION OF SENATOR ZORINSKY

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Nebraska. It is the Chair's understanding that the Senator has a 15-minute special order.

Mr. ZORINSKY. That is correct.

THE COMPLIANCE REVIEW REIMBURSEMENT ACT

Mr. ZORINSKY. Mr. President, I am pleased to have Senator HATCH, chairman of the Committee on Labor and Human Resources, join me today in introducing a bill which would provide reimbursement to educational institutions for the costs incurred in responding to compliance reviews conducted by the Office for Civil Rights of the Department of Education.

The costs of such reviews have become excessive. Many investigators are going beyond all reasonable bounds in demanding information from the educational institutions. For instance, the Omaha public schools have been the subject of such a review even though no complaints had been received prior to the investigation. In order to compile the data required by the Office for Civil Rights, the school district has had to establish a task force made up of approximately 500 persons, including every principal and assistant principal in 90 schools, all activity sponsors, coaches, counselors, central office staff, legal counsel, and others. The investigation has been going on for almost a year and the cost to the school system has been estimated at \$77,500.

The bill which we are introducing today provides that the funds to be reimbursed to the educational institutions come out of the operating budget of the Office for Civil Rights. No additional appropriations will be required by this leg-

isolation. Their current budget of \$50 million will be adequate for this purpose.

This legislation will not hinder the Office for Civil Rights in investigating specific complaints within their jurisdiction as required by law. It is my hope, however, that it will reduce the compliance reviews which are initiated in the absence of complaints. In their zeal to uncover all possible "violations," they have reached the point of absurdity. The Omaha public schools have been informed that they cannot have girls' glee clubs because that would violate the sex discrimination provision, title IX, of the Education Amendments of 1972. Announcements of cheerleader tryouts are being scrutinized to determine whether boys are covertly being discouraged from participating. Officials of a college in Nebraska, during the course of a title IX investigation, were asked for their written policies on towel distribution and reporting malfunctioning electrical outlets. This was in response to OCR investigators soliciting complaints from the students and being told that the boys' tennis team did not get towels and that the electrical outlet the girls used for their hair dryers in the washroom was not working.

An article in the March 1981 issue of Instructor magazine, entitled "There's Something Wrong Here * * *," stated that a regulation requiring schools to keep discipline records by race, sex, and handicap is on the Department of Education's "back burners." It went on to note that apparently the Office for Civil Rights believes that minority students in some schools are receiving more than their share of disciplinary actions. The article speculated about the possibility of a quota system for disciplinary action being established, and that once a quota had been reached, additional violations could go unpunished. Albert Shanker, president of the American Federation of Teachers, in commenting on this issue, predicted that such a regulation would result in an increase in violence and school discipline problems.

Mr. President, much has been written about the activities of the Office for Civil Rights, but the problem remains. We need to keep a tighter rein on these bureaucrats. They are attempting to take away local authority by dictating the nature of school operations. I have been informed by our school officials that their total effort appears to be directed toward overhauling a local school system and making it a sociological endeavor.

It is my hope that the effect of this legislation will be to place a degree of restraint on the Office for Civil Rights. If they are required to consider the cost effectiveness of their actions, they may hesitate before initiating a massive and disruptive investigation of an educational institution where there has been no complaint. It is not unreasonable to expect that they, too, be bound by budgetary considerations. Without such restraints, it can be expected that the harassment of our educational institutions will persist and an ever-increasing amount of time will be taken away from the primary function of these institu-

tions, which is—lest we forget—the education of students.

Mr. President, I ask unanimous consent that the full 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. 1091

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 "Compliance Review Reimbursement Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the costs relating to compliance reviews and similar investigations by the Office for Civil Rights of the Department of Education are a significant burden upon educational institutions; and

(2) the costs of such compliance reviews have become unreasonable and have interfered with the principal function of such institutions which is the education of students.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "educational institution" means—

(A) any local educational agency as defined in section 1001(f) of the Elementary and Secondary Education Act of 1965; or any private "elementary school" or private "secondary school" as defined in Section 1001 (c) and (h) respectively of the Elementary and Secondary Education Act of 1965;

(B) any State board as defined in section 195(9) of the Vocational Education Act of 1963; and

(C) any institution of higher education as defined in section 1201(a) of the Higher Education Act of 1965;

(2) the term "Secretary" means the Secretary of Education; and

(3) the term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

ENTITLEMENT

SEC. 4. (a) Each educational institution in a State is entitled to receive reimbursement for reasonable costs (including personnel costs) incurred in compliance reviews or other similar investigations conducted by the Office for Civil Rights of the Department of Education concerning that institution. The entitlement made by this section may not include any costs related to corrective actions required as a result of any such review.

(b) The entitlement provided by subsection (a) of this section shall be available for reasonable expenditures made during the period beginning May 1, 1980, and ending September 30, 1984.

APPLICATIONS

SEC. 5. (a) Each educational institution entitled to receive assistance under section 4 of this Act shall submit an application at such time, in such manner, and containing or accompanied by such information as the Secretary deems reasonably necessary. Each such application shall—

(1) describe the costs of complying with the review or other investigation imposed by the Office for Civil Rights of the Department of Education and

(2) provide for such fiscal control and fund accounting procedures as may be necessary (A) to insure a proper accounting of Federal funds paid to the applicant of this Act, and (B) to insure the verification of the costs of complying with such review or other investigation.

(b) The Secretary shall expeditiously approve any application that meets the requirements of this section.

WITHHOLDING

SEC. 6. Whenever the Secretary, after reasonable notice and opportunity for a hearing to any educational institution, finds that there has been failure to comply with the provisions set forth in the application of that agency approved under section 5, the Secretary shall notify the institution that further payments will not be made under this Act until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Act.

PAYMENTS

SEC. 7. (a) From amounts available under section 8, the Secretary shall pay, in accordance with the provisions of this Act, to each educational institution which has an application approved under section 5, an amount equal to the amount needed for the purposes set forth in the application.

(b) (1) Payments under this Act shall be made as soon after approval of the application as practicable.

(2) Payments under this Act may be made in installments, in advance or by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

AVAILABILITY OF APPROPRIATIONS

SEC. 8. Payments made under section 7 based upon entitlements under section 4 shall be paid from the appropriations for each fiscal year beginning after September 30, 1980, available to the Office for Civil Rights, of the Department of Education. The expenditures of the Office for Civil Rights for each such fiscal year for purposes other than entitlements under this Act shall be reduced by the amount of entitlements required to be paid by this Act.

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

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there an order for morning business?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, during which time Senators may speak for up to 5 minutes each.

Is there morning business?

Mr. BAKER. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended to not more than an hour and 30 minutes and that the conditions be changed so that Senators may speak therein.

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

INDIVIDUAL VIEWS OF SENATOR ERNFST F. HOLLINGS—ON FIRST CONCURRENT RESOLUTION

Mr. HOLLINGS. Mr. President, in reporting the first concurrent resolution on the budget for fiscal year 1982, I had filed individual views. In the printing of those individual views and the report itself, the sheets became jumbled; there was a mistake in the printing as well as a few other corrections. We are trying to correct that now with a star print.

In the meantime, I ask unanimous consent to have my additional views in that

report as amended printed in the RECORD as if delivered on the floor.

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

Mr. HOLLINGS. Mr. President, on Thursday, April 9, 1981, the Senate Budget Committee met at high noon to vote on reporting the first budget resolution for fiscal year 1982. The committee had previously reported a reconciliation bill of \$45 billion which the Senate approved by a wide margin. Now, the committee's task was to incorporate the spending cuts in the budget resolution and adopt a revenue figure that would honestly yield a balanced budget, if not in fiscal year 1982, at least by fiscal year 1984. Since President Reagan and the Senate were in substantial agreement on spending cuts, the primary issue before the committee was the tax cut. This would determine whether we set a path for declining deficits in 1982 and 1983 so that by 1984 there would be a zero deficit—a balanced budget.

The committee during the previous week had engaged in vigorous debate on economic assumptions. For the first time in its history, the Budget Committee ignored the economic assumptions of the nonpartisan Congressional Budget Office (CBO). It formulated a budget not using the CBO estimates, but instead using "Reaganomics" which predicted nearly twice the growth rate in 1982 predicted by other major economic forecasters, as well as totally unrealistic inflation and interest rate projections. Even with these false assumptions about the economy, however, the tax plan adopted by the committee which included the Kemp-Roth personal tax cut program still left a \$45 billion deficit in 1984 rather than a balanced budget. Using the CBO estimates, the 1984 deficit actually amounted to over \$80 billion—not the \$45 billion asserted by the Republicans. The Democrats balked at the false estimates and the deficit and three Republicans waxed eloquently of why they would not support an unbalanced budget. The resolution was voted down, 12 to 8.

The committee reconvened at 2 p.m., April 28. Two weeks had ensued—and a lot of shenanigans. The Republicans consulted with Defense Department officials to jimmy the defense figures. They also met with David Stockman, Director of the Office of Management and Budget, to determine additional cuts for fiscal year 1983 and fiscal year 1984 in order to balance the budget.

Republicans had made three conflicting promises. First, they had indicated that reconciliation was not to become a habit. Once the 1981 reconciliation bill was adopted, there would be no request for further ones in 1982 and 1983. Yet, at the same time, Mr. Stockman was stating that additional budget cuts would be needed for fiscal year 1983 and fiscal year 1984. I am told that when he started reviewing these proposals with Budget Committee Republicans, he was told to close the notebook. Under no circumstances would Congress totally eliminate education programs, et cetera. The cuts he proposed were too drastic. Any further mention of them now would only cause more difficulties.

Second, Republicans had promised a balanced budget by 1984. But they had painted themselves into a corner. What had been fundamental Republican doctrine for a balanced budget now seemed to disappear. After all, they said, "the budget resolution is binding only for fiscal year 1982." "Why all the fuss about 1983 and 1984?" "Those years are not binding—only targets." "Why worry over out years that no one can control?"—or rather no one wanted to control. Moreover, it was quite apparent that the Finance Committee would not go along with a 3-year tax cut. So no one was in charge for 1984. "Let us agree on any figures for 1984," they pleaded, praying that the Finance Committee would save them from their folly. It was like diving into an empty pool and hoping that the Finance Committee would fill it with water before they hit the bottom.

I was dismayed to observe the change in-budget discipline over the 2-week period. I had thought that the three dissenting Republicans would assume their responsibilities as members of the majority and vote to report the resolution; that is, since none of the figures upon which their "No" votes were premised had changed, they would still vote to report the budget resolution, registering their continued objections to the deficit, but stating their votes would merely give the President a chance to have his economic recovery program considered by the full Senate. This was exactly what the President was asking Democrats to do. But that was not to be. The chairman changed his mark to include phony savings—of the type he had previously described as baloney.

The following table, which I ask unanimous consent to have printed in the RECORD, shows the plan that allowed three Republicans, and, unfortunately, three Democrats, who had previously voted no, to vote aye.

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

REPUBLICAN PLAN TO BALANCE THE BUDGET IN 1984
(ADOPTED BY SENATE BUDGET COMMITTEE APR. 28)

	Fiscal year—		
	1982	1983	1984
Budget outlay totals rejected by committee on Apr. 9.....	704.1	762.0	815.4
Additional savings proposed and accepted:			
1. Use administration's estimate of outlays in function 050 (Defense) ¹	5.1	2.1	7.4
2. Assume 1 percent cut in each function, including defense, for waste, fraud and abuse ²		7.2	7.7
3. Assume 40 percent pay absorption in function 050 (Defense) ²		1.9	1.9
4. Assume passage of legislation increasing Presidential impoundment powers ³		5.0	5.0
5. Additional cuts not yet proposed ³		15.4	22.8
Total.....	5.1	31.6	44.8

¹ Not included in SBC reestimated.
² Included in SBC reestimated, but actual savings are questionable.
³ Included in SBC reestimated, but actual savings are doubtful because cuts are unspecified.

Mr. HOLLINGS. Mr. President, a few comments are necessary on these items.

Consider the first three items in the table. In his address before Congress on April 28, 1981, President Reagan criticized the budget resolution reported by the House Budget Committee for containing a \$14 billion cut in the defense function. If the CBO outlay estimates resulting from the administration's budget authority policies are followed, item No. 1 amounts to a cut of \$5.1 billion in national defense in 1982 and \$2.1 billion in 1983.

Item No. 2, a 1 percent from waste, fraud and abuse, while highly desirable, will more likely come from Operations and Maintenance and Procurement—the primary readiness accounts of the DOD. That cuts another \$2.3 billion from DOD in 1983. Item No. 3, 40 percent pay absorption, is well above the norm of 20 percent absorption for the Defense Department. President Reagan's budget actually calls for no pay absorption at all in 1982. In 1983, this amounts to another \$1.9 billion cut. Cumulatively, the first three items in the table cut defense in 1982 by \$5.1 billion and in 1983 by \$6.3 billion. What is hidden behind these cuts is the effect of the phony inflation number for defense used by the Budget Committee. With good reason, the Republicans on the committee will not expose the impact of using the more realistic deflators of the CBO. Doing so would show further cuts of \$3.6 billion in 1982 and \$8.9 billion in 1983. So we have the President saying he does not like the House Budget Committee's numbers for defense—a \$14 billion cut over 3 years—but he likes what the Senate Budget Committee proposes for defense—an \$8.7 billion cut in 1982 and a \$15.2 billion cut in 1983—a total cut of \$23.9 billion in just 2 years.

This is bad enough, but at least those cuts can be identified. The last two items do not enjoy even that flimsy justification. The increase in Presidential impoundment powers, item No. 4, implies that the Congress will appropriate more money than the President's request. Otherwise, there is little need for the President to be able to impound appropriations. Why should the Budget Committee assume that the Congress will act with imprudence in the future?

Why should the committee invite the corruption that led to the institution of the Impoundment Control Act in the first place? No one should want to return to the days of unilateral and unconstitutional impoundment under Presidents Nixon and Ford. But the Republicans had to find savings somewhere. They had to balance the budget.

But even including these dubious savings proposals, the schemers were still short \$22.8 billion for a balanced budget in 1984. Thus it was that the Republicans abandoned all responsibility. Repudiating the honest budget discipline which produced the historic reconciliation spending cuts, the Republicans reached into thin air and proposed over \$38 billion of unspecified, unidentified, "additional cuts not yet proposed for fiscal years 1983 and 1984." (Item No. 5 on the table.)

This is sham. It severely limits the credibility of this budget resolution. More significantly, it puts a cloud over

the entire budget process. Over the years, the bipartisan leadership of the Budget Committee has had the task of keeping Senators' "feet to the fire" on the budget. This is not a pleasant task; it is not an easy one. The only chance for success is to appeal to Members' conscience and sense of responsibility. But when the committee leadership engages in unconscionable tactics of this sort, it stands denuded. Irresponsible leadership is incapable of bringing strays back on the reservation. April 28 was indeed a sad day for the budget process.

The third promise made by the Republican majority was for an invigorated effort to improve our defense capabilities. Because it failed to deliver on its promises of a balanced budget and identified functional spending cuts, the majority has not lived up to this pledge. The CBO assumes that inflation on defense purchases will average about 10.7 percent during the fiscal years 1981-84 period. This is almost 3 percent higher than the average annual inflation estimate for such purchases in the President's budget.

The following table compares forecasted deflators with actual price changes in defense purchases since fiscal year 1974, and I ask unanimous consent to have it printed in the RECORD.

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

DEFENSE PURCHASE DEFLATORS
[In percent]

	1974	1975	1976	1977	1978	1979	1980	1981
Forecast.....	3.0	5.8	15.0	7.9	6.8	6.2	7.0	8.9
Actual.....	7.5	12.4	8.0	10.2	7.9	8.7	15.0	12.0

¹ Current CBO estimate.

Note: Fiscal year 1977 includes the transition quarter.

Source: DOD Comptroller's Office.

Mr. HOLLINGS. Mr. President, this table shows that in every year but 1976, actual inflation exceeded the amount forecast by substantial amounts.

The next table compares the administration forecasts to those of the Congressional Budget Office for fiscal year 1982 through fiscal year 1986, and I ask unanimous consent to have it printed in the RECORD.

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

DEFENSE COMPOSITE DEFLATORS
[Percentage]

	Fiscal year—				
	1982	1983	1984	1985	1986
Reagan:					
Budget authority.....	8.9	6.9	6.2	5.6	5.3
Outlays.....	9.7	7.5	6.5	5.8	5.3
CBO:					
Budget authority.....	10.8	8.9	8.4	8.0	7.6
Outlays.....	10.8	9.2	8.4	8.1	7.6

Mr. HOLLINGS. Mr. President, using the CBO forecast, which Congress has used in all previous budget resolutions, the defense budget proposed in this budget resolution is underpriced by

about \$45 billion in budget authority and \$29 billion in outlays over fiscal years 1981-84. This underpricing increases to roughly \$125 billion in budget authority and \$90 billion in outlays by 1986, the end of the President's 5-year defense program projection. I cannot imagine a Congress that purports to favor improvements in military capability supporting a defense budget that is so purposely and grossly underpriced in order to assert a fictitious budget balance in 1984.

A second fraud in the reported defense totals is the use of the administration's outlay estimates rather than those of CBO. As mentioned previously, the Republicans have chosen to hide an additional \$15 billion in spending through fiscal year 1984, including over \$7 billion alone in fiscal year 1984, by this means. The fraud is appreciated when one understands that for every other function in this budget resolution, the CBO estimates are used—but not in defense. Compounding this inconsistency is the fact that CBO outlay estimates, not the administration's, are used for the committee's fiscal year 1981 defense recommendation. Apparently the CBO estimates are considered more valid than the administration's for fiscal year 1981, but strangely they become invalid for fiscal years 1982-84.

Trying to cover this inconsistency, the chairman of the Budget Committee argued that he had checked with the chairman of the Armed Services Committee who gave his okay to the depressed outlay totals. But the chairman of the Budget Committee checked with the wrong chairman. He should have checked with the chairman of the Appropriations Committee, since Appropriations is the committee that will be given a lump sum under the budget resolution to allocate to its subcommittees. In the minds of those working the defense budget on the Appropriations Committee, they will be working off a substantially higher figure than provided in the budget resolution. In the minds of others on the committee, it will appear that the Senators on the Defense Subcommittee are robbing the other programs and subcommittees of their rightful share. This situation is essentially what caused the problems last year on the Appropriations Committee. This year, the two chairmen have gone to great lengths not to repeat the same holocaust. But the majority vote on the first budget resolution, with these defense assumptions, most assuredly will start another donnybrook, further damaging the credibility of the budget process.

I like President Reagan's politics. He has stated, "If you do not like my economic recovery program then submit an alternative." Senators, HART, MOYNIHAN, RIEGLE, and myself submitted alternatives. My plan limited tax cuts to \$21 billion in 1982, restricted the cuts solely to the supply side, and postponed across the board cuts in personal income taxes and corporate taxes until 1983. As the following three tables show, my plan assured a balanced budget by 1984. But, strangely enough, the Republicans could

not support the proposal. I ask unanimous consent to have the tables printed in the RECORD.

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

TAX REDUCTION PROPOSAL
[Fiscal years, in billions of dollars]

	1981	1982	1983	1984
Individual.....	-0.7	-7.7	-29.2	-42.9
Marriage penalty.....	-0.2	-3.8	-7.2	-8.6
\$1,000/\$2,000 interest and dividend exclusion.....	-0.5	-3.9	-9.0	-12.3
Personal rate cut of 5 percent in 1983.....			-13.0	-22.0
Business.....	-4.3	-13.7	-21.4	-28.2
2-4-7-10 depreciation.....	-4.3	-13.7	-18.6	-19.0
Corporate rate cut to 40 percent in 1983.....			-2.8	-9.2
Total tax reduction.....	-5.0	-21.4	-50.6	-71.7
Supply side incentives as proportion of total (percent).....	100.0	100.0	74.0	70.0

FEDERAL DEFICIT

President.....	-54.9	-45.0	-22.8	0.5
CBO reestimates.....	-60.9	-67.5	-63.8	-48.5
Hollings.....	-58.9	-45.8	-30.9	

COMPARISON TO ADMINISTRATION PROPOSAL

President ¹	-8.9	-53.9	-100.0	-148.1
Hollings.....	-5.0	-21.4	-50.6	-71.7
Difference.....	-3.9	-32.5	-49.4	-76.4

¹ Includes individual income tax reduction and depreciation reform.

Mr. HOLLINGS. Mr. President, the first budget resolution for fiscal year 1982 as reported by the committee, using its own economic and spending assumptions, is as follows, and I ask unanimous consent to have the table printed in the RECORD.

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

	Fiscal year—			
	1981	1982	1983	1984
Budget authority.....	716.0	775.1	812.6	865.0
Outlays.....	662.7	699.1	730.5	770.7
Revenues.....	599.9	650.3	709.1	770.7
Deficit/surplus.....	-62.8	-48.8	-21.4	

Mr. HOLLINGS. Mr. President, the first budget resolution has been reestimated using the economic assumptions and spending estimates of the Congressional Budget Office. I ask unanimous consent to have this table printed in the RECORD.

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

	Fiscal year—			
	1981	1982	1983	1984
Budget authority.....	717.1	784.7	833.0	899.8
Outlays.....	661.3	712.8	754.4	817.5
Revenues.....	598.4	652.8	705.4	767.3
Deficit/surplus.....	-62.9	-60.0	-49.0	-50.2

Mr. HOLLINGS. Mr. President, this estimate includes all of the savings proposed by the committee majority except the use of the administration's estimates of defense outlays. The reason that the CBO defense outlay assumptions were used is that it is generally agreed that the rate of outlay spending from budget authority and defense policy cannot be controlled. Two years ago, we started the rapid deployment force.

The defense budget jumped \$35.2 billion in 1981 over 1980. Military contract awards were up 30 percent in 1980 over 1978; unfilled defense orders at manufacturers totaled \$63 billion at the beginning of this year compared to \$48 billion a year ago and \$35 billion at the start of 1978. The Pentagon has repeatedly maintained that it cannot control outlays made pursuant to contracts already signed.

In a written reply to a House Defense Appropriations panel query, the Pentagon said:

In the practical sense, DoD has very little control over expenditures without causing unnecessary disruption to the execution of programs or arbitrary and/or unfair practices to contractors (and) deferral and/or rescission of funds to finance programs Congress intended to be fully executed.

No doubt this is why the chairman of the Armed Services Committee moved a defense figure for the defense function using the CBO outlay estimate.

An even more realistic appraisal of the current budget picture is realized using CBO economic assumptions and spending estimates, but excluding unidentified savings. It assumes savings from the proposals to require 40 percent pay absorption by the Department of Defense and to cut 1 percent from each budget function for waste, fraud, and abuse.

While these cuts are likely to be achieved by cutting into programs rather than by eliminating waste, fraud, and inefficiencies, they can at least be identified by budget function. However, this reestimate does not assume savings either from legislation increasing Presidential impoundment powers or from additional cuts not yet proposed, since in neither case can the savings be identified either by program or by budget function.

In addition, the resumption of Presidential impoundment authority is not even likely to occur, and the "unidentifiable" cuts that have been identified by the administration are so unrealistic that neither it nor anyone else with sense wants to mention them, let alone support them.

I ask unanimous consent to have this table printed in the RECORD.

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

	Fiscal year—			
	1981	1982	1983	1984
Budget authority.....	717.1	784.7	853.3	927.5
Outlays.....	661.3	712.8	774.7	845.2
Revenues.....	598.4	652.8	705.4	767.3
Deficit/surplus.....	-62.9	-60.0	-69.3	-77.9

Mr. HOLLINGS. So there we are, Mr. President. Fifteen Senators voting to report this budget resolution—all promising a balanced budget, and knowing all along it cannot happen. The fraud and abuse is not too much in the programs as in the promises contained in this first budget resolution.

President Reagan's program contains the right elements. But certain of the elements come in the wrong size and at the wrong time. The program consists of:

First, spending cuts; second, cuts in regulations; third, tax cuts; and, fourth, increases in defense.

A sense of history is necessary to understand why the Reagan program—a good program—will go awry. President Reagan is right in stating that the task is to clean up the mess that has built up over the past years. But it is not the past 25 years of Democratic Congresses as he likes to allude to—it is the past 10 years that is causing the grief.

Lyndon Johnson gave us the last balanced budget in 1968-69 and prior to that all administrations were fiscally sound. The cumulative deficit for the fifties and sixties, for the 20 year period from 1950 to 1970, including the Korean war, the New Frontier, the Great Society and the war in Vietnam, was \$74.7 billion. That was for 20 years. But in the last 10 years, the cumulative deficit from 1971 to 1981 exceeds \$400 billion. So the President hits the deck in face of a tremendous inflationary surge. No President, no Congress could balance the budget and avoid a recession all in one year. It requires a tightrope act.

Last year, I met with 23 economists who were reviewing the economic projections for fiscal year 1981 of the Congressional Budget Office. It was a composite. There were five former chairmen of the Council of Economic Advisers, there were the managers of the econometric models, there were Nobel Prize winners in economics. They emphasized that the concern of the country was inflation and the goal was to get by the next business cycle without causing an even more spiraling inflation in 1982 and a deeper recession early in 1983.

They counseled that all stimulus and tax cut packages should be resisted in 1980 and beginning in 1981—solely on the supply side—there should be a relatively small tax cut that would promote savings, investment, productivity. The business cuts should be projected forward over the ensuing 3 years so that business could invest on those cuts. They further counseled that if we cut spending sufficiently, held up on new programs, and stopped deficit spending, we could then move for demand-type tax cuts so as to cut down on the size of government. They all cautioned that you could not increase defense, cut spending, cut taxes, and cut the size of government all in 1 year. It had to be done in steps.

President Reagan constantly refers to the Kennedy tax cut of 1964 and herein a sense of history is most valuable. In steps, President Kennedy first initiated the investment tax cut for business in 1962. It was 2 years after business had

geared up for productivity before the step of across-the-board personal income tax cuts—or demand-side tax cuts—were enacted.

By then demand was in order. The average inflation rate between 1959 and 1964 was one-half of 1 percent. In contrast, due to the tremendous surge just described, the average inflation rate for the past 4 years has been right at 10 percent. The problem in 1964 was a lethargic, dormant economy. The problem in 1981 is an overheated inflationary economy.

But the steps that the economists have recommended and programs last year in the second concurrent budget resolution for 1981 are sound. Under the present budget resolution, the Congress last August called for a \$10 billion tax cut in 1981, \$16.1 billion in 1982, \$38 billion in 1983, and \$55 billion in 1984.

What has upset the apple cart is that President Reagan has come now in January calling for an immediate \$54 billion tax cut and the mix is mixed.

Rather than being limited to supply side like exemption for interest earned from personal saving, or marriage tax exemptions, or investment tax credits for business and depreciation allowance—four-fifths is given over to a personal income tax cut across the board, only one-fifth to business or other supply-side cuts. Four-fifths is demand; one-fifth is supply. This is Keynesian, not supply economics.

President Reagan is right when he says we do not want more of the same. But he is unmindful of the fact that inflation has cost government programs just as it has cost the taxpayers and that the Congress has been engaged in both stimulative spending and stimulative tax cuts which have contributed to the inflation.

The typical pleas of the stimulators over the past few years is "Why not a Marshall plan?" America is a rich country. Why can we not do for our own country what we did early after World War II for Europe and Japan. In the 4-year period, 1947-51, the Marshall plan cost \$18 billion. Translated into 1980 dollars, this is \$67 billion. Few realize that in 1977, we spent \$80 billion stimulating.

It was an \$80 billion Marshall plan in countercyclical, capital improvements, public works construction, medicare, medicaid, food stamps, CETA job training, et cetera. And we spent another Marshall plan of \$80 billion each year 1978, 1979 and 1980. We have been bountifully stimulating the economy with Marshall plans.

But what President Reagan ignores is that Congress has also stimulated the economy with tax cuts. We had the Tax Reform Act of 1969, the Revenue Act of 1971, the Tax Reduction Act of 1975, the Revenue Adjustment Act of 1975, the Tax Reform Act of 1976, the Tax Reduction and Simplification Act of 1977 and the Revenue Act of 1978.

Democratic tax-cutters know how to stimulate with tax cuts—as well as spending. The great loss to revenues from tax cuts is inestimable. We know

that tax expenditures rose from \$40 billion in 1970 to over \$200 billion in 1980.

While it cannot be said for sure that we would have avoided an additional \$400 billion deficit in the past 10 years with these revenues, it goes without saying that most of the inflation from deficits could have been avoided. But the point is that when the President pleads: "Isn't it time that we tried something new?"—Tax cuts are not new to this Government.

In fact, in 15 years of service I have yet to see a personal income tax increase bill. We have not increased the tax rates.

Workers through increased productivity or inflation have moved into higher brackets. But Washington has not passed any personal income tax increase. They regularly, however, have been passing tax cuts. And to admonish not "to repeat the mistakes of the past" is exactly what I am worried about. All of these cuts in the past 10 years have been solely on the basis of increasing productivity. So I hesitate when I hear the same cry again. I do not want as the President says to "limp along doing the same things that have brought us our present misery."

What are the hard facts? The hard fact is that the Reagan-Kemp-Roth personal tax cut of 10 percent across the board as proposed will stimulate demand and cost the budget \$118 billion in fiscal year 1984. The hard fact is that the depreciation allowance will add another \$30 billion.

The hard fact is that the increase in defense proposed by President Reagan will add another \$100 billion by 1984. Other Government programs will rise by \$45 billion.

There is no way for a varied economy to make up for the lost revenues and higher spending. The even harder fact is that the Senate budget resolution promises an increase in the deficit next year rather than a decrease. I would hate to be around with all the promises, having cut all the programs, and next year see President Reagan have a bigger deficit than President Carter. The psychology of hope that is so often dwelled upon by David Stockman would turn into a psychology of despair.

Once again, the elements are right. If the President can limit his tax cuts to the supply-side and apply them in growing amounts, then we can reduce the deficit next year and have a balanced budget by 1984. We can do this while also increasing defense.

But no one with business sense looks upon the President's program as giving the quick results promised, and as a result, interest rates are starting back up this week. Unfortunately, Washington is in heat. I understand. I am for giving the President a chance. But I cannot knowingly let him go down the wrong road to the detriment of the country.

PLACING LIMITS ON U.S. MILITARY AID TO EL SALVADOR

Mr. CRANSTON. Mr. President, I am joining my distinguished colleague, Senator Dobb, to cosponsor S. 869, the El Salvador Assistance Act. This legislation, if enacted, would set specific conditions

to govern the use of any U.S. military aid in El Salvador.

I support this legislation because I believe it is important for Congress to establish some specific limits on the use of U.S. military aid and personnel in the war in El Salvador. We must make certain that these taxpayer dollars and these U.S. personnel are being used in ways that promote goals which we can fully support.

I have tried to give the new administration limited, qualified support on El Salvador. Recently, my concern has been increased by a number of disturbing developments. These include the dubious nature of the administration white paper on El Salvador and the exaggerations about the extent of continued Communist involvement there, the lack of any real evidence of interest on the part of the administration in curbing rightwing violence in El Salvador financed by wealthy El Salvadorans presently in Miami, and the continued overemphasis on a military solution and on viewing the fighting in El Salvador as primarily a United States-Soviet conflict.

I announced last February that I supported sending economic assistance and military hardware to El Salvador in view of the large infusion of arms from Communist countries. But I have always questioned the need for American advisers since that could lead to an escalation of our involvement.

In February, I drew the line on supporting the sending of any more advisers to El Salvador. I also urged the Reagan administration to set conditions for continuing military aid.

El Salvadoran guerrillas have received arms and aid from other Communist powers, to be sure. But the root cause of the fighting is not any conflict between superpowers. The causes of the war are local in nature; and the same must be true of any peace, if it is to succeed.

Therefore, I believe our Government must do all it can, even as we seek to halt the flow of weapons to the guerrillas and to assist the Duarte government, to insure that the government we are supporting is prepared to make the political, social, and economic changes essential if an enduring peace is to be achieved.

The legislation which I am cosponsoring today would state clearly those conditions under which the United States will continue to provide military aid to El Salvador. It would require the President to certify every 6 months that it is desirable to continue military aid to El Salvador, because that nation's government:

First, is not engaged in a consistent pattern of gross violations of internationally recognized human rights;

Second, has achieved substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

Third, is making continued progress in implementing essential economic and political reforms, including the land reform programs;

Fourth, is committed to the holding of free elections at an early date or has held free elections; and

Fifth, continues to demonstrate its willingness to negotiate with opposition groups an equitable political resolution of the conflict.

The legislation also states that the President, before certifying the above conditions, must certify that the Salvadoran Government has made good faith efforts to investigate the recent murders of six Americans and bring to justice those responsible for the killings.

Should the Congress reject the President's certification, military aid to El Salvador could be prohibited by adoption of a concurrent resolution of Congress within 30 days of any such Presidential certification.

Mr. President, I have been following developments in El Salvador very closely in recent weeks and have had the opportunity as a member of the Foreign Relations Committee to question administration officials about our El Salvador policy on frequent basis. I have become increasingly convinced that while we must continue our efforts to oppose the illicit flow of weapons from certain Communist nations to the El Salvadoran guerrillas, we must maintain U.S. pressure for those human rights, political and land reforms in El Salvador which are essential to drying up the limited popular support for leftist opponents of the current El Salvadoran Government. If we are to accomplish this objective, we must state clearly those conditions under which we can continue to provide military aid to El Salvador.

In the long run, I do not believe the American people will continue to support military aid to El Salvador unless it is clear that progress is being made there on reform efforts and on controlling the brutal excesses of elements of the El Salvadoran security forces, and that the door has been left open for a peaceful settlement which would resolve the current civil war by means other than pure force of arms. The legislation which I am cosponsoring today would reflect these concerns felt by so many Americans and would make these conditions our clear policy and part of our laws.

PRESIDENT REAGAN'S ATTITUDE AFTER THE ATTEMPTED ASSASSINATION

Mr. THURMOND. Mr. President, there has been much praise about President Ronald Reagan's laudable performance after the March 30 assassination attempt. Permit me to add a few more words about Mr. Reagan's attitude and demeanor.

The President clearly and forcefully demonstrated to the Nation that he is a strong-willed person who can face such an extraordinary and dangerous situation with dignity and courage.

It is heartening that the bloom has returned to the President's cheeks and that he has gained back most of the weight he had lost. But, in a recent interview, he confessed "feeling a kind of pain or discomfort there constantly that you hope day by day is getting less, and I think is getting less." Yet it should be noted that his first impulse a few days

after the shooting was to return to work, and, after he was assured by his doctors that it was permissible, he did return to his duties.

It was also a stream of jokes and jests from a wounded Ronald Reagan that reassured Americans in the days after the shooting. His positive, optimistic attitude, laced with humor, underscored that the Government was functioning smoothly with the President still in command.

The President's popularity is very high and, as witnessed by his outstanding speech before a joint session of the Congress on April 28, he dynamically and effectively rallied the Congress and the American people in support of his spending and tax cut package.

I have heard many comments from constituents that the President's popularity will increase because of the exemplary way he handled himself during a time of crisis and personal danger. Many have said that he displayed a grace that has to be attractive to everyone.

Still other comments have centered on the fact that the President's courage and other admirable human characteristics will only serve to enhance the upbeat mood of the country. The manner in which he has bounced back after his first day in the hospital will add to his image as a tough administrator who is dedicated to serving the American people.

It can be said that the best way to judge people is to see how they react during a crisis or under a lot of pressure. I think as a result of the events of March 30, many people—including some of his political foes—will have more confidence in the President as a graceful, solid and thoughtful man with a sense of humor.

Indeed, some pollsters, looking into their crystal ball as to the future, believe Ronald Reagan may remain popular through his first term whether his economic program works or not.

While it is too soon to speculate on the President's continued popularity, it is significant that polls and surveys are showing a sharp upswing in his approval rating.

The image of the President is being developed, the U.S. News & World Report magazine recently noted, as one of a tough President and Commander in Chief "with luck on his side."

Mr. President, in order to share with my colleagues an excellent news account from Time magazine on President Reagan's attitude and quips, I ask unanimous consent that this article appear in the RECORD.

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

SERIOUSLY, FOLKS . . .

When Nancy Reagan first arrived at George Washington University Hospital, her husband deadpanned: "Honey, I forgot to duck." The President, a onetime radio sportscaster, borrowed that line from Prizefighter Jack Dempsey, who said it to his wife in 1926 after losing the world heavyweight championship to Gene Tunney.

The crack was the first in a barrage of good-humored quips that Reagan tossed off after the shooting. The remarks, made before he had learned that other victims had been critically injured, did much to reassure

his family, his staff and the American public that he was still healthy enough to laugh. They were also the envy of at least one other comedian. Said Johnny Carson to his audience at Hollywood's Academy Awards ceremony: "I was tempted to call him and ask if he had any more of those one-liners I could use."

Examples of the President's jests:

To surgeons, as he entered the operating room: "Please tell me you're Republicans."

In a written note, upon coming out of anesthesia in the recovery room (paraphrasing Comedian W. C. Fields): "All in all, I'd rather be in Philadelphia."

In another note, recalling a Winston Churchill observation: "There's no more exhilarating feeling than being shot at without result."

In a third note: Send me to L. A., where I can see the air I'm breathing."

In yet another note written while surrounded by medical staff: "If I had this much attention in Hollywood, I'd have stayed there."

Complimented by a doctor for being a good patient: "I have to be. My father-in-law is a doctor."

To an attentive nurse: "Does Nancy know about us?"

To a nurse who told him to "keep up the good work" of his recovery: "You mean this may happen several more times?"

To Daughter Maureen: The attempted assassination "ruined one of my best suits."

Greeting White House aides the morning after surgery: "Hi, fellas. I knew it would be too much to hope that we could skip a staff meeting."

When told by Aide Lyn Nofziger that the Government was running normally: "What makes you think I'd be happy about that?"

**RUSSELL B. MAXEY'S BOOK,
"SOUTH CAROLINA'S HISTORIC
COLUMBIA"**

Mr. THURMOND. Mr. President, Columbia, the capital city of my great State of South Carolina, is now fortunate in having a comprehensive piece of literature which depicts the city through the years.

The picturesque book entitled South Carolina's Historic Columbia was written by Russell B. Maxey, a native South Carolinian, who also provided the photographs used in the book. Mr. Maxey is a retired civil engineer who now devotes his time to traveling and recording his experiences, with both pictures and words. This book displays his unique skill in these areas.

The book is so significant that the South Carolina General Assembly adopted a concurrent resolution recognizing the exceptional quality of this book and commended Mr. Maxey for his contribution to the history of our State.

Mr. President, in order that I might share this resolution with my colleagues, I ask unanimous consent that a copy of this resolution appear in the CONGRESSIONAL RECORD.

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

A CONCURRENT RESOLUTION

Whereas, a major book featuring outstanding photographs of our capital city, Columbia, authored by Russell B. Maxey, has recently been published; and

Whereas, Mr. Maxey's book, entitled "South

Carolina's Historic Columbia," is a classic example of the fact that a photograph is worth a thousand words and, with hundreds of fine photographs, this great work of art is worth millions of words; and

Whereas, many of the photographs used, depicting beautiful Columbia as it is and as it was in years gone by, were taken by the author, who is a highly skilled photographer; and

Whereas, Mr. Maxey, a retired civil engineer, came to Columbia from his native Bennettsville in 1924 and, after an active career in engineering in both the public and private sectors, now devotes his time to travel, writing and architectural photography and has had his works published in numerous magazines, newspapers and professional journals; and Whereas, "South Carolina's Historic Columbia" probably represents the most comprehensive photographic anthology of the city yet compiled and will undoubtedly serve as an irreplaceable research source to other writers and historians; and

Whereas, in addition to being a valuable research source, the book is also an enjoyable and readable volume which will bring pleasure and entertainment to many South Carolinians; and Whereas, it is therefore appropriate that the members of the General Assembly, whose ties to Columbia are so close, recognize this splendid contribution to the literature of the State and commend the author for his efforts and obvious talent. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring: That the General Assembly, by this resolution, recognizes the outstanding quality of the recent book authored by Mr. Russell B. Maxey entitled "South Carolina's Historic Columbia" and commends the author for his substantial contribution to the literature, art, culture and history of the State which his publication represents.

Be it further resolved that a copy of this resolution be forwarded to Mr. Maxey in Columbia.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair, and that will be until about 2 o'clock.

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

Thereupon, the Senate, at 1:20 p.m., took a recess, subject to the call of the Chair.

The Senate reassembled at 2 p.m., when called to order by the Presiding Officer (Mr. GOLDWATER).

SALE OF AWACS TO SAUDI ARABIA

Mr. PRESSLER. Mr. President, on April 21, the administration announced its intention to sell, first, military equipment to Saudi Arabia to enhance its 62 F-15 aircraft; and second, 5 airborne warning and control aircraft systems (AWACS). Later this summer, the Senate will be asked to make an extremely difficult decision on these sales, a decision which could have a profound impact on our relationship with two important Middle East countries: Israel and Saudi Arabia.

Israel has been America's closest ally in the Middle East for 35 years and is strategically vital to our own national interests. Saudi Arabia is a pro-Western nation that exports 10 million barrels of

oil a day to the industrialized democracies and is vulnerable to attack from hostile neighbors. This decision will, therefore, need to be handled with a great deal of care.

That is why, Mr. President, I rise to discuss my specific concerns about the AWACS sale, as earlier I stated my opposition to the F-15 enhancement sale. Transferring AWACS to the Saudis in the manner suggested by the administration:

Risks compromising highly sophisticated technology to the Soviet Union;
Risks shifting the Middle East military balance against Israel;

May be counter-productive to the defense of Saudi Arabia; and

Can be accomplished in a different way that offsets these other problems.

Mr. President, let me discuss these four points one at a time.

AWACS contains computer and radar technology which is far in advance of what is available to the Soviet Union. It is true that some sensitive systems will be removed, but any Air Force officer will tell you that even the stripped-down Saudi version contains highly sensitive equipment. There are currently plans to build about 52 AWACS for the United States and NATO use. The Saudi AWACS would be the first AWACS sold outside of NATO. If they are compromised by the Soviets, this could harmfully affect the performance of the other 52 that provide for our own defense.

I am not suggesting that the Saudi Government would cause such a compromise, but we must remember that we are dealing with a potentially volatile kingdom with a large Palestinian population. Four years ago a similar point was made when Congress considered AWACS for Iran. We can only be thankful that these aircraft were never delivered to Iran.

Second, this sale, when combined with the F-15 enhancement proposal, strikes at the very strength of Israel—technology. Front line Arab air forces alone have a 2 to 1 fighter aircraft superiority ratio over Israel, but most analysts agree that Israel is still dominant in the Middle East air balance. The major reasons for Israel's continued dominance in the face of these odds are trained manpower and technology. AWACS and the F-15's are part of a broader Arab drive to gain similar technology for themselves. We can argue about the specific offensive or defensive capabilities of AWACS—but that misses the point. It is the cumulative effect of this technology transfer and advanced military training—which the AWACS deal symbolizes—that presents the ultimate threat to Israel.

Third, AWACS may be counter-productive to Saudi Arabia's own defense interests. In an April 23 article in the Washington Post, former CIA Director Stansfield Turner concluded:

AWACS is such a complex piece of military equipment that there is no way the Saudi military establishment could operate or maintain a fleet of them on its own.

The AWACS sale would probably divert Saudi manpower and attention

away from other tasks more fundamental to their own security.

Mr. President, I ask unanimous consent that Stansfield Turner's article be placed in the Record at the end of my statement.

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

(See exhibit 1.)

Mr. PRESSLER. Finally, Mr. President, we come to the crucial point. There are alternatives that should meet Saudi Arabian and Western defense needs in the Persian Gulf without the complications that I have just discussed. We currently have four U.S. AWACS in Saudi Arabia. Senator JACKSON has suggested a United States-Saudi command structure for AWACS that remain under U.S. title. This could be accomplished by leasing rather than selling AWACS to the Saudis. Other alternatives should be considered. But as currently presented by the administration, I must conclude that the AWACS sale is not in the U.S. national interest and I will vote against it.

EXHIBIT 1

No to AWACS

(By Stansfield Turner)

For more than 20 years, the United States helped the shah of Iran to build that country into the strongest military power in the Middle East. The shah's taste for the most sophisticated military hardware in our inventory was legend, and his shopping list was long, although Iran, a nation of 36 million, lacked the technical expertise to maintain and fully use the equipment it bought. Accordingly, it also had to purchase foreign technical help and support to keep its military machine running. We all know what happened.

In 1978, the Carter administration, with the consent of Congress, agreed to sell our newest and most advanced fighter aircraft, the F15, to Saudi Arabia. Because of the potential threat to Israel, Congress was explicitly promised that we would not also sell the Saudis the external fuel tanks that would extend the F15's range, or bomb racks that would turn it into an attack aircraft. By the spring of 1980, the Saudis were back asking for these external equipments as well as the super-sophisticated Airborne Warning and Command Aircraft, AWACS. AWACS is a Boeing 707 with a large rotating radar antenna on top and a vast complex of computer systems inside. It detects other aircraft at great distances, and tracks all air activity within its zone of coverage.

The Saudi rationale for their need for these additional F15 equipments and AWACS was that their situation had changed since they contracted for their F15s in 1978. Specifically, Iran had fallen into less friendly hands, and the Soviets had invaded Afghanistan. It would, therefore, be in the best interest of both the United States and Saudi Arabia—unquestionably a pro-Western force in the Middle East—for the Saudis to strengthen their ability to counter any other hostile moves in the region.

Their real concern, which was not a part of their argument, was that two years had elapsed and the Saudis had not seen enough progress on the Israeli-Palestinian issue. To test our resolve to push for a solution acceptable to the Arabs, the Saudis were asking us to take an action that would be opposed by Israel. It was one way to test whether we would eventually pressure Israel into making concessions on the Palestinian question. The Saudis were also buying time for themselves with the radical Arabs. By obtain-

ing such a visible symbol of U.S. support, they could demonstrate to the radicals that their limited association with the United States had value. They thereby hoped to ward off additional pressures from the Arab radicals to break with the United States or even to use the oil weapon as a means of pressuring the United States to force concessions on Israel.

Having given the Saudis the F15s in 1978, it would be difficult to deny them the extra equipments under the present circumstances. Admittedly, longrange F15s and the AWACS in Saudi hands will present some added risk to the Israelis, but they are fully capable of handling it.

Whether we should permit the Saudis to purchase AWACS is another question. The Saudis are our friends. Providing them with AWACS would not be a friendly act because it would not be in their best interests. It is such a complex piece of military equipment that there is no way the Saudi military establishment could operate or maintain a fleet of them on its own. Saudi Arabia has only 4 million people on which to draw and has a lesser level of education than Iran. Even with extensive outside technical assistance, sustaining the AWACS would be a severe drain on the Saudi military technical resources. In the long run, they would resent the fact that they could not operate the AWACS and that they remained dependent on us.

More important, it would distract the attention of the Saudi leadership from more urgent military tasks. The most likely threats to Saudi Arabia are internal disorder or rebellion and guerrilla warfare, encouraged and supported by its neighbors. It would be wishful thinking to believe that a nation in as great a state of flux as is Saudi Arabia today would not be subject to domestic unrest or subversion. When such troubles develop, the Saudi security forces must have the capability of grappling with them.

In November 1979, Saudi military and domestic security forces proved themselves quite inept in quelling a minor disruption at the Great Mosque in Mecca. This was apparently a purely domestic matter, but in the future the Saudis must worry about subversion fomented by South Yemen, where the Soviets have a strong foothold; disorders in the vital oil fields, where there are large numbers of Shia Muslims who may be responsive to the Khomeini revolutionary movement; and perhaps even armed clashes with neighboring Iraq. The Saudis are not well prepared for any of these contingencies today. They have turned to Pakistan to supply mercenaries to help them, but the monarchy should have military and internal security forces of its own that are loyal and under full control.

Against this background, it would be irresponsible for us to help them prepare to defeat a sophisticated air threat, for which the AWACS was designed and which has a low probability of occurring, when they are incapable of handling the more elementary threats of insurrection and guerrilla warfare that are highly probable. As friends, we should try to draw their attention to the realities of their situation. They do not need the AWACS nearly as much as they need other forms of military equipment and training. There is no way they can absorb AWACS into their military structure without detracting from their primary concerns. Even if there are short-term advantages to the United States in establishing some continuing military presence on the Arabian peninsula through the provision of AWACS, we should forgo that in favor of doing what a genuine and long-term friend would do: Be frank and put the friend's interests up front. That is the only way to protect our interests, anyway. Clearly this will not be an immedi-

ately popular response, but friends should not aspire to popularity.

We can mitigate the impact on the Saudis of turning them down on AWACS. We could give them a squadron of F15s immediately, several years ahead of the delivery of those they are purchasing. The U.S. Air Force would have to maintain and operate these for them for several years while Saudi pilots and mechanics complete their training. The Saudis, however, would see that we are serious about helping them all we can. They would also see, in time, that the way to be a friend is to be honest and frank rather than to say yes to an ill-advised request.

ADDITION OF ANTISATELLITE RESPONSIBILITIES TO ARMS CONTROL AND DISARMAMENT AGENCY

Mr. PRESSLER. Mr. President, I am submitting an amendment today during the Foreign Relations Committee markup of the Arms Control and Disarmament Agency authorization in order to give the director of that Agency explicit authority to undertake research, development, and other studies with respect to antisatellite activities. The wording of the present act is somewhat ambiguous in respect to authority of the Agency in this field, and I consider antisatellite efforts on the part of the Soviet Union so important that I wish to remove that ambiguity.

Satellites have become increasingly vital during the last decade not only to our defense system but also to our communication system. There is an absolute guarantee that their significance will increase manifold during this decade. We cannot therefore be too attentive to any threats to the functioning of our satellite systems. The Arms Control and Disarmament Agency should have explicit authority in this area, as verification of all strategic and many other arms control agreements relies heavily on satellite systems to provide essential data. Similarly, of course, our defense depends upon detecting violations of any such agreements or detecting indications of impending hostilities.

Our commercial communications system has become increasingly reliant on satellites. One need only look at any evening news program to realize just a small part of the importance of satellites in transmittal of both voice and images.

In conjunction with notice of this amendment, I ask unanimous consent to have printed in the RECORD a copy of an article that appeared in TV Guide, which sets out some of the vital issues regarding killer satellites, and my amendment.

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

IT'S GETTING SCARY UP THERE!

(By Rod Townley)

Jan. 21, 1981: the Soviets launch a Cosmos 1241 spacecraft, which enters a low earth orbit. Its function: to be a target.

Feb. 2, 1981: the Soviets hurl a second spacecraft into orbit. Its function: to destroy the first spacecraft.

This second vehicle, known as a "hunter" or "killer" satellite, requires only two quick orbits to reach an attack profile less than 5 miles from its target. At that range it could

disable the first satellite by firing packets of pellets at it, by zapping it with a low-power laser or simply by blowing up and letting the hot, flying shrapnel do the job.

It did none of these things. The Soviets brought it down from orbit, allowing it to burn up upon reentry. It was only a test, the second in nine months, the 18th since 1968.

But on March 14, 1981, the Soviets went one test further. A hunter satellite was actually exploded—damaging the satellite that had been sent up for target practice. And the U.S. Department of Defense has been getting nervous.

Even before the Soviets' operational test in March, Sen. Larry Pressler (R-S.D.) had called for Congressional hearings, declaring that "there may be no effective safeguard against attacks on our vital communications satellites. If the Soviet Union refines laser weapons, which is a likely prospect, our satellites will be even more vulnerable."

Air Force master sergeant Mike Bergman is a spokesman for NORAD, the North American Air Defense Command in Colorado Springs, Colo. He adds: "The Soviets have an operational device. The U.S. effort right now is in research and development."

Some analysts suggest that the Soviets may have as much as a 10-year lead in this form of weaponry. And after RCA's Satcom III disappeared following its launch in December 1979, there was even some speculation that it had been bumped off by a killer satellite. Bergman insists, however, that "there's no evidence whatsoever" that this is the case.

Although the farfetched speculations are easily dismissed, any real threat to our satellites concerns the Defense Department; the Nation's early-warning system depends on them. Innumerable sensitive military communications (often encrypted), as well as military reconnaissance, depend on satellites.

Then there are the commercial satellites, particularly those used for telephone and television. Senator Pressler is concerned that the disruption of these nonmilitary services could severely affect European and American commercial transactions. And in the event of emergency, the Government might need to commandeer some of these civil satellites for military purposes.

Phillip Klass, author of "Secret Sentries in Space" (Random House, 1971), considers it unlikely that the Soviets would launch a fleet of killer satellites against our communications system unless they intended to follow up immediately with an all-out nuclear attack. To do otherwise would be "to tip their hand."

In any event, the threat is not immediate. At present the USSR's killer satellites have not reached higher than 600 miles—a low-orbiting altitude, while most of our communications satellites are floating at an incredible 22,300 miles above the equator in "geosynchronous orbit." What that term means, says Craig Covault, an editor at Aviation Week & Space Technology, is that "you can park over a fixed point on earth, because the spacecraft's orbital velocity at that altitude matches exactly the rotation of the earth.

"So the real mother lode," says Covault, "in terms of U.S. space capability, is in that high-altitude orbit." It also means that these satellites, for now, are about 21,700 miles out of harm's way.

There are those, Covault included, who believe that the Soviets are working on ways to attack spacecraft up in geosynchronous orbit. The most likely method, he says, would be to try to arm a low-orbiting satellite (maybe only 200 miles high) with a high-energy weapon, such as a laser, "and fire that beam straight through on up." Currently, no laser weapon that accurate exists.

Another possibility might be the concept

of the "space mine"—a geosynchronous communications satellite with a bomb inside it. With the aid of little thrusters, it could "come up right beside a U.S. spacecraft," says Covault, then explode, taking its target with it.

It's hard to see what's going on 22,300 miles out in space, so the U.S. has developed a 40-inch telescope as part of a "ground-based, electro-optical deep-space surveillance" system (GEODSS). Computer-linked TV cameras will peer through 10 of these 'scopes positioned in five observatories around the world to monitor some 4500 man-made objects in space—even those as small as 1 foot in diameter. If something is going on out there, we will know about it.

Before long, we will also be able to do something about it. A new Space Defense Operations Center, in Colorado Springs, will control the NORAD tracking network and coordinate our own antisatellite weapons system.

Yes, we have been developing an antisatellite weapon too. It should be ready to test early next year, if the President decides to make it operational. Unlike killer satellites, it will not go into orbit. It will be launched from under the wing of a McDonnell Douglas F-15 fighter plane and will slam into its target like a bullet.

There is also, says Covault, "shoot-the-breeze back-room talk in the White House" about providing subsidies to commercial-satellite operators to make their hardware more maneuverable (better able to dodge attacks) and to provide special coatings to minimize the effects of electronic jamming attempts. The first generation of satellites with "formidable survivability measures" will be the DSCS IIIs, scheduled for launching beginning this summer.

But the truth is, no one wants to get into star wars over the satellites. For information on military hardware in Iron Curtain countries, we rely heavily on reconnaissance satellites. The Soviets, suggests Philip Klass, "have only to buy Aviation Week and the Congressional Record and The New York Times." Even if it came to the unlikely scenario of both sides scoring equal orbital knockdowns, he says, "the net loss would be to the United States. Simply because we have more to lose."

AMENDMENT TO THE ARMS CONTROL AND DISARMAMENT ACT

A new section 404 of Foreign Relations Authorizations Act for fiscal year 1982 and 1983:

Section 31(b) of the Arms Control and Disarmament Act (22 U.S.C. 2571) is amended by inserting the following phrase after the last semicolon: "and of all aspects of antisatellite activities";

FILING OF REPORT ON SENATE RESOLUTION 93 EXTENDED TO MAY 31, 1981

Mr. CHILES. Mr. President, on behalf of Senator HEINZ, I ask unanimous consent that the filing date for the report of the Special Committee on Aging regarding Senate Resolution 93 be extended from April 30, 1981, to May 31, 1981. This resolution would authorize the printing of additional copies of part 1 of the committee's annual report entitled "Developments in Aging." This report covers congressional and administration activity regarding aging programs and policies during 1980. In my judgment, it is particularly important that adequate access to this report be made this year, given the administration's proposed fiscal year 1982 budget for programs impacting

on the elderly, and the effects that these proposals would have on programs providing much-needed medical and social programs, services, and benefits for our older citizens.

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

THE CALENDAR

Mr. BAKER. Mr. President, I inquire of the distinguished minority leader if he is in position to make an announcement of any of the calendar items we discussed this morning.

Mr. ROBERT C. BYRD. Mr. President, in response to the distinguished majority leader's inquiry, I am prepared to state for this side of the aisle that the following calendar items have been cleared for action by unanimous consent: Calendar Orders Nos. 52, 55, 56, and 60, as well as, if I may, if the majority leader will pardon me, 64 and 65.

Mr. BAKER. Those are budget waivers. Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, in view of that announcement, I ask that the Senate turn to the consideration of the first item identified and cleared with the minority leader which, I believe, would be Calendar Order No. 64, the budget waiver for item No. 52, I believe, on the calendar.

The PRESIDING OFFICER. May I inquire which does the majority leader want first?

Mr. BAKER. The budget waiver, Mr. President, which would be Calendar Order No. 64 which underlies and gives authority to consider Calendar Order No. 52, which will be the next item which I hope the Chair will place before the Senate.

BUDGET ACT WAIVER

The resolution (S. Res. 113) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1000, was considered and agreed to, as follows:

S. Res. 113

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1000. Such waiver is necessary because S. 1000 authorizes the enactment of new budget authority which would first become available in fiscal year 1981 and such bill was not reported on or before May 15, 1980, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

On June 3, 1980, the Senate passed S. 2459 which, among other things, provided for a fiscal year 1981 authorization for the National Transportation Safety Board in the amount of \$18,900,000. Unfortunately this bill was never acted upon by the House of Representatives. As a result, no fiscal year 1981 authorization for the Board was ever enacted.

S. 1000 would correct this omission by providing a fiscal year 1981 authorization for the Board in the amount of \$18,540,000. This correction is largely technical in nature since the Congress has already appropriated \$18,200,000 for the Board's activities in fiscal year 1981 (Public Law 96-400).

AUTHORIZATION OF APPROPRIATIONS FOR INDEPENDENT SAFETY BOARD

The bill (S. 1000) to amend the Independent Safety Board Act of 1974 to provide authorizations for appropriations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Safety Board Act Amendments of 1981."

INDEPENDENT SAFETY BOARD AUTHORIZATION OF APPROPRIATIONS

Sec. 2. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated for the purposes of this Act not to exceed \$18,540,000 for the fiscal year ending September 30, 1981, \$19,925,000 for the fiscal year ending September 30, 1982, and \$22,100,000 for the fiscal year ending September 30, 1983, such sums to remain available until expended."

PRIORITY OF BOARD INVESTIGATIONS

Sec. 3. Section 304(a) (1) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903 (a) (1)) is amended by inserting before "The Board may request" the following new sentences: "Any investigation of an accident conducted by the Board under this paragraph (other than subparagraph (E)) shall have priority over all other investigations of such accident conducted by other Federal agencies. The Board shall provide for the appropriate participation by other Federal agencies in any such investigation, except that such agencies may not participate in the Board's determination of the probable cause of the accident. Nothing in this section impairs the authority of other Federal agencies to conduct investigations of an accident under applicable provisions of law or to obtain information directly from parties involved in, and witnesses to, the transportation accident. The Board and other Federal agencies shall assure that appropriate information obtained or developed in the course of their investigations is exchanged in a timely manner."

REPORTING OF AVIATION INCIDENTS

Sec. 4. Section 304(a) (6) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(a) (6)) is amended by inserting "and aviation incidents" immediately after "accidents".

EXAMINATION AND TESTING OF PHYSICAL EVIDENCE

Sec. 5. Section 304(b) (2) of the Independent Safety Board Act of 1974 (40 U.S.C. 1903(b) (2)) is amended—

(1) by inserting immediately before the period at the end of the first sentence the following: "including examination or testing of any vehicle, rolling stock, track, or pipeline component or any part of any such item when such examination or testing is determined to be required for purposes of such investigation. Any examination or testing (A) shall be conducted in such manner so as not to interfere with or obstruct unnecessarily the continued flow of goods or services in interstate commerce by the owner or operator of such vehicle, rolling stock, track, or pipeline component, and (B) shall be conducted in such a manner so as to preserve, to the maximum extent feasible, any evidence relating to the transportation accidents, consistent with the needs of the investigation and with the cooperation of such owner or operator"; and

(2) in the last sentence, by inserting "examination, or test" immediately after "inspection" each place it appears.

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

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the clerk report the other seriatim, including the underlying budget waivers.

BUDGET ACT WAIVER

The resolution (S. Res. 114) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 831, was considered and agreed to, as follows:

S. Res. 114

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act of S. 831. Such waiver is necessary to permit consideration of an additional fiscal year 1981 authorization of appropriations for the United States Coast Guard which was not reported on or before May 15, 1980, as required by section 402(a) of the Congressional Budget Act of 1974.

Specifically, S. 831 would increase the fiscal year 1981 authorization for operating expenses of the Coast Guard by \$88,840,000. This additional authorization is necessary to permit a fiscal year 1981 supplemental appropriation for the United States Coast to cover increased fuel costs for the Cuban refugee sea patrols and for increased expenses as a result of the Nunn-Warner Military Personnel Act. Thus, without this waiver, the pending appropriation figures would exceed the amounts already authorized to be appropriated for fiscal year 1981.

AUTHORIZATION OF APPROPRIATIONS FOR THE COAST GUARD

The Senate proceeded to consider the bill (S. 831) to authorize appropriations for the Coast Guard for fiscal year 1982, and for other purposes which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause and insert the following:

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: \$537,200,000, 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 section 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 amending the section heading of section 711 to read as follows:

"§ 711. Exclusiveness of service."

(2) By striking the first sentence of section 711.

(3) 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 (94 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,".

The amendment was agreed to.

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

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

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS UNDER THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES

The bill (S. 1003), to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982 and 1983, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended by—

- (1) striking "and not" immediately after "1978" and substituting ", not"; and
- (2) inserting immediately after "1981" the following ", not to exceed \$2,235,000 for fiscal year 1982, and not to exceed \$2,235,000 for fiscal year 1983".

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

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OMLIE TOWER AT THE MEMPHIS INTERNATIONAL AIRPORT

The bill (S. 896) to designate the control tower at Memphis International Airport the Omlie Tower, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the air traffic control tower at the Memphis International Airport is designated and shall hereafter be known as "Omlie Tower". Any reference in a law, map, regulation, document, or other paper of the United States to such control tower shall be held and considered to refer to "Omlie Tower".

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

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATIONS

Mr. BAKER. Mr. President, I might say, for the benefit of our colleagues in the Senate, that certain negotiations are underway now to try to establish, if possible, a time certain to vote on seven nominations from the Foreign Relations Committee which are on the Executive Calendar at this time. It is my hope, and I address this to the minority leader, that we might be able to do that. I would sug-

gest, if possible, that we consider a time tomorrow afternoon. The time that occurs to me and the time that would seem to meet the maximum convenience on this side would be at 2 o'clock tomorrow afternoon, with one vote to count for seven, as there are seven nominations involved.

Might I inquire if the minority leader would be agreeable to seeing if that would be suitable to his side of the aisle.

Mr. ROBERT C. BYRD. Yes; the telephones to offices on the minority side are being engaged at this point to see if such a request would be agreeable.

There are other nominations which the distinguished majority leader had inquired about earlier and which have now been cleared. If he is ready, I will be glad to state them from this side.

Mr. BAKER. Mr. President, I would be most grateful for that.

Mr. ROBERT C. BYRD. Mr. President, the nominations on page 2 involving Messages Nos. 182 and 212, Department of Transportation and Department of Commerce, are cleared on this side of the aisle for action at this time.

On page 3, all nominations are cleared, with the exception of Message No. 169, the Department of Health and Human Services. That completes the Executive Calendar.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Could I inquire of the status of Executive Calendar No. 88 on the first page?

Mr. ROBERT C. BYRD. Both nominations on the first page are temporarily held.

Mr. BAKER. Mr. President, I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, in view of the announcement just made by the minority leader, I ask unanimous consent that the Senate go into executive session to consider the nominations appearing on page 2, under Department of Transportation.

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

DEPARTMENT OF TRANSPORTATION

The assistant legislative clerk read the nomination of Donald Allan Derman, of the District of Columbia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Sherman E. Unger, of Ohio, to be General Counsel.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk read the nomination of Marc E. Leland of California, to be a Deputy Under Secretary.

● Mr. DOLE. Mr. President, on April 23, the Committee on Finance held a hearing on the nomination of Marc E. Leland and found him to be eminently qualified by reason of his experience and character to perform the functions of Deputy Under Secretary of the Treasury and Assistant Secretary for International Affairs.

Our committee voted unanimously to recommend that the Senate confirm Mr. Leland's nomination.

Mr. Leland possesses an impressive record. In public service he has served as senior adviser to the U.S. delegation to the Mutual and Balanced Force Reduction Talks in Vienna, and as general counsel first for the Peace Corps and then for ACTION. In academia he has been a faculty fellow at the Harvard Law School in foreign and comparative law and a Ford Foundation fellow. Mr. Leland has also practiced law privately both in San Francisco and London.

As Deputy Under Secretary and Assistant Secretary for International Affairs at the Treasury Department, Mr. Leland will have a variety of responsibilities. He will advise and assist the Secretary and the Under Secretary for Monetary Affairs in the formulation and execution of policies dealing with international monetary, financial, commercial, energy, and trade policies and programs.

The Committee on Finance has reviewed Mr. Leland's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

I highly recommend Mr. Leland to you, and urge you to vote to approve his nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The assistant legislative clerk read the nomination of Roger William Mehle, Jr., of New York, to be an Assistant Secretary.

● Mr. DOLE. Mr. President, on April 23 the Committee on Finance held hearings on the nomination of Roger W. Mehle, Jr., and found him to be eminently qualified by reason of his experience and character to perform the functions of As-

sistance Secretary of the Treasury for Domestic Finance.

Our committee voted unanimously to recommend Senate confirmation of Mr. Mehle's nomination.

Mr. Mehle brings to the post for which he has been nominated a unique combination of academic training and practical background. Mr. Mehle has been educated as a lawyer as well as a municipal finance specialist. In his last position as head of a major investment banking firm's public finance department, Roger Mehle demonstrated his thorough knowledge of the municipal finance field, his knowledge of people, and his obvious ability to take charge and get a job done. It is this background and these abilities which will make Mr. Mehle such a valuable resource in the Treasury.

As Assistant Secretary of the Treasury for Domestic Finance, Mr. Mehle will have wide-ranging responsibilities. He will be responsible for advising the Secretary and Under Secretary for Monetary Affairs on Federal finance, municipal finance, corporate finance, and financial institutions policy. These areas will include responsibility for the New York and Chrysler loan guarantees, the general Federal credit programs as well as Federal policy for the beleaguered savings and loans institutions.

I highly recommend Mr. Mehle to you, and urge you to vote to approve his nomination.

The Committee on Finance has reviewed Mr. Mehle's financial position, the results of the investigation by the FBI, and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Lionel H. Olmer, of Maryland, to be Under Secretary of Commerce for International Trade.

● Mr. DOLE. Mr. President, on April 23, 1981, the Committee on Finance held a hearing on the nomination of Lionel H. Olmer to be Under Secretary of Commerce for International Trade. As chairman of the committee, it is a privilege and a pleasure to advise the Senate of the committee's decision by a unanimous vote on April 28, 1981, to report favorably the recommendation of Mr. Olmer. I might also note that the Committee on Banking, Housing, and Urban Affairs has also favorably reported this nomination.

Mr. President, the Committee on Finance has reviewed Mr. Olmer's financial position, the results of the investigation by the FBI, and the report of the Office of Government Ethics. We are confident

that there are no problems in any of these areas.

Mr. Olmer has been nominated to fill a critically important position in the administration. The Under Secretary of Commerce for International Trade, as head of the International Trade Administration, is responsible for coordinating all issues concerning trade administration, international economic policy and programs, and trade development in the Department of Commerce. Included in these responsibilities are administration of countervailing duty and antidumping investigations as well as administration of the trigger price mechanism. He also has responsibility for overseeing the functioning of the Export Administration Act.

The Under Secretary must also work closely with the Office of the U.S. Trade Representative. The USTR has lead responsibility for developing and coordinating U.S. trade policy. It is essential that the closest cooperation be maintained between the Under Secretary for International Trade and USTR if each office is to be able to effectively carry out its assigned functions.

Mr. Olmer has had a distinguished public and private career, providing him with an excellent background and experience for the position to which he has been nominated.

From 1977 until his nomination, he was director of international programs for Motorola, Inc., where he was responsible for development and implementation of international trade strategies. He was particularly concerned with the trade opportunities created by the multilateral trade negotiation agreements. Partly as a result of this effort, Motorola has become the first major U.S. high-technology manufacturer to penetrate the highly competitive Japanese public telecommunications market. In Africa, Mr. Olmer helped Motorola succeed in markets long dominated by European telephone equipment manufacturers.

Before joining Motorola, Mr. Olmer was in public service for nearly 5 years. He served on the President's Foreign Intelligence Advisory Board, ultimately as staff director. The Board, established by President Eisenhower in 1956, consisted of private citizens who advise the President on the adequacy of U.S. foreign intelligence, including economic intelligence.

Mr. Olmer is a graduate of the University of Connecticut and holds a law degree from the American University. He is a member of the Connecticut and District of Columbia bars.

He served as an officer in the U.S. Navy where he was assigned to the staff of the Chief of Naval Operations. He is a graduate of the National Defense University. He is also a member of the Board of Directors of the International Rescue Committee and Chairman of its Washington Advisory Group, a voluntary agency whose purpose is to aid in the relief and resettlement of refugees.

Mr. President, Mr. Olmer is well qualified to serve in this important position.

I urge that the Senate approve his nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Raymond J. Waldmann, of Maryland, to be an Assistant Secretary.

● Mr. DOLE. Mr. President, on April 28, 1981, the Committee on Finance held a hearing on the nomination of Raymond J. Waldmann to be Assistant Secretary of Commerce for International Economic Policy. As chairman of the committee, it is a privilege and a pleasure to report the committee's decision by a unanimous vote to report favorably the recommendation of Mr. Waldmann. I might also note that the Committee on Banking, Housing, and Urban Affairs has also favorably reported this nomination.

Mr. President, the Committee on Finance has reviewed Mr. Waldmann's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

Mr. Waldmann has been nominated to fill a very important position in the administration. The Assistant Secretary for International Economic Policy is a principal officer responsible for formulating, recommending, and representing the Commerce Department's positions on economic policy, as it affects the trade position of the United States, including enforcement of the multilateral trade negotiations agreements, development of U.S. policies on foreign investment, and responsibility for sectoral trade policy and U.S. policies, legislation, and regulations affecting exports, including export finance, investment guarantees, taxation, antitrust, and the entire range of incentives and disincentives.

The Assistant Secretary must also work closely with the Office of the U.S. Trade Representative. The USTR has lead responsibility for developing and coordinating U.S. trade policy. It is essential that the closest cooperation be maintained between the Assistant Secretary for International Economic Policy and the USTR if each office is to be able to effectively carry out its assigned functions.

Mr. Waldmann has had a distinguished public and private career, providing him with an excellent background and experience for the position to which he has been nominated. From 1976 to the present, Mr. Waldmann was in practice in Washington, D.C., as an attorney, counseling clients in the areas of international investment, transportation, communications, and corporate matters. During this period, Mr. Waldmann wrote numerous articles and books on foreign investment in the United States and abroad, and on other international economic issues. He also served as chairman

of the American Bar Association Committee on Foreign Investment in the United States, and editor of the ABA Intelligence Law Newsletter, and was a member of the Washington Institute of Foreign Affairs. He is also the chairman of the International Subcommittee of the U.S. Chamber of Commerce's Catastrophic Energy Working Group.

Prior to 1976, Mr. Waldmann had a distinguished record in public service, serving as staff assistant to the President for policy planning from 1970 to 1973, where he conducted policy studies on population growth, drug control, export expansion, and rural development, and as Deputy Assistant Secretary of State for Transportation and Telecommunications from 1973 to 1975, where he coordinated U.S. policy in international aviation, shipping, and communications, served as chairman of the U.S. delegation in numerous negotiations, including the first Intelsat Assembly, and coordinated the international activities of the CAB, the FCC, and FMC. From September 1975 to September 1976, Mr. Waldmann was special counsel to the President for review of the intelligence community and assisted in drafting foreign policy studies, the 1976 state of the Union message and the fiscal year 1977 budget.

Mr. Waldmann is a graduate of the Massachusetts Institute of Technology, and has a law degree from Harvard Law School. He is a member of the Massachusetts and District of Columbia Bars, and has served as a management consultant with Arthur D. Little, specializing in regional development and management strategies.

Mr. President, Mr. Waldmann is well qualified to serve in this important position. I urge that the Senate approve his nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The assistant legislative clerk read the nomination of Dorcas R. Hardy, of California, to be an Assistant Secretary.

● Mr. DOLE. Mr. President, on April 28, 1981, the Committee on Finance held a hearing on the nomination of Dorcas R. Hardy to be Assistant Secretary for Human Development Services in the Department of Health and Human Services. As chairman of the committee, it is my privilege to report the committee's unanimous decision to report favorably the nomination of Miss Hardy.

The Committee on Finance has reviewed Miss Hardy's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

The office of Assistant Secretary for Human Development Services has wide-ranging and important duties. Miss Hardy will be directly responsible for administering programs in the area of vocational rehabilitation, developmental disabilities, title XX programs, Head Start, runaway youth, and the new title IV programs of foster care, adoption assistance and child welfare. I am convinced that Miss Hardy is aware of the intense interest of the U.S. Senate in the programs which she will direct if confirmed. These are programs which the Senate helped design and we will continue to monitor their implementation.

Miss Hardy comes to us with excellent qualifications for this position. Since 1974 she has served as the associate director of the University of Southern California's Center for Health Services Research. This multidisciplinary research center addresses economic, social and health policy issues. From January 1973 to April 1974 she was assistant secretary for health under Governor Ronald Reagan for the State of California. She also served 2 years as the executive director of the Health Services Industry Committee of the Cost of Living Council from 1971 to 1973.

Miss Hardy's career has provided her with a view of State and local government and their human services management problems as well as a perspective of the concerns of providers and consumers of services. She understands the crucial need for communication between the Congress and the executive branch. She understands the negotiations involved in this relationship and her priorities are one with the administration: To restore States to a full and effective partnership with the Federal Government. It is time for the States to begin to have the freedom to take responsibility to guide their human services programs.

In these times of limited resources and difficult decisions, we need people in the executive branch who understand our desire to move in a new direction. Dorcas Hardy is such a person. I highly recommend Miss Hardy to you, and I urge you to vote to approve her nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of John A. Svahn, of Maryland, to be Commissioner of Social Security.

● Mr. DOLE. Mr. President, the Committee on Finance held a hearing on April 28, 1981, to consider the nomination of John A. Svahn to be Commissioner of the Social Security Administration. Mr. Svahn's nomination was approved by a unanimous vote and, as chairman of the committee, I urge the full Senate to confirm Mr. Svahn today.

The Committee on Finance has reviewed Mr. Svahn's financial position, the results of the investigation by the

FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

Jack Svahn has been nominated to fill one of the most critical—and challenging positions in the Federal Government today. The position of Commissioner of Social Security is one of the most important in the Federal Government. Social security touches the lives of nearly every man, woman and child in our Nation, providing benefits to more than 36 million Americans and promising future benefits to the more than 100,000,000 men and women who are today investing their hard-earned tax dollars in the system. The Members of this body are fully aware of the problems facing the social security system—fiscal problems and administrative problems. SSA needs a full-time Commissioner. SSA needs a Commissioner whose dedication to the job and the program is total. Jack Svahn has demonstrated such dedication.

Members of the Finance Committee know Jack Svahn well. He has testified before our committee and has worked with us many times over his long career as a public official and a private industry advocate of the kinds of policy issues and management improvements he intends to bring to this post.

Beginning in 1971, as then-Governor Reagan's chief deputy director and later director of social welfare, Jack Svahn was a principal architect of the basic reforms of the Nation's largest State public welfare program which were widely adopted by other States throughout the country.

From 1973 through 1976, Mr. Svahn was responsible for major improvements in the Nation's welfare, medicaid and social services programs.

As acting commissioner of the then-Department of Health, Education, and Welfare's Community Services Administration and as Commissioner of its assistance payments administration, he made constructive changes in the AFDC and social services programs, improving their administration and strengthening the role of the States in their day-to-day operations.

As Deputy Administrator and Administrator of the Department's Social and Rehabilitation Service from 1974 through 1976, Jack Svahn played central roles in two major initiatives that took shape in close cooperation with this committee: the enactment of the historic title XX social services program and the title IV-D child support enforcement program.

From 1976 through 1980, Mr. Svahn served as a private consultant to industry, States and the Federal Government, concentrating on public management, health, welfare, and economic issues.

Jack Svahn would bring to the Social Security Administration a sense of purpose and a commonsense approach to its administration.

He has proven, by his performance in public office and his service with the Reagan administration transition teams on social security and health care financing, that he is a man well suited to help guide

our social security and public assistance programs through the difficult times we all know to lie ahead. I urge his confirmation by the full Senate.◉

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of Henry E. Catto, Jr., of Virginia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Russell A. Rourke, of Maryland, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Arlene Triplett, of Virginia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Paul A. Vander Myde, of Virginia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

Mr. BAKER. Mr. President, I understand this has been cleared on the minority side, as well.

REGULATORY REFORM BILL—REFERRAL WITH INSTRUCTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that S. 1080, the regulatory reform bill, which has been referred jointly to the Committees on the Judiciary and Governmental Affairs now be referred with instructions that after one committee reports the bill, the other shall have 30 days in which to report or be deemed discharged from further consideration.

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

ORDER FOR RECOGNITION OF SENATOR ZORINSKY ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, May 5, following on after the time allocated to the two leaders under the standing order, there be a special order in favor of the Senator from Nebraska (Mr. ZORINSKY) for not to exceed 15 minutes.

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

Mr. BAKER. Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

REQUEST FOR HEARING PERMISSION

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate Judiciary Committee on the Constitution be permitted to hold hearings beginning at 2 p.m. on May 6.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. HATCH. Mr. President, I withdraw that request.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. BAKER. Mr. President, I understand that Executive Calendar No. 126 has now been cleared. I inquire of the distinguished minority leader if that is correct?

Mr. ROBERT C. BYRD. That is correct.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to executive session for the purpose of considering Executive Calendar No. 126, the nomination of Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services.

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The assistant legislative clerk read the nomination of Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services.

Mr. HATCH. Mr. President, I am honored to speak on behalf of the nomination of our country's next Assistant Secretary for Health in the Department of Health and Human Services, Dr. Edward Brandt. The Committee on Labor and Human Resources had the opportunity to hear and talk with Dr. Brandt on April 29, and voted in unison to report his nomination to the floor.

Prior to this confirmation hearing, I met several weeks earlier with Dr. Brandt, at which time he enumerated his views and expressed his opinion on a wide range of health-related issues—the dramatic scope of which further proving that this extraordinary man is right for the job he is being asked to perform.

Ed Brandt has been dealing with public health issues for 22 years. As vice chancellor for health affairs at the University of Texas Medical School, he earned a universally recognized reputation for intellectual honesty coupled with prolific qualities as a top administrator. Texas, because of its diverse population, reflects many of the same health problems which plague our Nation as a whole—all of us keeping in mind the legacy of "Texas Brags" that everything in Texas is bigger.

Now, Dr. Brandt will have the opportunity to perform his good work on a national scale. His résumé and formidable list of credits are further testimony to his ability to get this vital job done.

Dr. Brandt's philosophy and disposition are almost identical to those of President Reagan, and he can best assure a smooth transition to the administration's new health policies. He shares my own view that it is time to put a harness on Government controls, the regulatory apparatus which makes American health care one of the most regulated industries in the world. He stands for a return to free enterprise, a return to individual responsibility, the sense of community and the true charity which made this country great.

With all of this in mind, I look forward to working with Dr. Brandt, as do the members of the Labor and Human Resources Committee, and encourage my colleagues to vote for his nomination's approval without delay. Thank you.

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD.)

● Mr. BENTSEN. Mr. President, I want to commend President Reagan for nominating Dr. Edward N. Brandt, Jr., to be Assistant Secretary for Health Affairs at the Department of Health and Human Services, and I urge my colleagues to join me in voting to confirm his appointment.

Ed Brandt is an excellent choice for this position and will bring a wealth of expertise and a proven record of achievement to his new post at HHS.

After earning his medical and doctoral degrees and teaching for several

years at the University of Oklahoma, Dr. Brandt moved to the University of Texas and rose through the administrative ranks to become vice chancellor for health affairs of the 109,600 student system. As vice chancellor of one of the country's largest and most diverse medical education systems, Ed Brandt assumed a leadership role in the development of a family practice residency program which has successfully placed physicians in rural communities throughout the Southwest.

In 1979 Ed was the recipient of a special award from the Texas Academy of Family Physicians for his "significant contributions to the teaching of family medicine."

While with the University of Texas system, Dr. Brandt also functioned in the capacity of university liaison to the health profession organizations. His success in forging linkages between the teaching and practice of medicine has been such that the Governor of Texas recently selected him to chair a statewide Medical Education Management Effectiveness Committee—designed to bring management techniques to the medical education/health science sector of State government and to insure that academic preparation is keyed to the State's health care needs.

In addition to his academic and administrative duties, Ed Brandt has made significant contributions to a wide range of health-related activities. He has served, for example, as chairman of the National Institutes of Health Primate Center's Review Committee, chairman of the Task Force on Access to Health Care of the Texas Medical Association, chairman of the Section on Medical Schools of the American Medical Association, and chairman of the American Medical Association Committee on Accreditation of Continuing Medical Education.

Dr. Brandt's excellent record in the health-care field is complemented by his outstanding scholarly contributions as author of more than 100 papers, editorials, book reviews, and abstracts.

Mr. President, at a time when we are facing some very difficult and significant choices about how the Federal Government can most effectively support health services and research; when we are searching for ways to increase the number of Americans willing to enter many of the health-care professions; when we are committed to providing the American people with the most advanced levels of care at the lowest possible cost to the taxpayer, then I believe it is essential to have that effort guided by talented, innovative, compassionate, and experienced professionals.

I congratulate President Reagan on his selection of Ed Brandt for this crucial position at the Department of Health and Human Services, and I am proud to lend my enthusiastic support to his confirmation. ●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to the various nominations just dealt with.

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

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

ORDER OF PROCEDURE

The PRESIDING OFFICER. The distinguished majority leader has the floor.

Mr. BAKER. Mr. President, I commend the Chair for his attention. I apologize for permitting time to escape.

The minority leader and I are trying to arrange the schedule for the consideration of seven nominees from the Foreign Relations Committee for tomorrow. I think we are making good progress. I apologize for the delay.

At the moment, I was intending to pursue that inquiry. While we may still try to do that, for the moment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MARIE ABRAMS: A "NEAT" VOLUNTEER

Mr. FORD. Mr. President, the Louisville section of the National Council of Jewish Women has selected Marie Abrams as the recipient of the 1981 Hannah G. Solomon Award.

This award is presented to an outstanding person in the community who has made significant contributions in education, family life and other areas through her civic efforts.

I can think of no one more deserving of this honor than Marie. It is an appropriate tribute to an individual who has, through the years, unselfishly given of her time and talents to make her community and State a better place.

A partial list of Marie's accomplishments includes: NCJW Louisville section president (1975-77); National NCJW board member (1977-81); charter president of Kentucky Youth Advocates (1977); chair of Community Relations Council (1981); chairperson of the task force on educational funding for Jefferson County Schools; chaired Kentucky Commission on Women (1974-78) and now is a member of the commission; recipient of Young Leadership Award by Jewish Community Federation (1976).

I have had the pleasure of working with Marie on many occasions and I am pleased to see this recognition come her way. Marie's civic accomplishments were highlighted in a recent article in the *Courier-Journal*. I ask unanimous consent that this article be printed in the RECORD.

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

MARIE ABRAMS: A "NEAT" VOLUNTEER
(By Yvonne Eaton)

Periodically, Marie Abrams thinks "It's time I finish growing up and decide what I want to do as an adult. There's a real danger my kids will make career decisions before I do."

But then she tells herself that none of the jobs available can match her volunteer work for excitement.

One suspects it'll be a while before Mrs. Abrams gives up her volunteer work and her commitment to the community. They've been an important part of her life too many years.

The National Council of Jewish Women, Louisville Section, will recognize Mrs. Abrams' volunteer work for the community and the council Thursday when it presents her with the Hannah G. Solomon Award at 7:30 p.m. at The Temple.

The award, which is given by National Council of Jewish Women sections all over the country, was named for a Jewish woman who organized a women's program for the Parliament of Religions at the 1893 Chicago World's Fair. Jewish men had said they didn't need the women's help. Mrs. Abrams describes Mrs. Solomon as "one of the original pushy women."

Mrs. Abrams' résumé in volunteer work covers many areas, but she says that if she has any specialties they are youth and family.

She's on the boards of the Louisville section of the National Council of Jewish Women, the Kentucky Youth Advocates, of which she was charter president, and Jewish Hospital. She chairs the Task Force on Educational Funding for Jefferson County schools and the community-relations council for the Jewish Community Federation, of which she is also a board member. She is a member of the public-education committee of the Louisville Area Chamber of Commerce and the state Legislative Research Commission task force to review the Juvenile Code.

In the past Mrs. Abrams served as chairwoman of the Kentucky Commission on Women, on the national board of the National Council of Jewish Women, and on the Governor's Task Force on Juvenile Delinquency. She was chairwoman of the task force's subcommittee on status offenders.

Volunteer activity "is one ego trip after another," Mrs. Abrams says. "Nothing is more fun than to take on a volunteer project and carry it out and see it finished. When you see the (juvenile) detention center is not on top of the jail and know you are a part of seeing it was a separate center, it's just really neat—neat, that's what my kids taught me."

Mrs. Abrams puts in as many hours on her projects as do most paid workers. She estimates "in excess of 40 hours, though I've never added them up. I guess I didn't want to." Often she has a meeting every week night but one.

What concerns Mrs. Abrams is that "in this society in which we live status is achieved by the amount of money earned. If this is true then the volunteer job becomes worthless" and a lot of women don't want to be volunteers.

The 43-year-old Mrs. Abrams comes across as forthright and articulate. Nothing in-

censes her more than to be told something's "never been done that way before. If somebody tells me something that's not logical, I dig my heels in . . . I think the most important thing we can teach our children is that the meek don't inherit the earth. The meek get dumped on."

Mrs. Abrams isn't interested in running for political office again because "I like being able to be forthright in what I want to say." Of her losing race in 1969 for state representative on the Democratic ticket, Mrs. Abrams says, "I was glorious in defeat."

Mrs. Abrams thinks her forthrightness can be traced back to her family and being an only child.

She can remember political discussions in her Louisville home that ended in arguments between her and her father, Leo Kahn. "He would say, 'What do you know? You're naive.'" And she would answer, "What do you know? You're a bigot." But "we both knew neither of this was true," Mrs. Abrams said. She is very close to her parents and describes them as "very neat people."

Mrs. Abrams says her mother taught her to always be the best, to learn and ask questions. From her father she learned, "You can do anything you want to do."

Family and religion are important to Mrs. Abrams.

"No one can work as a volunteer and work the hours I work without the support of my family," she says. Her husband, Ronald, a certified public accountant, is "especially supportive." And he, too, is involved in volunteer work in both the general and Jewish community.

Both believe in the saying, "It is not incumbent upon you to complete the task but neither are you free to desist from its altogether." Part of Mrs. Abrams' volunteer work relates to her trying to show by example what's important in life. She recalls that when her daughter, Beth, had finished the second grade in Sunday school she announced she was going to quit because it was boring. Her mother decided to teach Sunday school to show her daughter its importance. Beth, now 18, is a freshman at George Washington University, and her brother Marc, 16, is a junior at Central High School. Mrs. Abrams is pleased that both have been involved in volunteer activities at The Temple and their schools.

There's a framed quote in Mrs. Abrams' kitchen on Lime Kiln Lane that tells something of her philosophy about raising children. It reads, "There are only two lasting bequests we can give our children. One is roots, the other wings."

The wings, she says, have to be started early so children can learn independence. "You don't start at 17 to let them be involved in decisions." When her children were young, Mrs. Abrams has "home more days than I was out. My volunteer work was gradual."

Mrs. Abrams thinks her motivation "came from my Jewishness. Someone once said, 'There's no such things as a Jewish ostrich.' We look at everything in the world around us."

From her "Jewishness," she learned to try to see that justice is done, to work on the cause rather than the effect. "That's what leads me into advocacy," she notes.

The National Council of Jewish Women was the root of her volunteer work. Mrs. Abrams says. Through it she became involved in the community and learned how to stand up and talk about issues to the public.

One of her most exciting experiences was testifying before the U. S. Senate on tax credits. She entered her testimony in the record and then spoke off the cuff. "It was fun. I liked it. I wasn't afraid. It was like a challenge," she says.

Twice in her life Mrs. Abrams has worked for pay. She taught at Southern High School

for 1½ years after she was graduated from the University of Louisville in 1969, and was a substitute teacher for a couple of years.

(Earlier she attended Vanderbilt University two years, where she met her husband, a New York native, and married him in 1958.)

During the 1972 and 1974 state legislative sessions Mrs. Abrams worked for Gov. Wendell Ford as a paid administrative aide, working with volunteers who were interested in legislation.

In those few months she found she had more free time than when she was volunteering. "I was excused from all community responsibilities," she believes "When women enter the work force they shouldn't forget all about the community."

Proposed cuts in government funds make Mrs. Abrams "terribly disturbed and pessimistic about education and all human services . . . All my constituency are going to be fighting each other for the same dollar. I think that could be dangerous to society."

Mrs. Abrams says her friends claim she doesn't live in the real world and that she is naive, a description with which she disagrees.

She concedes, however, that she doesn't want "to be involved in watching dishonesty and corruption. I hate gossip and I don't want to know about personal and private lives. I don't like pettiness."

Although she knows that her volunteer work might not make the world different, she "can't see injustice done and not try to stop it. That keeps me in tune with the real world," she says.

She thinks the "real" world of business should use, in part-time paying positions, the skills that volunteers like herself have learned.

If this is possible, will Mrs. Abrams join the work force? "In another year I'll have no kids at home and I don't want to be tied down."

J. R. MILLER RETIRES AMID
PRAISES

Mr. FORD, Mr. President, the long-time president and chief executive officer of the Green River Electric Corp. in Owensboro, Ky., J. R. Miller, retired on March 31 after 35 years of distinguished service.

I would like to say a few words in tribute to the impact on improving the quality of life and the future of the Green River area.

At the time J. R. assumed leadership of GREC in 1946, the cooperative had 3,823 consumers and 773 miles of line. At the end of 1980, consumer accounts numbered more than 21,000 along more than 3,000 miles of line in the nine county service area.

Under Miller's leadership, the cooperative has experienced unequalled growth and now sells more electricity than any other electric distribution cooperative in the Nation.

But his interests and endeavors have not been limited to the role of Green River Electric in meeting the area's energy needs. He has taken an active role in scouting, the political arena, higher education, and fundraising for worthy causes.

He has been active in Jaycees, the Owensboro-Daviess County Chamber of Commerce, the Owensboro YMCA, and has served on the board of trustees of both Brescia College and Kentucky Wesleyan College. He is currently a member

of the regional executive committee and national board of directors of Boy Scouts of America.

He also is now serving in his first term as major of Owensboro, where he has continued his commitment to orderly growth and responsible leadership.

So, in reality, J. R. has merely ended one career and started another where he will continue to be a driving, active and positive influence in behalf of his community, area, and State. The impact he has had—and continues to have—on the local, State, and national level will be a lasting tribute to his intellect and aggressive work.

A recent article in the Owensboro Messenger-Inquirer reflected the role J. R. has played in promoting the growth and prosperity of the area served by Green River Electric and I ask unanimous consent that it be printed in the RECORD.

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

MILLER EXITS GREEN RIVER COOPERATIVE AMID PRAISE

(By Cheryl Truman)

There was little fanfare on J. R. Miller's last day as manager of Green River Electric Corp. The desk in his office was nearly clear of papers, contracts, memos—the litter of decision-making.

A single pink-and-white birthday card on the desk marked Miller's 65th birthday. It said, "To the world's greatest thinker."

Miller, now 65, started out in 1935 as a serviceman and part-time salesman for Mississippi Power and Light Co. and in 1938 became manager of Rural Electric System in southwest Mississippi.

A Mississippi native, Miller came to Kentucky on a temporary basis when he accepted a job with Green River in Owensboro rather than one at another utility in Bardstown. He said he came to Owensboro "because I thought I could get the job done quicker and move on."

That was 35 years ago.

Miller, who is in his second year as mayor of Owensboro, has served as manager, president and, more recently, chief executive officer-president of Green River.

"I think we're leaving it a viable utility," Miller said Tuesday.

However, a former board member of Green River said that assessment is too modest. "He's recognized as one of the three best cop-managers in the United States," said T. H. Leet, who served on the Green River Board for 36 years (1944-80). "He's done more for this whole section of the country . . . than anybody I know of."

Dean Stanley, Miller's successor at Green River, also praised Miller's work in developing the cooperative, saying that "J. R. Miller to me is one of a kind individual . . . I don't think anyone could ask for any other opportunities than what J. R. has given me."

In 1938, Green River was formed with 811 customers, mainly farm families who wanted lights. By the time Miller came to Green River, there were 3,823 customers and 733 miles of line.

Today, it handles approximately 18,000 customers. And over the years, electricity has come to mean more than lights. It means industry.

Miller said that the Big Rivers Electric Corp., Green River's power wholesaler, was created in part as a response to a desire to create capacity for industrial development in the area around Owensboro.

"We had to have a source of electricity if we were going to develop economically," Miller said. "It became evident then if there

was going to be any industrial or economic development in our area, we had to find sources of power acceptable to industry."

The industrialization of Hancock County is a result of the increased power supply, Miller said.

He served as both manager of Green River and coordinator of Big Rivers until a permanent manager for Big Rivers was named in 1962.

"I have never nor do I now make any attempt to build monuments," Miller said, referring to his involvement in the creation of Big Rivers. "I simply want to see it succeed as a power source."

"You do what needs to be done to meet the demands," he said.

But even Big Rivers may be outgrown, Miller said, if synthetic fuels development takes place in the Owensboro area.

"We don't have the capacity to serve them (the synfuels plants)," Miller said. "I had no interest in it from the electric sales standpoint."

He said his support of synfuels development was based on the economic boon it would create for the affected communities and on the concept of U.S. energy independence.

But, according to Miller, if synfuels plants are regulated as strictly by the federal government as are power facilities, the plants could not be built at all.

Miller said that what he believes are unnecessary and excessive pollution regulations have not been as effective as the government anticipated and that the costs of implementing the regulations have been passed on to the consumer.

Six years ago, Miller predicted that if federal regulation did not ease up, utility costs would double by 1980. "I was wrong," he said Tuesday. "They more than doubled."

In 1978, Miller testified before a subcommittee of the U.S. Senate Commerce Committee that "If these increased costs . . . are any indication of what costs are going to be for the electric utility industry to meet demands for the next two decades, then there is not a question of shortage of electricity. There is a question of whether or not the public can pay for it."

Miller also discussed an issue that has repeatedly been in the public eye over the last decade, Green River's 20-year service area agreement with Owensboro Municipal Utilities. The agreement allowed OMU to pick up the area inside the U.S. 60 by pass, or approximately seven square miles. However, the agreement did not permit OMU to indefinitely expand its service area as the city annexes, a right it had under a contract that was terminated in 1974.

In 1975, Miller said that if that agreement was continued, "If I agree with what they (city of Owensboro) are asking me to agree to, I would be committing extinction of Green River."

Miller said he did not argue about what territory the city should or should not serve. "We recognized that . . . the city has a right to grow, and we wanted it to grow."

He said he is not antagonistic toward OMU because of the dispute.

But Miller was in the center of another OMU-related controversy when he ran for mayor in 1979. Miller at that time pledged to withdraw from the nominating process for OMU board members, a pledge Miller said he regrets.

"I think any man with integrity can vote his conscience based on the facts," he said.

Miller said he decided five years ago that he wanted to retire from Green River at 65 but added that he was looking at several options to return to work at a later date.

He would not elaborate on what those options are or when he would make a decision on them.

Meanwhile, he said his retirement from Green River and the appointment of Bill Sequino as Owensboro city manager should

"relieve me of the day-to-day, nitty gritty decisions I've had to make in the past weeks and months."

"I think I can be absent for great periods of time and not be concerned about it," Miller said.

Retirement promises a change in lifestyle, Miller said. "This will be the first time in 50 years I've been unemployed," he said. "I am looking forward to the day when I don't have the requirement to do anything except what I want to do."

He will not be keeping his office at Green River, Miller said. "I won't look over anyone's shoulder," he said.

THE SALE OF AWACS TO SAUDI ARABIA

Mr. FORD. Mr. President, 4 weeks ago, I spoke against the proposed upgrading of the F-15's we have agreed to sell to Saudi Arabia. My objections not only still stand, but can also be applied to the proposal to sell the Saudis five AWACS: This advanced weapon system will threaten the security of Israel and will engender another costly round of arms spending as Israel tries to regain her compromised air superiority. We have seen these two problems arise in the Middle East before and they are not new arguments.

What is different this time is the dimension that would be added to the next Arab-Israeli conflict. At the first sign of a threat from anybody, be it Iraq or Syria, Israel would almost certainly launch a preemptive strike against the AWACS planes lest the Saudis offer their use to a neighbor. Heretofore reluctant to commit themselves to armed aggression against Israel, intentionally or not, the Saudis would become involved in war. As the Wall Street Journal so astutely observes:

AWACS isn't the only thing likely to come crashing down. How long would the House of Saud survive?

Mr. President, the question of the survival of the Royal Family obviously has not been seriously considered by either the administration or the Saudi Government. The AWACS sale brings with it the very real possibility of absolute disaster. Luckily the proposal will not be sent to the Congress until the autumn and there is time to think again about its merits.

I ask unanimous consent that the Journal editorial of April 20 be printed in the RECORD, and urge my colleagues to read it carefully.

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

SELLING THE SAUDIS TARGETS

The Reagan administration seems to be pulling back from a decision to sell AWACS aircraft to Saudi Arabia. If that's so, it comes as welcome news.

AWACS stands for airborne warning and control system—a flying computer jammed with sensitive radar and electronics that can see over the horizon, monitor enemy deployments and communications, and direct an attack. Five of the aircraft were to have been included in an arms deal that initially took shape in the Carter administration.

A number of arguments against the sale have been advanced, however, and the administration now indicates it is rethinking its position rather than face a sure fight in Congress. But the deal seems far from dead,

and so far as we can tell the most telling argument against selling AWACS to the Saudis hasn't yet surfaced. This is the danger that an AWACS sale would pose to our own chief goal in the Persian Gulf—Saudi stability.

The overall arms deal, which includes F15 fighters and air-to-air missiles, has already attracted a good deal of heat. Israel understandably objects to our selling any such sophisticated equipment to a country that supports the Palestine Liberation Organization. To Israel and its powerful friends in Congress, it was bad enough when the Carter administration began talking about selling the F15s. Then the Reagan administration moved toward adding long-range fuel tanks to the F15s, which might enable them to strike Israel directly. Now comes AWACS, possibly the most sophisticated weapon extant.

There have also been persuasive objections from the American side. An AWACS sale to a backward kingdom like Saudi Arabia makes little sense, it's argued. The Saudis would be unable to properly operate them anyway, and they might fall into enemy hands, as much equipment in Iran did. If AWACS are needed in the area, better to man them ourselves, as we did when the Iran-Iraq war threatened to spill over into Saudi Arabia.

All of these arguments make some sense to us. But the really compelling argument involves what might happen to an AWACS-armed Saudi Arabia.

It's not too difficult to imagine the Middle East situation heating up again to the point of war. As in the past, Israel might launch a preemptive strike that has as its goal, say, the neutralization of growing Syrian strength. But the first target to be attacked probably wouldn't be Baghdad. It would almost certainly be the AWACS planes with which Saudi Arabia would be tempted to aid its Arab friends.

For the first time, in other words, Saudi Arabia would be directly involved in a Middle East conflict. AWACS may be a mighty fortress in the sky, but given the Israeli record it's not likely to be a fortress the Israelis can't overcome. And if Israel succeeds, AWACS isn't the only thing likely to come crashing down. How long would the House of Saud survive?

Nowhere do we find an indication that the Reagan administration has considered this potentially disastrous possibility. If not, it's appalling. We hope it's only a case of a missed connection between the strategic thinkers at State and Defense and the top decision-makers, a program that may be alleviated once the logjam of middle-level political appointments is broken. But whatever the case, we hope that the administration will go no further with the notion of making targets out of the Saudis.

THE ADOLESCENT FAMILY LIFE BILL—S. 1090

Mr. HATCH. Mr. President, I am honored to join as a principal cosponsor of the adolescent family life legislation introduced by my distinguished colleague from Alabama, Senator DENTON. I do so acknowledging the leadership and foresight Senator DENTON embodies in this and so much of what he does. These are difficult times for our Nation. We are focusing much of our attention on attempts to improve our economic problems. Yet there is another and equally important set of problems, Mr. President, which affects the moral and social fiber of America, and which can have long-range consequences equally as damaging as our economic troubles. These are the problems that occur when our young ad-

olescents become prematurely involved in sexual activity, which then can lead to additional problems of adolescent contraceptive use, adolescent pregnancy, adolescents being involved in abortions, and adolescent childbearing.

These related problems strike at the heart of American family life. I have said many times before, and reaffirm today my firm conviction, that the families of America are our greatest national resource. Family life provides the foundation upon which a healthy and prosperous society can develop. Any force that trends to undermine family life, and the vital relationships between individuals in family, strikes at the roots of our society itself. One of the family's necessary roles is providing for, socializing, and taking responsibility for the development of our children. Another of the family's primary functions is found in the marriage relationship where couples seek and find love, companionship, and security. When young people engage in intimate physical relationships before they are ready or willing to take on the responsibilities of either marriage or childbearing, they jeopardize their own emotional and physical health, and they jeopardize their chances for establishing satisfying and productive families of their own.

Too often in the past, we have addressed these problems faced by our young people from a perspective that is too narrow and which ignores the moral guidance and supportive strength which can be provided to them by their own families. We have supposed that all our problems would be solved if we faced these complex social, moral, emotional, and family issues by improving birth prevention technology, and distributing contraceptives—at Government expense—to all who wanted them. But by adopting an approach that emphasizes the biology of sex, and contraceptive technology, as we look at current trends we find we have taken the wrong path in approaching these adolescent problems.

Mr. President, during the past decade we have spent more than \$1.5 billion on what has been called "family planning services," though as far as adolescents are concerned, I do not think that name is very appropriate. During that same decade the percent of out-of-wedlock births for all women under 20 who gave birth has risen from 31.5 percent in 1970 to 44.9 percent, and is probably approaching 50 percent today. The percent of never-married women ages 15 to 19 who have experienced sexual intercourse has risen 66.7 percent between 1971 and 1979. The number of abortions performed on teenaged females has risen from 243,440 in 1973 to 442,900 in 1978, and is probably over 500,000 now. Though these statistics are shocking, they represent many young lives that have been severely damaged, and millions of babies who will not have the opportunity to grow up in family circumstances which would promote their optimal development.

The bill introduced today by my friend and colleague from Alabama, Senator DENTON, seeks to address the problem of adolescent sexual activity—and the train of problems that follow it—by promoting approaches that are much broader, and

I believe much wiser, than the unsuccessful, narrow, and insensitive approaches of the past. The adolescent family life bill declares that its primary purpose is to seek family-centered solutions to these problems. We must seek to promote a dialog between parents and their adolescent children. We must seek to bring the resources of the family to bear in working with our young people. I strongly believe that this is a far better approach than encouraging federally funded agencies to intervene between parents and their children.

This bill also seeks to promote adoption as a positive option. There is ample research to demonstrate that trying to raise a baby as a young, single teenage mother is a very difficult and discouraging task. Such mothers are much more likely to become dependent on welfare, drop out of school, and be faced with a lifetime of lower income. For many of these young women, adoption offers the opportunity for the baby to be provided with a fine home when the mother herself is unable to care for and raise it herself.

Mr. President, I believe that my distinguished colleague from Alabama is ahead of his time with the introduction of this bill. In closing, let me say that even though these problems are serious, I believe we can begin to develop family-centered solutions that will work. I hope we can all support increased efforts to find solutions to these personal and very delicate problems, and the subsequent personal tragedies which can and do result from them.

AUTHORITY FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD remain open until 5 o'clock today.

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

AUTHORITY FOR COMMITTEE ON FOREIGN RELATIONS TO FILE REPORT TONIGHT

Mr. BAKER. Mr. President, this matter has been cleared on the minority side.

I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to file a report on the nominations of Chester A. Crocker and Myer Rashish.

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

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on May 1 and May 4, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on May 1 and May 4, 1981, are printed at the end of the Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Environment and Public Works:

Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.

John Whitlock Hernandez, Jr., of New Mexico, to be Deputy Administrator of the Environmental Protection Agency.

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-1056. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1057. A communication from the Acting Assistant Secretary of Agriculture for Governmental and Public Affairs, transmitting, pursuant to law, Part One of the Annual Report of the Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1058. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Department of Agriculture Should Have More Authority to Assess User Charges;" to the Committee on Agriculture, Nutrition, and Forestry.

EC-1059. A communication from the Secretary of the Interior transmitting, pursuant to law, notice of the required soil survey and land classification prior to construction of irrigation facilities for the West Oakes portion of the Garrison Diversion United; to the Committee on Appropriations.

EC-1060. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the Report of the Board of Visitors, U.S. Air Force Academy; to the Committee on Armed Services.

EC-1061. A communication from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on the progress of the Reserve Officers' Training Corps Flight Training Program for 1980; to the Committee on Armed Services.

EC-1062. A communication from the Acting Assistant Secretary of Defense, transmitting, pursuant to law, the Historical and Archeological Survey of the Frankford Arsenal; to the Committee on Armed Services.

EC-1063. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled "Housing and Community Development Amendments of 1981"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1064. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "The Federal Structure For Examining Financial Institutions Can Be Improved"; to Committee on Banking, Housing, and Urban Affairs.

EC-1065. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to further amend the Marine Mammal Protection Act of 1972, to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1066. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Act of August 11, 1939, as amended, to provide that funds to be expended under the Act must

first be approved through an appropriation act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1067. A communication from the Acting Chairman of the Interstate Commerce Commission, transmitting a draft of proposed legislation to amend the Interstate Commerce Act (49 U.S.C. 10101 et seq.) to eliminate gender-specific language contained in the Act; to the Committee on Commerce, Science, and Transportation.

EC-1068. A communication from the Secretary of Transportation, transmitting, pursuant to law, proposed revisions to previously submitted proposed legislation relating to Amtrak; to the Committee on Commerce, Science, and Transportation.

EC-1069. A communication from the Acting General Counsel of the Department of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982 and fiscal year 1983, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1070. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, notice of a proposed oil lease on the Outer Continental Shelf; to the Committee on Energy and Natural Resources.

EC-1071. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the U.S. Appraisers Stores, Boston, Massachusetts; to the Committee on Environment and Public Works.

EC-1072. A communication from the Secretary of Health and Human Services, transmitting notice that the annual report on title XX of the Social Security Act will be late; to the Committee on Finance.

EC-1073. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Assurance Needed That Import Classifications Are Accurate"; to the Committee on Finance.

EC-1074. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fictitious Tax Deposit Claims Plague IRS"; to the Committee on Finance.

EC-1075. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improving Independent Evaluation Systems In The Multilateral Development Banks"; to the Committee on Foreign Relations.

EC-1076. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Management Problems With AID's Health-Care Projects Impede Success"; to the Committee on Foreign Relations.

EC-1077. A communication from the President of the Inter-American Foundation, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1969 to authorize appropriations for the Inter-American Foundation; to the Committee on Foreign Relations.

EC-1078. A communication from the Senior Associate General Counsel of the Federal Home Loan Bank Board, transmitting, pursuant to law, notice of a proposed new system of records for the Board for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-1079. A communication from the Deputy Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-1080. A communication from the Director of Administration, Department of Ener-

gy, transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-1081. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Payment to the District of Columbia: Experience Since Home Rule—Analysis of Proposals for Change"; to the Committee on Governmental Affairs.

EC-1082. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to extend the authorization for the Contract Services for Drug Dependent Federal Offenders Act of 1978; to the Committee on the Judiciary.

EC-1083. A communication from the Administrator of the U.S. Small Business Administration, transmitting, pursuant to law, the annual report of the Administration on activities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-1084. A communication from the Acting Commissioner of Immigration and Naturalization transmitting, pursuant to law, a report on the case of an alien found admissible to the United States; to the Committee on the Judiciary.

EC-1085. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation the Head Start and Native American programs; to the Committees on Labor and Human Resources.

EC-1086. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the implementation of the Age Discrimination Act; to the Committee on Labor and Human Resources.

EC-1087. A communication from the Special Assistant, Office of the Secretary of Defense, transmitting, pursuant to law, the report of the Department of procurement from small and other business firms for October, 1980; to the Committee on Small Business.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-75. A resolution adopted by the Board of Directors of Gold Kist, Inc., relating to the peanut price support program; to the Committee on Agriculture, Nutrition, and Forestry.

POM-76. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Appropriations:

"RESOLUTION

"Whereas, investigators and auditors of the Energy Department of the United States have found a pattern of trading in crude oil that they believe to be part of a criminal conspiracy to reclassify inexpensive 'old' oil for highly priced foreign oil; and

"Whereas, the Houston, Texas, office of the Energy Department has called for a grand jury investigation of the matter; and

"Whereas, the major oil companies have reaped major financial benefits from the reclassification transactions at the expense of the American consumer; and

"Whereas, the continued investigation by the Energy Department of the alleged criminal conduct will be effectively blocked by budget cuts proposed by the President of the United States: now therefore be it

"Resolved, That the Massachusetts Senate memorialize the President and the Congress of the United States to take the steps necessary to preserve the funding of the Energy Department investigation of criminal activity in crude oil transactions; and be it further

"Resolved, That copies of these resolutions

be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officers of both branches of the Congress of the United States, and to the members thereof from the commonwealth."

POM-77. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Appropriations:

"RESOLUTION

"Whereas, after five years of bipartisan effort, the adoption assistance and Child Welfare Act was enacted by the Federal Government, and

"Whereas, the act provides funds for the protection of children and families, adoption subsidies, and family reunification services; and

"Whereas, the objective of the act is to break the cycle of children drifting from foster home to foster home, to prevent child abuse and to reunite families; and

"Whereas, budget cuts proposed by President Reagan would effectively eliminate the foster care and adoption reforms by merging the funding with forty other programs; and

"Whereas, the ways and means committee of the United States House of Representatives and the finance Committee of the United States Senate will soon make major decisions on budget matters; now therefore be it

"Resolved, that the Massachusetts Senate memorialize the President and the Congress of the United States to preserve the funding of the Adoption Assistance and Child Welfare Act; and be it further

"Resolved, that copies of these resolutions be delivered forthwith by the clerk of the Senate to the President of the United States, the presiding officers of the United States Senate and the House of Representatives, and to the members thereof, from the commonwealth."

POM-78. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services:

"RESOLUTION CHAPTER—

"Assembly Joint Resolution No. 32—Relative to closure of McClellan Air Force Base.

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 32, Moorhead. McClellan Air Force Base: closure. This measure would memorialize the President and Congress to oppose proposals to close McClellan Air Force Base.

"Whereas, McClellan Air Force Base, located in the Capital City of Sacramento, California, is one of five major air force logistic command centers in the United States; and

"Whereas, the base has been a major aircraft repair facility for over 45 years; and

"Whereas, McClellan is the sixth largest U.S. Air Force Base with 12,800 civilian employees and 3,600 military personnel; and

"Whereas, McClellan is the home facility for other critical and essential military organizations, including the headquarters for an Air Rescue and Weather Reconnaissance Wing as well as the only air force communications group responsible for all message traffic to Hawaii, Guam, the Philippines, Okinawa, Japan, and Korea; and

"Whereas, the base plays a key function in supporting the responsibility of the Strategic Air Command (SAC) in the maintenance of, and communications for, the mission of SAC; and

"Whereas, McClellan has been a part of the State of California prior to the building of our armed forces during World War II, and could not be duplicated today without expending an estimated one to two billion dollars; and

"Whereas, McClellan Air Force Base is geographically and strategically located on the West Coast and serves as a gateway to our forces in the Pacific Basin; and

"Whereas, information has been received by the Legislature regarding the future clo-

sure of McClellan in the Defense Department programming of military installations; and

"Whereas, the potential loss both to the personnel of McClellan as well as the State of California which would result from this proposed closure is inestimable in terms of technology, health and welfare, jobs, and community spirit; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to reconsider the strategic importance of McClellan Air Force Base and to oppose proposals to close this important military installation; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-79. A petition from a citizen of Mount Kisco, New York, favoring congressional cooperation with the efforts of the Reagan Administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM-80. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, consumption of alcoholic beverages constitutes the United States' most severe drug problem, resulting in more illness, injury, and death than from all other drugs combined;

"Whereas, the consumption of alcoholic beverages presents a special danger for youth;

"Whereas, the National Institute on Alcohol Abuse and Alcoholism in its Fourth Special Report to Congress on Alcohol and Health of 1979, estimated that the excessive consumption of alcoholic beverages in that year alone cost the United States approximately \$42,750,000,000, breaking down the cost as follows:

Lost Production.....	\$19,640,000,000
Health and Medical.....	12,740,000,000
Motor Vehicle Accidents....	5,140,000,000
Violent Crime.....	2,860,000,000
Social Responses.....	1,940,000,000
Fire Losses.....	430,000,000
	<hr/>
	\$42,750,000,000

"Whereas, the United States Department of Health and Human Services and the Bureau of Alcohol, Tobacco and Firearms reported in 1980 that the consumption of alcoholic beverages by pregnant women can be hazardous to the health of unborn children;

"Whereas, the Comptroller General of the United States has stated in his report to Congress that the consumption of alcoholic beverages is the single largest factor in highway deaths with some 25,000 persons dying annually in drunk driving or drinking related accidents;

"Whereas, it has been medically established that the consumption of alcoholic beverages over a short period of time can cause sickness or death;

"Whereas, lack of public awareness concerning the dangers of alcohol use and abuse is widespread and there is an urgent need to educate the public concerning those dangers;

"Whereas, warning labels are now required on other drugs and products and have been helpful in warning the public of potential health hazards caused by the use of those products;

"Whereas, the health warnings on cigarette packages and in advertisements have produced many beneficial results;

"Whereas, a proper, concise limited warning on the labels of alcoholic beverage containers would be beneficial and cause people to seek detailed information about the dangers in the use and abuse of alcohol, and in many instances would be preferable to other forms of government action, which might be more intrusive or more costly; and

"Whereas, warning labels can effectively supplement other private and public health education efforts; now, therefore, be it

"Resolved, That the General Session of the 44th Legislature of the State of Utah, the Governor concurring therein, urge the Congress of the United States to pass a bill that mandates a warning label on all alcoholic beverage containers sold in interstate commerce, and that due consideration be given to a proposed warning which includes the following: Warning using this product:

"May be hazardous to your health;

"May impair driving ability;

"May create dependence or addiction; and

"During pregnancy may harm the unborn.

"LEGAL AGE REQUIRED FOR PURCHASE

"Be it further resolved, That the Lieutenant Governor forward copies of this resolution to members of the Utah Congressional Delegation, the Speaker of the United States House of Representatives, the President of the United States, and the chairpersons of the Senate and House Committees to which such bills may be referred."

POM-81. A resolution adopted by the City Council of Long Beach, California, favoring the efforts by the Federal Government to return powers to local entities; to the Committee on Governmental Affairs.

POM-82. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary:

"Resolution Chapter —

"Assembly Joint Resolution No. 30—Relative to federal aid to Atlanta.

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 30, Hughes. Federal aid to Atlanta.

"This measure commends President Reagan for approving an additional \$1.5 million in federal aid to assist the City of Atlanta, Georgia, in its investigation of the tragedy involving slain and missing black children.

"Whereas, as the 22nd name was added to the list of slain and missing black children in Atlanta, Georgia, President Reagan announced he was providing an additional \$1.5 million to help pay for the investigation aimed at ending the city's 'nightmare'; and

"Whereas, deploring the baffling crimes as "one of the most tragic situations that has ever confronted an American community," President Reagan approved the funds which will augment the \$979,000 in federal aid sent to Atlanta on March 5 for social programs connected with the child slayings; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California commends President Reagan for approving an additional \$1.5 million in federal aid to assist the City of Atlanta in its investigation of the tragedy that has continued for more than 19 months; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-83. A resolution adopted by the County Clerks and Auditors Association of Utah, relative to election and polling times; to the Committee on Rules and Administration.

POM-84. A resolution adopted by the County Clerks and Auditors Association of Utah, relative to media coverage of elections; to the Committee on Commerce, Science, and Transportation.

POM-85. A resolution adopted by the County Clerks and Auditors Association of Utah, relative to a Sunday election day; to the Committee on Rules and Administration.

POM-86. A resolution adopted by the Senate of the Commonwealth of Puerto Rico; ordered to lie on the table.

"RESOLUTION

"To express the sentiment of the People and the Senate of Puerto Rico that the President of the United States, Mr. Ronald A. Reagan, will soon recover his health and return to his executive duties after the attempt against his life, of which he was a victim on this day; to express the vigorous repudiation of this vile criminally violent attempt against the life of the President; to express the solidarity of the People and the Senate of Puerto Rico with the People of the United States, in repudiating and condemning this attempt against the life of President Reagan.

"STATEMENT OF MOTIVES

"The news media have brought us the sad news of the dastardly criminal attempt against the life of the President of the United States, the Honorable Mr. Ronald A. Reagan, in which other persons in the group were wounded. This news has filled the People of Puerto Rico and this Senate of the Commonwealth of Puerto Rico with indignation, and we have immediately expressed our vigorous repudiation of this vile attack and act of violence against the life of the President, raising a prayer to God that He will restore his health and allow him to return to fulfill his important public duties without delay.

"This Senate, as the democratic symbol of our People, also wishes to express its solidarity with the People of the United States, and the Government, in repudiating the criminal act, and also in the desire that the health and life of President Reagan be restored.

"We also express our hope that the persons who were wounded or affected by this repudiable act, will soon be on the road to recovery.

"Be it resolved by the Senate of Puerto Rico:

"Section 1.—To express the deep and sincere feelings of the People of Puerto Rico and of this High Body, in absolute repudiation of the dastardly and criminal act against the life of the President of the United States, the Honorable Mr. Ronald A. Reagan, on this day.

"Section 2.—To raise a prayer and ask God to protect and restore his health so that he may return to fulfill his responsibilities as First Executive of the Nation without delay.

"Section 3.—To express our spiritual and moral solidarity with the People of the United States and the Government in rejecting this act of violence, and expressing our sincere and profound wish that President Reagan's health will be restored.

"Section 4.—To similarly express our hope that the health of the other persons affected in this abominable attempt on the President's life will soon be recovered.

"Section 5.—That a copy of this Resolution, duly translated into the English language be sent to the President, Mr. Ronald A. Reagan, to the Senate and to the House of Representatives of the United States, and all the news media for its diffusion and the information of the People."

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of April 29, 1981, the follow-

ing reports of a committee was submitted on May 1, 1981, during the recess of the Senate:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Con. Res. 19. An original concurrent resolution setting forth the recommended congressional budget for the United States Government for the fiscal years 1982, 1983, and 1984, and revising the congressional budget for the United States Government for the fiscal year 1981 (Rept. No. 97-49).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 113. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1000.

S. Res. 114. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 831.

ORDER FOR STAR PRINT—S. 751

Mr. HATCH. Mr. President, I ask unanimous consent that S. 751 be star printed to reflect a change in wording that was inadvertently not included in the bill as introduced.

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

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. ZORINSKY (for himself and Mr. HATCH):

S. 1091. A bill to provide an entitlement for educational institutions for the reimbursement of the reasonable costs incurred in responding to compliance reviews conducted by the Office for Civil Rights of the Department of Education, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. PACKWOOD:

S. 1092. A bill for the relief of Luis Monzon; to the Committee on the Judiciary.

S. 1093. A bill for the relief of Sandra Reyes Pellicer; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. RANDOLPH):

S. 1094. A bill to facilitate the development of channels, anchorages, ports and harbors and to authorize Federal participation in the construction of improvements to channels, anchorages, ports and harbors to promote commerce and export of domestic commodities; to the Committee on Environment and Public Works.

By Mr. ABDNOR:

S. 1095. A bill to amend the Water Resources Planning Act; to the Committee on Environment and Public Works.

By Mr. KASTEN (for himself and Mr. PACKWOOD):

S. 1096. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ARMSTRONG:

S. 1097. A bill entitled the "Small Business Tax Relief Act of 1981"; to the Committee on Finance.

By Mr. PACKWOOD (for himself and Mr. SCHMITT) (by request):

S. 1098. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development,

construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PACKWOOD (by request):

S. 1099. A bill to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Commerce, Science, and Transportation.

S. 1100. A bill to improve rail service in the Northeast Region of the United States and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 1101. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (for himself, Mr. RANDOLPH, Mr. WILLIAMS, Mr. PELL, Mr. EAGLETON, Mr. RIEGLE, and Mr. METZENBAUM):

S. 1102. A bill to revise and extend certain health services programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH:

S. 1103. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education and to restore control over education to States and to local educational agencies; to the Committee on Labor and Human Resources.

By Mr. PRESSLER:

S. 1104. A bill to amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certain surveys, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1105. A bill to amend the International Travel Act of 1961 to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself and Mr. RANDOLPH):

S. 1094. A bill to facilitate the development of channels, anchorages, ports and harbors and to authorize Federal participation in the construction of improvements to channels, anchorages, ports and harbors to promote commerce and export of domestic commodities; to the Committee on Environment and Public Works.

PORTS DEVELOPMENT AND ASSISTANCE ACT OF 1981

● Mr. BENTSEN. Mr. President, today I am introducing legislation designed to address the compelling national problem of port construction. Several of my colleagues have vividly illustrated the scope of this problem by relating it to the limitations that port capacity is placing on coal exports. General Heiberg recently reiterated the constraints on new port construction in testimony before the Environment and Public Works Committee. He stated that the project to deepen Norfolk Harbor to handle deep-draft coal vessels would not be completed until 1989 under existing authorizing and appropriating processes.

But the problem is broader than just coal related ports. Deeper draft vessels are being utilized in transporting many commodities—oil, grains, ores. Delay, on the other hand, is affecting all port projects. In my State I can identify delays at virtually every major port. At Corpus Christi, a construction project authorized in 1968 has yet to be completed.

At Freeport, a construction project authorized in 1970 with a B/C ratio over 6 to 1 has yet to be started. At Brownsville, a construction project with a completed—and favorable—Chief of Engineers report has yet to be authorized. Three ports in Galveston Bay—Houston, Texas City, and Galveston—have been authorized for study since 1967 and the studies have yet to be completed.

Clearly, the Federal Government has a primary role in port construction. To execute this role Congress must have sound evaluations of the costs and benefits of constructing channels at various locations. But, it is also necessary to provide flexibility in limited circumstances—from the current system to facilitate port development. The bill I am introducing today creates one such mechanism.

Current law discourages non-Federal port authorities from developing their own facilities. It limits the reimbursement of such construction costs or the subsequent payment of operation/maintenance costs to those cases where Congress acts on an ad-hoc basis to authorize and appropriate funds for such costs. My bill is designed to structure a limited reimbursement program.

As I describe the elements of this bill, let me clarify a few things at the outset. First of all, this bill does not open the Federal coffers to any port project that a local entity dreams about. The financial risk is on the port authority. Second, all congressional responsibilities are preserved. Third, this bill would reimburse 75 percent of the construction costs of main channel dredging. Current procedures would pay 100 percent of these construction costs.

On the other hand, those ports that seek to use the provisions of this bill would enjoy the benefits of deeper draft channels far sooner than those ports that wait on the normal process.

Under this bill ports seeking to move faster than the current procedures would apply for eligibility under the provisions of the bill. Once their application is approved and they receive the appropriate construction permits, a port could begin construction of its main channel. Simultaneously, the corps would be authorized to study the advisability of a deeper channel at that port—taking into account the benefits and costs of the local improvements. All studies would have to conform to water resources council guidelines for determining the most cost-effective project.

Reimbursement would be available under the following conditions:

Congress authorizes a Federal project. Congress appropriates funds for the project.

Prior to construction, the corps approves the dredging plans.

During construction, the corps inspects the construction.

After construction, the corps certifies that construction was done in accordance with the authorized project.

Construction begins within 3 years from the issuance of Federal permits.

Nonfederal interests can be reimbursed only for those portions of their projects which are included in the approved Federal project.

Certainly, Mr. President, not every port will seek to take the risks associated with the options in this bill. But, port facilities need to be built and new ways need to be developed to facilitate their construction. This bill offers a clear step in that direction.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill and the text of the bill be printed in the RECORD.

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

S. 1094

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 "Ports Development and Assistance Act of 1981".

Sec. 2. (a) The Congress finds that many of the Nation's ports and harbors are not capable of serving the shipping interests of this country because—

(1) authorized depths at many ports are inadequately maintained;

(2) modernization of the international shipping fleet has necessitated new harbor and channel dimensions; and

(3) energy self-sufficiency requires that harbors and channels be constructed to serve the vital export of domestic energy resources which will help foster our own reliance on these sources.

(b) The purposes of this Act are to—
(1) authorize Federal participation navigation improvements to ports and harbors;

(2) expedite port and harbor construction projects; and
(3) provide non-Federal sector encouragement to construct port and harbor dimension projects by establishment of a reimbursement process.

Sec. 3. (a) The Secretary of the Army, acting through the Chief of Engineers is authorized to study and prepare a feasibility report on the enlargement of the navigation improvements at each deep-draft harbor serving international shipping in the United States.

(b) Each study shall be completed within twelve months of the first appropriation for the port project proposed for deepening.

(c) Each study shall consider but not be limited to the advisability of deepening harbor dimensions to accommodate the current and projected size of vessels used in international trade and the projected traffic capacity at each port.

(d) Such study shall also include costs and benefits of improvements initiated by local interests after the date of enactment of this Act which the Secretary determines are compatible with, and constitute an integral part of his recommended plan, which shall be developed in accordance with the Principles and Standards issued by the Water Resources Council.

Sec. 4. (a) (1) Each port through the appropriate non-Federal port authority shall submit an application to the Secretary of the Army for eligibility to participate in the reimbursement established by Section 5 of this Act.

(2) (A) Such application shall be forwarded to the Committee on Environment and Public Works of the Senate and Committee on Public Works and Transportation of the House of Representatives for review.

(B) The application shall lay before the Committees for 90 days for review and approval as provided by subparagraph (C) of this section. If no action is taken within the time specified, the application shall be returned to the Secretary of the Army for consideration as provided in subparagraph (C).

(C) An application for eligibility for reimbursement assistance may be approved by a resolution of the Committee on Environment and Public Works and the Committee on Public Works and Transportation within the period of review specified in the preceding subparagraph. The Secretary of the Army is authorized to review and approve any application submitted by a non-Federal port authority not acted upon by the Congressional Committees to which referred by subparagraph (A).

(b) The following ports are eligible for reimbursement as provided in Section 5 of this Act—

Galveston Harbor, Texas;
Corpus Christi Harbor, Texas;
Brazos Island Harbor, Texas;
Norfolk Harbor and Channels, Virginia;
Brunswick Island Harbor, Georgia; and
Houston Ship Channel, Texas

Sec. 5. (a) Upon the enactment of a project authorization for port or channel improvements based upon a survey authorized by section 3(a) of this Act, the Secretary of the Army, acting through the Chief of Engineers, shall reimburse the local interests (non-Federal port authority), in accordance with subsections (b) and (c) of this section, for 75 per centum of the funds expended by such interests to construct such portions of the project as are included in the approved project, if prior to such construction by the local interests, the detailed plans and specifications of such portions of such project were approved by the Chief of Engineers, if during such construction by local interests the Chief of Engineers inspected the work in progress, and if, after such construction by local interests has been completed, the Chief of Engineers certifies that such construction was in accordance with the authorized project.

(b) The cost of work for which reimbursement is authorized by this section shall be determined in accordance with section 8(a) (2) of the Act of March 2, 1919 (33 U.S.C. 624), as amended, or shall be the amount actually expended by local interests, whichever is the lesser.

(c) The authorization to reimburse local interests contained in this section is subject to appropriation, and shall expire three years from the issuance of appropriate Federal permits, unless local interests begin construction of any portion of the project which is included in the approved budget within such three-year period.

SECTION BY SECTION ANALYSIS

Section 1—Title.

Section 2—Findings.

Section 3—This section authorizes the Corps of Engineers to prepare feasibility reports on enlarging deep draft U.S. harbors serving international shipping. Studies would have to be completed twelve months after their first appropriation. The studies would have to include the costs and benefits of improvements initiated by local authorities that are compatible with the potential federal project. The studies would have to conform to the Water Resources Council guidelines for determining the most effective project.

Section 4—This section provides an application and listing procedure for ports wanting to use the provisions of the bill. Ports

would apply to the Secretary of the Army. Applications would be sent to the Senate Environment and Public Works Committee and the House Public Works and Transportation Committee for 90 days. Applications would be approved by resolution of each committee or by the Secretary of the Army after the 90 day referral period. Additionally, the following ports would be eligible for the options provided in this bill:

Galveston Harbor, Texas;
Corpus Christi Harbor, Texas;
Brazos Island Harbor, Texas;
Norfolk Harbor and Channels, Virginia;
Brunswick Island Harbor, Georgia; and
Houston Ship Channel, Texas.

Section 5—This section defines the reimbursement conditions. Non-Federal interests would get a 75% reimbursement of construction costs under the following conditions:
Congress authorizes a Federal project.

Congress appropriates funds for the project.

Prior to construction, the Corps approves the dredging plans.

During construction, the Corps inspects the construction.

After construction, the Corps certifies that construction was done in accordance with the authorized projects.

Construction begins within three years from the issuance of Federal permits.

Non-Federal interests can be reimbursed only for those portions of their projects which are included in the approved federal project. Limits are placed on the reimbursement costs based on theoretical costs or actual costs, whichever is lesser.

By Mr. ABDNOR:

S. 1095. A bill to amend the Water Resources Planning Act; to the Committee on Environment and Public Works.

WATER RESOURCES PLANNING ACT OF 1981

Mr. ABDNOR. Mr. President, today I am introducing the Water Resources Planning Act of 1981. This bill is a revised version of a draft bill which I introduced into the RECORD April 9 for discussion purposes. After several days of hearings and consultation with various interested persons and groups, I have revised my original draft and developed this bill.

This legislation seeks to establish a structure that will allow us to develop a comprehensive water management program for our country. It establishes a National Board of Water Policy, which will have responsibility for the development of a strong, comprehensive water policy for this Nation. The Board will have an independent chairman, a strong link with the States, and will advise the President and Congress on policy issues, especially with respect to the need for changes in laws and procedures.

The bill also authorizes funding of State and regional planning grants and a program of water research.

I believe passage of this bill is necessary if we are to resolve the serious water resource problems confronting our Nation.

Recently I chaired 3 days of hearings on water policy issues. These hearings were scheduled after our review of the administration's proposed budget. The administration proposed to rescind 1981 funds for the Water Resources Council and the Office of Water Research and Technology. The committee concluded that this action was too precipitous, and endorsed my motion to transfer some

funds from the Corps of Engineers construction general account to fund the WRC and OWRT in fiscal year 1981 and fiscal year 1982. A more complete description of the motion is contained on page S3073 of the RECORD for March 31, 1981.

At the hearings of the Subcommittee on Water Resources which I am proud to chair, we had over 50 witnesses who described problems and discussed the need for a coordinated Federal policy, for comprehensive State and Federal water resources planning, and for a continuing effort in water research. Dozens of other written statements on these issues have also been entered into the committee hearing record. Throughout those 3 days, almost every witness mentioned the same problems and defined the same needs. They discussed them in different terms and from different perspectives, of course—but common threads ran through almost all of the testimony. I would like to share with my colleagues some of the issues which were raised at the hearings.

First, there is a need for an independent body to define a comprehensive water policy and make recommendations to Congress and the President regarding necessary changes in laws and regulation to implement such policy. To a witness, everyone agrees that this need exists and that existing organizations which are designed to perform this task have failed to do so. I do not want to get involved in assessing blame, because I believe to some extent we must all share it. But I believe we can learn from our mistakes—at least I hope so.

The organization needs to be relatively small. In the past, similar groups have been bogged down with too many members, many lacking an intense interest in water resources.

The organization needs to be independent of any department or agency. Other than the witness from the Department of the Interior, who advocated the establishment of a National Policy Office in that Department, all other witnesses were emphatic that water policy not be established in one agency. The reason for this need is simple: There are a number of Federal organizations involved in water resources development. To allow responsibility for water policy to rest in one organization would, in fact, make all other organizations subservient to it. From a management perspective, this is unacceptable.

The organization needs to have a strong independent person to chair the group. In the past, interagency task forces have failed because members were the heads of Federal agencies. They could not make independent policy decisions. In addition, Congress did not have a very large role in the selection of the chairman, except in confirming that person as a member of the Cabinet. Nor was there a mandate for the group to advise not only the President, but also the Congress on policy issues.

The States need to be more involved in development of national water policy. All witnesses agreed there needs to be a strong link with the States. Others also felt that there should be links with local

government entities and regional planning groups, such as river basins commissions.

Second. With respect to the States, many witnesses expressed a need for the continuation of planning grants. Some stated that continuing in the amount of funding is far more important to the States than the amount of funding itself.

In the past, States have been allocated funds to be used for State water planning personnel. The precipitous cutoff of these funds will have a severe impact on the planning capability of some States. Many States have proceeded to retain staff and incur expenses in anticipation of receiving fiscal year 1981 funds. To withdraw half of those funds at the end of most States fiscal year will be an unfair and undue hardship on those States. Even in cases where State legislatures will be capable of providing supplemental funding, they cannot respond rapidly to the need for State funds.

Many State legislatures are already out of session and they will not be in session again until January. Others will not be in session for another year and a half. Many States would find themselves in the position of having to lay off personnel, then rehiring in 1982 or 1983. Most likely the best employees will have found other work and replacement personnel will have to be hired. This will obviously cause a serious disruption in State water planning capability.

Many of our witnesses indicated that Federal funding should be continued indefinitely, or even increased. However, others only urged that if planning grants were to be phased out, that this to be accomplished over a period of a year or two. This kind of lead time will provide the States with the necessary time to either absorb the program with State funds or make the necessary reduction in program expenses. I believe that there is a continuing need for a Federal role in water resources planning. I am aware that fiscal constraints force us to be more selective in financing planning activities. It will also be necessary for the States to assume an increased financial role in planning activities.

Third, there needs to be a continuing Federal role in water research activities. Several members of research institutes testified about the need for water research. Many indicated that universities were optimal organizations for research activities and indicated that each State needed its own institute to deal with State-specific problems. Others, however, indicated that universities were not the only possible places for research and that national research should be funded on a competitive basis, rather than through a formula allocation to each State.

One of the major issues in controversy throughout the testimony was a specific set-aside for saline research. The general consensus seemed to be that saline research was essential, but that funds should not be specifically set aside for this purpose. Again, testimony indicated that the immediate cutoff of research funds would create serious problems with existing, viable organizations. If

the research institutes are to be phased out, with States assuming a larger role, this must occur over a few years. Serious disruptions in a national program of water research will otherwise result.

Again, however, I recognize that this must be a time of fiscal restraint. We must ask for a greater financial commitment from non-Federal sources before any such program is continued for a longer period of time.

Fourth, all of the witnesses indicated that there were serious problems with river basin commissions. Yet, they also agreed that basin planning is a desirable goal. Most indicated that States did not have enough involvement in the commissions, that a reduced Federal presence would be beneficial. Other witnesses asserted that the commission output—basin plans—need to be more specific and should have a purpose. That is, the plans should be used.

Of all the programs we considered, river basin commissions had no enthusiastic supporters. Only some witnesses indicated that they should be continued. I believe that there is value in the concept of basin planning, but I believe there must be an increased non-Federal financial role and that only those commissions which develop specific, usable plans should continue.

Mr. President, my bill is the product of that wise counsel. It is very straightforward. It seeks to address the major needs that I believe were identified during our hearings.

First, the bill establishes a National Board of Water Policy. The Board is composed of five members: four high-ranking administration officials, plus a chairman to be appointed by the President, with the advice and consent of the Senate. I believe it is essential that Congress be involved in the development of national water policy. An independent chairman is more likely to insure that involvement. The Board is charged with the responsibility for defining inconsistencies in existing water policies and developing recommendations to the President and Congress on policy issues and the need for changes in law and procedures.

My bill also responds to the need for increased State involvement in the development of policy. It establishes a State advisory council which provides advice to the National Board. The State advisory council will have five members, selected from persons recommended by the National Governors Association. The chairman of the council will work closely with the National Board, and other State council members will be encouraged to attend national board meetings.

Third, my bill establishes an Office of Water Programs in the Department of Interior to fund State and river basin planning and water research. The bill is designed to continue existing programs through fiscal year 1983. After that time, the Office will fund planning and research activities on a competitive basis. This section of the bill will give existing program administrators enough lead-time to plan for the future. It also requires a 50-percent match from non-Federal sources. This will indicate a seri-

ous financial commitment from the non-Federal entities involved in planning and research. Priority for Federal funding will be given to proposals which have the potential for broad national or regional application.

Mr. President, I am introducing this bill today, which I hope will provide a framework for development of a meaningful national water resources program—a program which encourages and facilitates water planning and research. I ask unanimous consent that a copy of my bill, together with a more detailed section-by-section analysis, be printed in the RECORD.

Mr. President, I also ask that the printing of this bill be done as rapidly as possible as we hope to have a markup Wednesday morning.

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

S. 1095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Water Resources Planning Act, as amended (42 U.S.C. 1962 et seq.), is further amended by deleting all after the enacting clause and inserting in lieu thereof the following: "That this Act may be cited as the 'National Water Resources Research and Planning Act of 1981'.

"TITLE I—GENERAL PROVISIONS

"NATIONAL BOARD OF WATER POLICY

"SEC. 101.(a) There is hereby established a National Board of Water Policy (hereinafter in this Act referred to as the "Board"), to be composed of the Secretary of the Army, the Secretary of the Interior, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and a chairman chosen by the President, with the advice and consent of the Senate. The Chairman shall be compensated at the rate for Level II of the Executive Schedule under Section 5313 of Title 5, United States Code. Actions of the Board shall be by majority vote.

"(b) The Board shall meet at least six times annually to: (1) advise the President and Congress on matters relating to water resources policy; (2) identify inconsistencies in such policy and programs and to recommend to the President and Congress changes in law or procedures that will emphasize the wise, cost-effective development and use of the water resources of the United States; (3) establish and issue rules and procedures designed to assure the implementation of a national water resources policy and program, pursuant to law, with attention to coordination among departments and agencies of the United States; and (4) recommend to appropriate Federal agencies goals and priorities for programs within their jurisdiction, including studies and research, where needed, and the development of plans for river basins that have been identified by the Board, to assure the wise management and development of the waters of the United States.

"(c) The Board shall, as necessary, utilize the expertise that is available in departments and agencies of the United States.

"(d) For the purposes of administration and reimbursing other Federal departments and agencies for staff assistance under the terms of subsection (c) of this section, the sum of \$1,000,000 is authorized to be appropriated to the Board for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"OFFICE OF WATER PROGRAMS

"SEC. 102. (a) There is established within the Department of the Interior an Office of

Water Programs (hereinafter in this Act referred to as the "Office"), which shall report to the Secretary of the Interior through the Assistant Secretary for Land and Water Resources, on matters relating to water policy within the responsibilities of the Secretary, and shall coordinate and administer the programs authorized by titles II, III, and IV of this Act.

"(b) The Office shall be headed by a Director, appointed by the Secretary of the Interior.

"(c) The Office shall issue such rules and regulations as it finds appropriate to carry out its requirements under the terms of titles II, III, and IV of this Act.

"(d) At the direction of the Board, the Office is authorized to prepare periodic assessments of national water needs, including studies of the adequacy of supplies of water needed to meet national, regional, and State requirements.

"(c) For the purposes of administration and the undertaking of necessary assessments, the sum of \$3,000,000 is authorized to be appropriated to the Office for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"STATE ADVISORY COMMITTEE

"SEC. 103. (a) To assist the work of the Board, there is hereby established a State Advisory Committee (hereinafter in this Act referred to as the "State Committee"), which shall be composed of five members.

"(b) (1) The Chairman of the State Committee shall be appointed by the Board from persons recommended by the governing body of the National Governors Association on the basis of his or her understanding of the Nation's water resources needs and shall participate in all meetings of the Board to assure that it is informed of the position of the states on all issues before it.

"(2) The remaining members of the State Committee shall be selected jointly by the Board and the Chairman of the State Committee from persons recommended by the governing body of the National Governors Association in order to provide for a broad national and regional representation in water resources management, including, if appropriate, at least one non-Federal representative of a river basin commission established pursuant to Title IV of this Act.

"(c) (1) The State Committee shall meet at least six times a year to review actions and proposals made by the Board, and to offer its analysis of such actions and proposals, including recommendations for changes. Any such analysis shall accompany any report submitted by the Board to the President and Congress.

"(2) The State Committee is also authorized to consult with the Office under the terms of Section 201 of this Act.

"(d) The sum of \$50,000 is authorized to be appropriated to the Board to reimburse the members of the State Committee for necessary expenditures for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"SEC. 104. The agencies authorized to be established by Sections 101 and 102 and Title IV of this Act are authorized to hire necessary staff and to contract for studies to carry out their authorized functions, within available sums.

"SEC. 105. Nothing in this Act shall be considered to alter existing law with respect to the ownership and control of water.

"SEC. 106. As used in this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands.

"TITLE II—STATE WATER PLANNING

"SEC. 201. In order to assist the various States in the wise use, development, and management of the water resources of the United States, and after consultation with

the State Committee, the Office is authorized to make grants to the States and to river basin commissions established pursuant to Title IV of this Act to assist them in developing comprehensive programs and plans for the use, development, and management of water and related land resources.

"Sec. 202(a). From the sums appropriated pursuant to section 204(a) of this title, the Office shall make allotments to the States and to river basin commissions established pursuant to Title IV of this Act in accordance with regulations promulgated by the Office, on the basis of the need for planning assistance, including needs resulting from the impact of Federal activities or projects upon such State or region.

"(b) From sums appropriated pursuant to section 204(b) of this title, the Office shall after consultation with the Secretary of the Army, make grants to the States and to river basin commissions established pursuant to Title IV of this Act on a basis of applications by such States and commissions to study specific water resources problems with national or regional character, and to develop specific plans to address such problems.

"(c) The sums allocated under this section for the purpose of implementing a program approved under section 203 of this title, or any appropriate program submitted by a river basin commission established pursuant to Title IV of this Act, shall be matched on the basis of no less than one non-Federal dollar for every Federal dollar.

Sec. 203. (a) (1) For the purpose of Section 202(a) of this Act, the Office shall approve any program for comprehensive water and related land resources planning which is submitted by a State, if such program—

"(A) provides for comprehensive management of the intrastate or interstate water resources, or both, in such State necessary to meet the needs for water and water-related activities, taking into account the need to coordinate among Federal, State, and local agencies, and any nongovernmental entities having responsibilities in the affected fields;

"(B) designates a State agency (hereinafter referred to as the 'State agency') to administer such program; and

"(C) provides such accounting, budgeting, and other procedures for the proper and efficient administration of the program as are necessary for keeping appropriate accountability of the funds allocated to the States under this title.

"(2) For the purposes of section 202(b) of this Act, the Office shall, with the approval of the Secretary of the Army or at the direction of the Board, approve a program for comprehensive water and related land resources planning which is submitted by a State, if the program—

"(A) provides for a comprehensive program, including specific plans, for the management, conservation, and development of the intrastate or interstate water resources, or both, in such State, necessary to meet problems of a national or regional character related to water and water-related activities, taking into account the need to coordinate among Federal, State, and local agencies, and any nongovernmental entities having responsibilities in the affected fields;

"(B) designates a State agency (hereinafter referred to as the 'State agency') to administer such program; and

"(C) provides such accounting, budgeting, and other procedures for the proper and efficient administration of the program as are necessary for keeping appropriate accountability of the funds granted to the States under this title.

"(b) The Office shall not disapprove any program under paragraph (a)(1) of this section without first giving reasonable notice and opportunity for hearing to the State agency administering such program.

"Sec. 204. (a) For the purposes of the grants to be made under the terms of section 202(a) of this title, there is authorized to be appropriated to the Office the sum of \$12,000,000 for fiscal year ending September 30, 1982, the sum of \$12,000,000 for the fiscal year ending September 30, 1983.

"(b) For the purposes of the grants to be made under the terms of section 202(b) of this title, there is authorized to be appropriated to the Office the sum of \$10,000,000 for the fiscal year ending September 30, 1984, and for each fiscal year thereafter.

"TITLE III—WATER RESOURCES RESEARCH

"STATE RESEARCH INSTITUTES

"Sec. 301. (a) The Office is authorized to assist the work of water resources research and technology institute, center, or equivalent agency (hereinafter referred to as the 'institute'), to be established in the States. Each established institute shall have responsibility for planning, conducting, and/or arranging for competent research and development in relation to water resources, including investigations and experiments of either a basic or practical nature, or both; to promote the dissemination and application of the results of these efforts; and to provide for the training of scientists and engineers through such research, investigations, and experiments.

"(b) The designated institute shall cooperate closely with other colleges and universities in the State with demonstrated research, information dissemination, and graduate training capabilities in developing a statewide program directed to resolving State and regional water and related land problems, and shall cooperate closely with regional consortia, as may be designated by the Office, to increase the effectiveness of the institutes and for the purpose of regional coordination, particularly the river basin commissions established pursuant to title IV of this Act.

"(c) (1) For the utilization of funds authorized by paragraph (e)(1) of this section, each institute shall submit to the Office for its approval a water research program that includes assurance, satisfactory to the Office, that such program was developed in close consultation and collaboration with the director of that State's department of water resources, or similar agency, and other leading water resources officials with the state, including interested members of the public. Such program shall include plans to promote research, training, information dissemination, and other work meeting the needs of the state.

"(2) No program under paragraph (e)(2) of this section shall be approved by the Office unless it is accompanied by assurances from the institute that such program was developed in close consultation and collaboration with the director or directors of the department of water resources, or similar agency, of that state or states, and other leading water resources officials within the State, including interested members of the public. Such program shall include plans to promote research, training, information dissemination, and other work meeting the needs of the State, and shall be designed to encourage regional consortiums of institutes and plans that address significant research needs in the area of water management, development, and conservation that have a regional or national character.

"(d) From the sums appropriated pursuant to subsection (e) of this section, the Office shall make grants, to be matched on a basis of no less than one non-Federal dollar for every Federal dollar.

"(e) (1) There is hereby authorized to be appropriated to the Office for the purpose of carrying out subsection (c)(1) of this section an amount sufficient to provide \$150,000

to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1982, and for the fiscal year ending September 30, 1983.

"(2) There is hereby authorized to be appropriated to the Office for the purpose of carrying out subsection (c)(2) of this section the sum of \$5,000,000 for the fiscal year ending September 30, 1984, and for each fiscal year thereafter.

"RESEARCH GRANTS

"Sec. 302. (a) In addition to the grants authorized by section 301 of this title, the Office is authorized to make grants, on a matching basis, to the institutes established pursuant to section 301 of this title, as well as other qualified educational institutions, private foundations, river basin commissions established pursuant to Title IV of this Act, private firms, individuals, and local and State governmental agencies for research concerning any aspect of a water-related problem which the Office may deem as desirable in the national interest.

"(b) Each application for a grant pursuant to this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation, as well as to the region and State concerned, its relation to other known research projects theretofore pursued or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists. No grant shall be made under this section except for a project approved by the Office, and all grants shall be made upon the basis of the merit of the project and the need for the knowledge which it is expected to produce when completed.

"(c) The sum of \$12,000,000 is authorized to be appropriated to the Office for the purposes of this section for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"Sec. 303. The type of research to be undertaken under the authority of section 302 of this title and to be encouraged by the institutes established under section 301 of this title shall include, without being limited to, aspects of the hydrologic cycle, supply and demand for water, demineralization of saline and other impaired waters, conservation and best use of available supplies of water and methods of increasing such supplies, water reuse, depletion and degradation of ground water supplies, improvements in the productivity of water when used for agricultural and commercial purposes, and the economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems, scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems, and providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions, for water research and development projects now being conducted by agencies of the Federal and State governments, the agricultural and engineering experiment stations, and other university research centers and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development.

"Sec. 304. For the purposes of section 301 of this title, an institute may be established at one college or university in each State, which college or university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled 'An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts' or some other institution designated by Act of the

legislature of the State concerned: *Provided*, That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of this legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the office's determination that such college or university has or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute.

"Sec. 305. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title, and notwithstanding any other provision of law, the office shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577: 88 Stat. 1887, 1891; 42 U.S.C. 5908.5909): *Provided, however*, That subsections (l) and (n) of section 9 of such Act shall not apply to this Act; *Provided further, however*, That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this title, shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development will (with such exceptions and limitations, if any, as the Office may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

"TITLE IV—RIVER BASIN COMMISSIONS

"Sec. 401. (a) The President shall declare the establishment of a river basin commission responsible for water and related land resources within such basin, upon the request of the States within which all or a significant portion of the basin or basins concerned are located, if the request (1) defines the area, river basin, or group of related river basins for which a commission is requested, (2) is made in writing by the Governors or in such manner as provided by State law, and (3) is concurred in by not less than two-thirds of the States within which portions of the basin or basins concerned are located.

"(b) Each such commission shall—

"(1) after giving consideration to any appropriate action by the Board, work with the affected States to coordinate planning for the management and development of water and related land resources in the basin, and

"(2) submit, if appropriate, applications for grants for the purposes of Title II or Title III of this Act.

"(c) Each such Commission, if requested by the member states and approved by the Board, may—

"(1) prepare and keep up to date, to the extent practicable, a comprehensive, coordinated, joint plan for Federal, State, interstate, local and nongovernmental management and development of water and related sources in the basin;

"(2) rank priorities for the collection and analysis of basic data for investigation, planning, and construction of projects; and

"(3) foster and undertake such studies of water and related land resources problems in its area, river basins, or group of river basins as are necessary in the preparation of the plan described in paragraph (1) of this subsection.

"MEMBERSHIP

"Sec. 402. (a) Each river basin commission established pursuant to this title shall

be composed of one member appointed by the Board, together with one member from each State which lies wholly or partially within the basin or portion of the basin for which the commission was established, and the appointment of each such member shall be made in accordance with the laws of the State which he represents. In the absence of governing provisions of State law, such State members shall be appointed and serve at the pleasure of the Governor. The chairman of each commission shall be selected by the commission.

"(b) A Commission may increase its size by adding members that represent Federal departments with expertise and responsibility for water resources management and development in the basin.

"Sec. 403. (a) In the work of the commission, every reasonable endeavor shall be made to arrive at a consensus of all members on all issues; but failing this, full opportunity shall be afforded each member for the presentation and reporting of individual or opposing views.

"(b) Vacancies in a commission shall not affect its powers but shall be filled in the same manner in which the original appointments were made.

"(c) A commission shall terminate upon decision of a majority of the State composing the commission. Upon such termination, all property, assets, and records of the commission shall thereafter be turned over to such agencies of the United States and the participating States as shall be appropriate in the circumstances: *Provided*, That studies, data, and other materials useful in water and related land resources planning to any of the participants shall be kept freely available to all such participants.

"Sec. 404. Each river basin commission, within the funds available, shall—

"(1) submit a report on its work at least annually, to the Congress, the Governor of each participating State, and the heads of such Federal, State, interstate, and international agencies as the Board or the Governors of the participating States may direct;

"(2) submit to the Governors and the legislatures of the participating States a comprehensive, coordinated, joint plan, or any major portion thereof or necessary revisions thereof, for water and related land resources management in the area, river basin, or portion of a basin for which such commission was established. Before the commission submits such a plan or major portion thereof or revision thereof to the Board, the Board shall transmit the proposed plan or revision to the head of each affected Federal department or agency, the Governor of each State, and each interstate agency, and to the head of the United States section of any international commission if the plan, portion, or revision deals with a boundary water or a river crossing a boundary, or any tributary flowing into such boundary water or river, over which the international commission has jurisdiction or for which it has responsibility. Each such department and agency head, Governor, interstate agency, and United States section of an international commission shall have ninety days from the date of the receipt of the proposed plan, portion, or revision to report its views, comments, and recommendations to the Board. Following a period of 90 days in which a commission may modify its plan, portion, or revision after considering the reports so submitted, the Board shall transmit such plan to Congress, together with the views, comments, and recommendations submitted by each Federal department or agency head, Governor, interstate agency, and the United States section of an international commission.

"Sec. 405. (a) For the purpose of carrying out the provisions of this title, each river basin commission may—

"(1) hold such hearings, sit and act at such times and places, take such testimony,

receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable.

"(2) acquire, furnish, and equip such office space as is necessary.

"(b) The chairman of each river basin commission shall appoint the personnel employed by such commission, and the chairman shall, in accordance with the general policies of such commission with respect to the work to be accomplished by it and the timing thereof, be responsible for (1) the supervision of personnel employed by such commission, (2) the assignment of duties and responsibilities among such personnel, and (3) the use and expenditure of funds available to such commission."

Sec. 2. (a) Rules and regulations pertaining to water research and state program grants in effect as of the date of enactment of this Act shall remain in effect until superseded by new rules and regulations issued by the Office.

(b) The Water Resources Council and the Office of Water Research and Technology are hereby abolished, and all assets and responsibilities are transferred to the Office for use as the Secretary of Interior may determine.

(c) Public Law 95-467 is hereby repealed.

SECTION-BY-SECTION ANALYSIS

TITLE I

Section 101 establishes the National Board of Water Policy, defines its membership and its duties and responsibilities. The Board will be composed of four top officials of the Administration plus a chairman appointed by the President and confirmed by the Senate. The Board shall advise the President and Congress on matters relating to water resources policy. This includes identifying inconsistencies in policy and programs, and recommending to appropriate Federal agencies goals and priorities for programs within their jurisdiction. One million dollars is authorized to be appropriated each year for staff assistance.

Section 102 establishes the Office of Water Programs in the Department of Interior. The Office will administer state and regional planning grants and a water research program.

Section 103 establishes a State Advisory Committee to assist the work of the Board. The Board shall be composed of 5 members selected from nominees selected by the National Governors Association. The Chairman of the Committee will be a non-voting participant in all Board work. The Committee will review and analyze actions and proposals of the Board. Analysis and related recommendations shall accompany any report which the Board will submit to the President and Congress.

TITLE II

This Title authorizes the Office of Water Programs to make planning grants to states and river basin commissions. Grants will total \$12,000,000 in FY 1982 and FY 1983, and will be allocated on the basis of need for planning assistance. In FY 1984 and every year thereafter, \$10,000,000 is authorized to be appropriated. From 1984, grants will be awarded on a competitive basis in response to proposals from state planning personnel and river basin commissions. Grants will be awarded to study specific water resources problems with a national or regional character. Such grants will be awarded by the Office of Water Programs with the approval of the Secretary of the Army or at the direction of the Board. Each grant must be matched at least one-to-one by non-Federal funds.

TITLE III

Title III establishes a program of Federal water resources research. The Office of Water Programs is authorized to grant \$150,000 to each water research institute in FY 1982 and

FY 1983. These grants can be made only after an institute submits a water research program and assurances that the program was developed in close coordination with that state's department of water resources. Federal funds must be matched on a one-to-one basis by non-Federal funds. After FY 1983 \$5 million will be available for research institutes. Grants will be awarded to institutes on a competitive basis. Research institutes must match Federal grant funds on a one-to-one basis.

In addition, the Office is authorized to expend \$12,000,000 annually for specific water research. Specific research grants will be awarded on a competition basis to any person or organization in response to proposals. They shall be matched on a one-to-one basis by non-Federal funds.

TITLE IV

Title IV authorizes the establishment of river basin commissions, if affected states request their formation. The chairman of each Commission shall be appointed by the Board. Each state within the basin shall appoint one Commission member. The Commissions shall undertake specific planning tasks and are eligible to be awarded funds under Titles II and III of this Act. Specific basin plans developed by commissions shall be submitted to the Board who shall transmit one plan to relevant federal agencies for comment. The plan shall subsequently be transmitted to Congress with Board and federal agency comments.

By Mr. KASTEN (for himself and Mr. PACKWOOD):

S. 1096. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

Mr. KASTEN. Mr. President, I am pleased to introduce for myself and Senator PACKWOOD a compromise version of the Product Liability Risk Retention Act; a bill that would allow manufacturers, wholesaler-distributors and retailers to establish product liability risk retention groups and to purchase product liability insurance on a group basis.

This version of the bill has evolved out of an extraordinarily detailed study and extensive negotiation. This included the work of a Federal Interagency Task Force, a published options paper which gave all interest groups an opportunity to comment and exclusive hearings in the House and Senate. A major breakthrough occurred last year when, at the result of hearings conducted by Senators CANNON and PACKWOOD, the Risk Retention Act was modified so as to eliminate any Federal presence or costs in its operation.

Throughout the process, the Risk Retention Act has gained the support from the product seller community. Today, it is supported by over 200 national business organizations, including the National Association of Manufacturers, the National Association of Wholesaler-Distributors, the National Machine Tool Builders Association, and the National Federation of Independent Businesses, and the Small Business Legislative Council. It is also supported by a number of

consumer groups and the American Trial Lawyers Association.

For a period of time, a large segment of the insurance industry was opposed to the bill. Nevertheless, the version that I am introducing today is either supported or not opposed by the overwhelming majority of the insurance industry. In that regard, the National Federation of Insurance Brokers and companies such as The Insurance Co. of North America, and Continental Insurance Co. have indicated their support for this bill. The American Insurance Association which represents the majority of product liability insurers and the Alliance of American Insurers, which represents a substantial number of product liability insurers, have indicated that they do not oppose this version of the bill. Thus, the majority of buyers and sellers of product liability insurance have reached agreement about its fairness.

The bill would remove unnecessary regulatory barriers at the State levels so as to permit the formation of product liability self insurance cooperatives. This will assure that product liability insurance rates remain competitive and provide additional capacity in the insurance market to help product sellers weather the vagaries of the insurance cycle.

Unfortunately, there are signs that the insurance cycle may be entering a downturn. Very recently Mr. William O. Bailey, president of Aetna Life & Casualty, advised State regulators that his company will move promptly to "restore prices for its property-casualty coverages to more reasonable levels in relation to costs." Citing deteriorating underwriting results, Mr. Bailey indicated that product liability insurance pricing must make a further adjustment upward. In the year 1980, the property-casualty insurance industry suffered the second greatest underwriting loss in its history.

Underwriting losses do not reflect the entire insurance picture; in the same year the property-casualty insurance industry earned over \$10 million in investment income. Nevertheless, this picture could change drastically if we are successful in reducing the high-interest rates that adversely affect the Nation today. The Risk Retention Act will help assure that in this atmosphere of rapid change, product liability insurance rates and premiums are set on a fair and equitable basis and it will do this by reducing rather than increasing regulation of insurance.

The Risk Retention Act will also facilitate the group purchase of insurance. This will provide new alternatives for the marketing of insurance by agents and brokers alike.

I did want to mention briefly, an area of controversy that had developed regarding prior risk retention bills that have been introduced in the Senate such as S. 69. Those bills permitted both Bermuda and the Cayman Islands to charter the risk retention groups. Many members of the insurance industry believed that it was inappropriate to give that much power to foreign countries. On the other hand, because the laws in an overwhelming majority of States are not

adapted for the chartering of risk retention groups, product sellers believed that the inclusion of Bermuda and the Caymans as charterers was absolutely necessary.

This version of the Risk Retention Act contains a compromise on that issue. It permits Bermuda and the Caymans to charter groups for only a 3-year period; however, during that time the groups must meet the certification requirements of at least one State. It is hoped that during the 3-year period States will be encouraged to enact laws that will facilitate the formation of risk retention groups.

In conclusion, I wish to note that this is merely a first step in addressing the product liability problem. Later in the year I plan to offer a product liability tort law proposal that will help stabilize what has become a serious impediment to interstate commerce. Today, conflicting, widely disparate product liability rules have made it extraordinarily difficult for consumers to know their rights and for product sellers to know their obligations. In certain product lines it is virtually impossible for insurers to develop reliable underwriting practices. I should add however, that the development of uniform product liability standards will take a great deal of time and careful thought. At this point, we can address at least one part of the product liability problem.

By Mr. ARMSTRONG:

S. 1097. A bill entitled the Small Business Tax Relief of 1981; to the Committee on Finance.

SMALL BUSINESS TAX RELIEF ACT OF 1981

● Mr. ARMSTRONG. Mr. President, today I am introducing the Small Business Tax Relief Act of 1981 to provide incentives for new business ventures and to aid existing small business.

The importance of small business to the American economy is well established. Some 97 percent of all firms in the United States are small businesses. Small business in America provides 56 percent of the employment in the private sector and generated more than half of all business receipts. Over the last 9 years, small business has been the job creator in the American economy. While total employment over that period rose by 9.9 million, the Fortune 1000 firms employed only 74,897 of that number or 0.8 percent. Increases in State and Federal employment accounted for 3 million new jobs and the remainder were added by small firms.

The small business sector of the economy is also a source for the innovations and inventions which have led to productivity increases and provides the competitive edge in world markets. A National Science Foundation study for the period 1953 to 1973 concluded that small firms produced about four times as many innovations per research and development dollar as medium-sized firms and about 24 times as many as the largest firms.

Finally, small business has been the way countless Americans entered the economic life of this country—adding to

and increasing their share of the national wealth. With each succeeding generation, new groups have made their rightful claim on a "slice of the pie" and small business has helped to meet those demands.

But, many of us believe we have now come close to closing that door on the young, the disadvantaged, and those who would otherwise start new ventures, create jobs, and stimulate the economy. A consultant on minority affairs and employment in a recent visit to my office commented that earlier generations rented a shop, picked up their tools, or bought a piece of equipment and went into business. Certainly, they faced barriers which were not easily overcome. Many of those still exist today; but, we have added to rather than reduced the difficulties.

Small business exists in a climate of economic uncertainty caused by severe inflation, overwhelming paperwork and regulatory burdens, and a tax structure unfavorable to new enterprises. The Commission on Federal Paperwork estimated that small businesses spend approximately \$15 billion per year on paperwork imposed on them by various Federal agencies. In my State, a study several years ago identified 184 separate forms which required the attention of Colorado businessmen, and the number has increased. Estimates of the cost to business of Government regulation at all levels reach as high as \$100 billion annually. The 29th annual report of the Senate Select Committee on Small Business notes that the burden of these regulations fall disproportionately on small business which must generally absorb such costs, "costs that in many cases can severely cripple a company's growth."

Add to these burdens the fact the venture and expansion capital for small business is difficult, if not impossible, to find. This lifeblood of any enterprise is being dried up by public policies which encourage consumption at the expense of savings and investment; policies which impede raising risk capital; and a tax code that inhibits growth.

The Small Business Tax Act of 1981 which I am introducing today is designed to help reverse these trends and create a more favorable climate for small business. The provisions of this bill are:

First. Gain from sale of sole proprietorship. The "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 18 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism. This provision is similar in many ways to the treatment of a gain on the sale of a residence.

Second. Increase in additional first-year depreciation allowance for small business. This section of the bill simply increases the amount which may be claimed for additional first-year depreciation from the existing 20 percent of the first \$10,000 to \$20,000 if married

and filing jointly—of investment to 25 percent of the first \$25,000 to \$50,000 if married and filing jointly—of investment. This provision is designed primarily to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability.

Third. Rapid amortization of certain federally required expenditures. This section provides for the rapid amortization over a 26-month period, of federally required expenditures to plant and equipment. The aim of this provision is to give a rapid writeoff to businesses forced to comply with Federal laws or regulations such as OSHA, HEW rules for the handicapped, regulations governing pollution control, and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. The provision would apply only to existing facilities.

Fourth. Removal of certain limitations of deferral in case of small DISC's. The Domestic International Sales Corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having adjusted taxable income of \$1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth. Optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation in inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth. Refund or credit of employer share of certain excess social security taxes. Social security taxes are a source of agitation to most employers, because of the amount and related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation, there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld.

However, there is currently no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit.

Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms of paperwork.

Seventh. Expense of filing Federal forms. This final section of the bill grants a tax credit of \$5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision is simply that the Government should help to defray the expense of complying with the requirements it imposes on business.

I believe this bill and the companion measure (H.R. 100) introduced in the House by Representative DICK SCHULZE, who has been a forceful leader in this effort, will provide needed incentives for small business and further meaning to the concept of economic opportunity. ●

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 1101. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Labor and Human Resources.

BROWN LUNG DISEASE BENEFITS ACT OF 1981

● Mr. HOLLINGS. Mr. President, today Senator THURMOND and myself are re-introducing legislation to provide compensation benefits for textile workers who have become totally disabled due to brown lung disease. Brown lung, or byssinosis, is a disease of the lungs which afflicts textile workers exposed to cotton dust over a period of years. The disease begins with a simple irritation of the bronchial airways and develops with time into a cough, chest tightness, shortness of breath and finally into a chronic disabling condition similar to emphysema or chronic bronchitis.

The need for this legislation points up the conspiracy of neglect which has victimized textile workers for decades. It has been more than 200 years since byssinosis was first recognized in foreign countries as a disease associated with textile manufacturing. In Great Britain it has been a compensable occupational disease since 1942, but until just a few short years ago few people in the United States recognized the existence of the disease or the serious problem it constituted with the textile industry. New medical evidence, derived from studies on American textile workers, now indicates there may be as many as 35,000 active and retired textile workers suffering from brown lung.

For many victims of byssinosis time is running out. There are thousands of retired individuals who have worked 30, 40, and 50 years in textile mills who today are physically and financially crippled because of brown lung disease. In many instances they are living without a re-

tirement pension, without adequate social security, and without the breath to walk up a flight of stairs. It is primarily for these individuals that I urge the Senate to give prompt and favorable consideration to this legislation.

I ask unanimous consent, Mr. President, that a listing of the major provisions of the Brown Lung Disease Benefits Act of 1981, and the bill, be printed in the RECORD at this point.

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

MAJOR PROVISIONS OF THE BROWN LUNG DISEASE BENEFITS ACT

1. Level of Benefits. Compensation benefits are calculated at one-half the rate of compensation received by a federal worker, GS 2 level, who is totally disabled. If the law were in effect today, compensation rates would be as listed below:

- No dependents, \$270.71 per month.
- One dependent, \$419.57 per month.
- Two dependents, \$489.50 per month.
- Three or more dependents, \$559.43 per month.

Any compensation received under state law would be subtracted from the federal compensation.

2. Liability. Benefit payments are paid by the federal government and by responsible employers. Eligible workers who have retired before January 1, 1981 will receive benefits paid for by the federal government. Benefits for those retiring on or after January 1, 1981 will be paid by the owner or owners who employed the brown lung victim.

3. Medical Presumptions. The legislation authorizes the Secretary of labor to establish and use medical presumptions in determining whether a worker is totally disabled due to brown lung disease and whether the disease was caused by the worker's employment in a textile plant.

4. Total Disability. A worker is considered to be totally disabled when it is medically determined that byssinosis prevents the individual from performing work comparable to that which he or she performed while employed in the textile industry.

5. Time Limitation. To be eligible for a claim, a worker must file with three years of a medical determination of byssinosis. A claim for benefits by an eligible survivor must be filed within three years of the enactment of this Act or three years after the date of death, whichever is later.

6. Job Protection. No employer may discharge or in any other way discriminate against a worker because he or she is suffering from byssinosis or has filed a claim for brown lung compensation benefits.

S. 1101

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 "Brown Lung Disease Benefits Act of 1981".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds and declares that—

- (1) there are a significant number of workers who are totally disabled due to byssinosis arising out of their employment in the textile industry;
- (2) there are a substantial number of survivors of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death;
- (3) few States provide benefits for death or disability due to such disease, to workers or their surviving dependents; and
- (4) the Congress, by enactment of title VI of the Federal Coal Mine Health and Safety Act of 1969, has provided for the payment of

benefits to 1969, has provided for the payment of benefits to coal miners who are totally disabled due to pneumoconiosis arising out of employment in the coal mines and to the surviving dependents of such miners whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

(b) It is therefore the purpose of this Act to provide assistance in cooperation with the States to workers who are totally disabled due to byssinosis arising out of their employment in a textile plant and to the surviving dependents of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

DEFINITIONS

Sec. 3. For the purposes of this Act the term—

- (a) "dependent" means—
 - (1) a child as defined in subsection (g) without regard to paragraph (2)(B) thereof; or
 - (2) a spouse who is a member of the same household as the worker or is receiving regular contributions from the worker for his or her support or whose husband or wife is a worker who has been ordered by a court to contribute to his or her support or who meets the requirements of section 216(b) (1) or (2) of the Social Security Act. The determination of an individual's status as the wife of a worker shall be made in accordance with section 216(h)(1) of the Social Security Act as if such worker were the "insured individual" referred to therein. The term "wife" also includes a "divorced wife" as defined in section 216(b)(1) of the Social Security Act who is receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary of Health and Human Services from the worker, or is receiving substantial contributions from the worker (pursuant to a written agreement), or there is in effect a court order for substantial contribution to her support from such worker;
 - (b) "byssinosis" means chronic dust disease of the lung and the sequelae arising out of employment in a textile plant;
 - (c) "Secretary" means the Secretary of Labor;
 - (d) "worker" means an individual who is or was employed in a textile plant;
 - (e) "spouse" means the wife or husband living with or dependent for support on the worker at the time of his or her death, or living apart for reasonable cause or because of his or her desertion, or who meets the requirements of section 216(c) (1), (2), (3), (4), or (5) and section 216(k) of the Social Security Act, who is not married. Such term also includes a "surviving divorced wife" as defined in section 216(d)(2) of the Social Security Act who, for the month preceding the month in which the worker died, was receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary, from the worker, who was receiving substantial contributions from the worker (pursuant to a written agreement) or there was in effect a court order for substantial contributions to her support from the worker at the time of his death;
 - (f) "total disability" shall have the meaning given it in regulations of the Secretary except that such regulations shall provide that a worker shall be considered totally disabled when it is medically determined that byssinosis prevents such individual from engaging in gainful employment requiring the skills and abilities comparable to those of any employment in a textile plant or plants in which such individual engaged with some regularity and over a substantial period of time. Such regulations shall not provide more restrictive criteria than those applicable under section 223(d) of the Social Security Act;

(g) "child" means a child or a step-child who is—

- (1) unmarried; and
- (2) (A) under eighteen years of age; or (B) under a disability as defined in section 223(d) of the Social Security Act, which began before the age specified in section 202 (d) (1) (B) (ii) of the Social Security Act, or in the case of a student, before he ceased to be a student; or (C) a student.
- (h) "Student" means a "full-time student" as defined in section 202(d)(7) of the Social Security Act, or a "student" as defined in section 8101(17) of title 5, United States Code. The determination of an individual as the "child" of a worker, widow or widower, as the case may be, shall be made in accordance with section 216(h) (2) or (3) of the Social Security Act as if such worker, widow or widower were the "insured individual" referred to therein;
- (i) "employer" means the operator of a textile plant;
- (j) "textile plant" means a work place where workers are exposed to cotton dust which, if inhaled in sufficient quantities over a period of time, may impair lung function to the point that byssinosis exists; and
- (k) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.

BENEFIT CLAIMS

Sec. 4. (a) Any claim (other than a claim under subsection (a) of section 5) for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when workers or their surviving wives, widows, children, parents, brothers, or sisters, as the case may be, are not covered by State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act.

(b) (1) For the purposes of this section a State worker's compensation law shall not be deemed to provide adequate coverage for byssinosis during any period unless it is included in the list of State laws found by the Secretary to provide such adequate coverage during such period. The Secretary shall, no later than October 1, 1981, publish in the Federal Register a list of State worker's compensation laws which provide adequate coverage for byssinosis and shall revise and republish in the Federal Register such list as may be appropriate to reflect changes in such State laws due to legislation or judicial or administrative interpretation.

(2) The Secretary shall include a State worker's compensation law on such list during any period only if he finds that during such period under such law—

- (A) benefits must be paid for total disability or death of a worker due to byssinosis;
- (B) the amount of such cash benefit is substantially equivalent to or greater than the amount of cash benefits prescribed by section 4(a);
- (C) the standards for determining death or total disability due to byssinosis are substantially equivalent to section 3(f) and the regulations of the Secretary promulgated thereunder;
- (D) in the case of a worker any claim for benefits on account of total disability of a worker due to byssinosis is deemed to be timely filed if such claim is filed within three years of a medical determination of total disability due to byssinosis;
- (E) there are in effect provisions with respect to prior employers which are substantially equivalent to the provisions contained in this Act; and
- (F) there are applicable such other provisions, regulations, or interpretations which

are consistent with the provisions of this Act and with regulations promulgated hereunder as the Secretary determines to be necessary or appropriate to assure adequate compensation for total disability or death due to byssinosis.

The action of the Secretary in including or failing to include any State worker's compensation law on such list shall be subject to judicial review exclusively in the United States court of appeals for the circuit in which the State is located or the United States Court of Appeals for the District of Columbia.

ENTITLEMENT TO BENEFITS

SEC. 5. (a) (1) Subject to the provisions of subsection (b) of this section, retired and other workers suffering from byssinosis shall be entitled to benefit payments under this section to be made by the Secretary as follows:

(A) In the case of total disability of a worker due to byssinosis the disabled worker shall be paid benefits during the disability at a rate equal to 50 per centum of the minimum monthly payment to which a Federal employee in grade GS-2 who is totally disabled, is entitled at the time of payment under chapter 81 of title 5, United States Code.

(B) In the case of death of a worker due to byssinosis or of a worker receiving benefits under this part, benefits shall be paid to his spouse (if any) at the rate the deceased worker would receive such benefits if he were totally disabled.

(C) In the case of the child or children of a worker whose death is due to byssinosis or of a worker who is receiving benefits under this part at the time of the worker's death, or who was totally disabled by byssinosis at the time of the worker's death and in the case of the child or children of a widow or widower who is receiving benefits under this subsection at the time of such individual's death benefits shall be paid to such child or children as follows: If there is one such child, benefits shall be paid at the rate specified in paragraph (1). If there is more than one such child, the benefits paid shall be divided equally among them and shall be paid at a rate specified in paragraph (1) increased by 50 per centum of such rate if there are two such children, by 75 per centum of such rate if there are three such children, and by 100 per centum of such rate if there are more than three such children: *Provided*, That benefits shall only be paid to a child for so long as he meets the criteria for the term "child" contained in section 3(g): *And provided further*, That no entitlement to benefits as a child shall be established under this paragraph for any month for which entitlement to benefits as a widow or widower is established under paragraph (2).

(D) In the case of an individual entitled to benefit payments under subparagraph (A) or (B) of this subsection who has one or more dependents, the benefit payment shall be increased at the rate of 50 per centum of such payments if such individual has one dependent, 75 per centum if such individual has two dependents, and 100 per centum if such individual has three or more dependents.

(2) Notwithstanding paragraph (1), benefit payments under this section to a worker or his surviving spouse, child, parent, brother, or sister shall be reduced on a monthly or other appropriate basis, by—

(A) an amount equal to any payment received by such worker or his surviving spouse, child, parent, brother, or sister, under the worker's compensation, unemployment compensation or disability insurance laws of the State of the worker on account of the disability of such worker, and

(B) the amount by which such payment would be reduced on account of excess earnings of such worker under section 203 (b)

through (1) of the Social Security Act if the amount paid were a benefit payable under section 202 of such Act, and

(C) an amount equal to not more than 50 per centum of any benefits received under the Social Security Act.

(3) No payments of benefits shall be required under this subsection:

(A) except pursuant to a claim filed therefore in such manner, in such form, and containing such information, as the Secretary shall by regulation prescribe; or

(B) for any period prior to six months after the date of enactment of this Act.

(b) On or after six months after the date of enactment of this Act, any claim for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when workers or their surviving spouses, children, parents, brothers, or sisters, as the case may be, are not covered by a State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act in accordance with subsection (a).

(c) Benefits payable under this section shall be deemed not to be income for the purposes of the Internal Revenue Code of 1954.

TIME LIMITATION AND MEDICAL PRESUMPTIONS

SEC. 6. (a) (1) Any claim for disability benefits by a worker under this Act shall be filed within three years of a medical determination of total disability due to byssinosis.

(2) Any claim for death benefits by a survivor of a worker under this act shall be filed within three years of the date of enactment of this act or three years after the date of death, whichever is later.

(b) The Secretary in conjunction with the National Institute for Occupational Safety and Health shall by regulation establish standards, which shall include appropriate presumptions, for determining whether a worker is totally disabled from, or in the case of a deceased worker, was totally disabled from, byssinosis and whether such byssinosis arose out of the employment in a textile plant or plants.

EMPLOYER LIABILITY

SEC. 7. (a) Each employer shall be liable for the securing of benefits to employees equal to or greater than those provided by this Act.

(b) During any period in which a State worker's compensation law is not included on the list published by the Secretary under this Act each employer in such State shall secure the payment of benefits for which he is liable under this Act by—

(1) qualifying as a self-insurer in accordance with regulations prescribed by the Secretary, or

(2) insuring and keeping insured the payment of such benefits with any stock company or mutual company or association, or with any person or fund, including any State fund, of such company, association, person or fund which is authorized under the laws of any State to insure worker's compensation.

(c) In order to meet the requirements of clause (1) of subsection (a) of this section, every policy or contract of insurance must contain—

(1) a provision to pay benefits at a level not less than that required under this Act, notwithstanding the provisions of the State worker's compensation law which may provide for payments in a lesser amount;

(2) a provision that insolvency or bankruptcy of the operator or discharged therein, or both, shall not relieve the insurance carrier from liability for such payments; and

(3) such other provisions that the Secretary may by regulation require.

(d) No policy or contract of insurance issued by a carrier to comply with the requirements of clause (2) of subsection (a) of this

subsection shall be cancelled prior to the date specified in such policy or contract for its expiration until at least thirty days have elapsed after notice of cancellation has been sent by registered or certified mail to the Secretary and to the employer at his last known place of business.

PAYMENT OF BENEFITS

SEC. 8. (a) If a totally disabled worker or widow, child, parent, brother, or sister is entitled to benefits under this Act and (1) an employer liable for such benefits has not obtained a policy or contract of insurance or qualified as a self-insurer, as required by section 7 of this Act, or such employer has not paid such benefits within reasonable time, or (2) there is no employer who was required to secure the payment of such benefits the Secretary shall pay such worker or such widow, widower, child, parent, brother, or sister the benefits to which he or she is so entitled. In the case referred to in clause (1), the employer shall be liable to the United States in the civil action in the amount equal to the amount paid to such worker or his widow, widower, child, parent, brother, or sister under this Act.

(b) The Secretary may also by regulation establish standards for apportioning liability for the benefits under this subsection among more than one employer, where such apportionment is appropriate.

(c) (1) Benefit claims based upon employment in a textile plant prior to January 1, 1981 shall be paid by the Secretary in accordance with the provisions of this Act.

(2) Benefit claims based upon employment in a textile plant after January 1, 1981 shall be paid by the responsible employer in accordance with the provisions of this Act.

COOPERATION WITH STATES

SEC. 9. With the consenting cooperation of State agencies charged with administration of State worker's compensation laws, the Secretary may, for the purpose of carrying out his functions and duties under this Act, utilize the services of State and local agencies and their employees and notwithstanding any other provision of law, may advance funds to or reimburse such State and local agencies and their employees for services rendered for such purposes.

REGULATIONS; OTHER LAWS

SEC. 10. (a) The Secretary is authorized to issue such regulations as he deems appropriate to carry out the provisions of this Act. Such regulations shall be issued in conformity with section 553 of title 5, United States Code, notwithstanding subsection (a) thereof no later than nine months following the date of enactment of this Act.

(b) Within one hundred and twenty days following the convening of each session of Congress the Secretary shall submit to the Congress an annual report on the subject matter of this Act which is under his jurisdiction.

(c) Nothing in this title shall relieve any employer of the duty to comply with any State worker's compensation law except insofar as such State is in conflict with the provisions of this Act and the Secretary by regulation, so prescribes. The provisions of any State worker's compensation law which provides greater benefits than the benefits payable under this title shall not thereby be construed or held to be in conflict with the provisions of this title.

(d) During any period after the date of enactment of this Act, in which a State worker's compensation law is not included on the list published by the Secretary under section 421(b) of this part, the provisions of Public Law 803, sixty-ninth Congress (44 Stat. 1424, approved March 4, 1927), as amended (other than the provisions contained in sections 1, 2, 3, 4, 7, 8, 9, 10, 12, 13, 29, 30, 31, 32, 33, 37, 38, 41, 43, 44, 45, 46, 47,

48, 49, 50, and 51 thereof) shall (except as otherwise provided in this subsection and except as the Secretary shall by regulation otherwise provide), be applicable to each operator of an underground coal mine in such State with respect to death or total disability due to pneumoconiosis arising out of employment in such mine. In administering this part, the Secretary is authorized to prescribe in the Federal Register such additional provisions, not inconsistent with those specifically excluded by this subsection, as he deems necessary to provide for the payment of benefits by such operator to persons entitled thereto as provided in this part and thereafter those provisions shall be applicable to such operator.

RESEARCH

SEC. 11. (a) The Secretary is authorized to enter into contracts with and make grants to public and private agencies and organizations and individuals for the construction, purchase, and operation of fixed site and mobile clinical facilities for the analysis, examination, and treatment of respiratory and pulmonary impairments in active and inactive textile plant workers.

(b) The Secretary shall initiate research within the National Institute for Occupational Safety and Health and is authorized to make research grants to public and private agencies and organizations and individuals for the purpose of devising a simple and effective test to measure, detect, and treat respiratory and pulmonary impairments in active and inactive textile plant workers. Any grant made pursuant to this section shall be conditioned upon all information, uses, products, processes, patents, and other developments resulting from research being available to the general public, except to the extent of such exceptions and limitations as the Secretary may deem necessary in the public interest.

DISCRIMINATION

SEC. 12. (a) No employer shall discharge or in any other way discriminate against any worker employed by him by reasons of the fact that such worker is suffering from byssinosis or has filed a claim for benefits under this Act or any other State or Federal law. No person shall cause or attempt to cause an operator to violate this section.

(b) Any worker who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section, or any representative of such worker may within ninety days after the violation occurs apply to the Secretary for a review of such alleged discharge or discrimination. A copy of the application shall be sent to the person who allegedly committed such violation who shall be the respondent. Upon receipt of such application the Secretary shall cause an investigation to be made of the allegations contained therein. Such investigation shall provide opportunity for public hearing at the request of any party to enable the parties to present information relating to such alleged violation. Each party shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any hearing shall be on the record and shall be subject to the provisions of section 554 of title 5 of the United States Code. Each hearing examiner presiding under this Act shall receive compensation at a rate not less than the rate prescribed for GS-16 under section 5332 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that such violation did not occur he shall issue a decision, incorporate and order therein, requiring the person committing such violation to take such affirmative action as the Secretary deems appropriate, including but not limited to, the rehiring or reinstatement of the worker to his former position with back pay. If he finds that there is no such violation he shall

issue an order denying the application. Such order shall incorporate the Secretary's findings therein.

(c) Whenever an order is issued under this subsection granting relief to a worker, at the request of such worker a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) as determined by the Secretary to have been reasonably incurred by such worker for, or in connection with the institution and prosecution of such proceedings, shall be assessed against the person committing the violation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There is authorized to be appropriated for the purposes of this Act such sums as may be necessary.

Mr. HOLLINGS. Finally, Mr. President, in reintroducing this bill, the distinguished senior Senator from South Carolina and I are recognizing the fact that hundreds of thousands of working are possible victims by byssinosis. Those workers who are most likely to contract it are the backbone of the textile industry which is vital to our regional economy. Estimates indicate that 250,000 to 300,000 textile workers are significantly exposed to cotton dust in the primary textile industry. This bill would establish a method for compensating these workers for disability that arises out of their employment. Such compensation is only fair.

Several years ago, Mr. President, Congress initiated a compensation program for those who suffer from black lung. I urge the Labor and Human Resources Committee to arrange to hold hearings on this bill as soon as possible. Delay only increases the number of those who suffer from this debilitating condition.●

By Mr. KENNEDY (for himself, Mr. RANDOLPH, Mr. WILLIAMS, Mr. PELL, Mr. EAGLETON, Mr. RIEGLE, and Mr. METZENBAUM):
S. 1102. A bill to revise and extend certain health services programs, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PROGRAMS AMENDMENTS OF 1981

Mr. KENNEDY. Mr. President, I am pleased to introduce the Health Programs Amendments of 1981. This bill, which is cosponsored by Senators RANDOLPH, WILLIAMS, PELL, EAGLETON, RIEGLE, and METZENBAUM is an important step forward in our national commitment to providing quality health care for all Americans.

Our bill is a constructive response to the administration's ill-considered proposal to fold virtually all public health activities into two formless block grants.

The administration's proposal would profoundly restructure Federal support for vital health and prevention services. The administration would eliminate all Federal responsibility for assuring that there are at least minimum primary care services in our Nation's poor urban and rural areas. The administration would end all assurances that funds are available for vitally needed services for the Nation's mentally ill, alcoholics, and drug addicts. The administration would terminate the Federal Government's historic commitment to providing needed support for maternal and child health—a commitment that began in 1935. The

administration would pull back from the promising start we have made in addressing the complex physical, psychological, and social problems of adolescent pregnancy. The administration would walk away from assurances that vital preventive activities—genetic and hypertension screening, health education, and programs for controlling venereal diseases—will continue to receive adequate funding. The administration would close out Federal support for key urban health activities—such as rat control and lead-based paint poisoning prevention.

In its place, the administration proposes to become little more than a tax collector for the States in the areas of health services and prevention services. The administration's proposals for these block grants contain no assurance that Federal dollars will be spent to meet key health needs. They contain no assurance that funds will be targeted to the poor and the underserved. They contain no assurance that services provided by the States with Federal funds meet minimum quality standards. In short, the administration's legislation is nothing more than a formula for writing a blank check.

These proposals obviously raise profound questions about the Federal Government's role in, and responsibility for promoting the Nation's health—particularly the health of the poor and underserved. At a time when the administration is also proposing to cap Medicaid and to relax fundamental Federal Medicaid standards for services and eligibility, these proposals portend serious consequences for the Nation's health delivery system.

The administration justifies these proposals as providing States greater flexibility to define and meet local needs, and as a means of reducing administrative costs. We all support these two goals. But the administration's proposal fails to meet the test of fairness and equity. After all these Federal programs were developed precisely because States and local governments were either unable or unwilling to meet basic health care needs such as primary care in the medically underserved areas of this country. That is why the Federal Government developed a community health centers program.

The administration claims that administrative savings can justify the radical decrease in funding for health activities. If anything, past experience is to the contrary. State experience with other block grant programs indicates that State administrative costs may run as much as three to five times higher than the administrative costs for a typical Federal categorical program.

In contrast, our bill reflects a careful weighing of each of the programs included in the block grant, continuing Federal programs where appropriate and proposing consolidation and increased flexibility for the States in other areas.

COMMUNITY AND MIGRANT HEALTH CENTERS

Perhaps the most important feature of the bill is title I, which would reauthorize the community health and migrant health center programs for 3 years. These programs have demonstrated their ability to provide essential primary care services in medically underserved urban and rural areas. Nine hundred and sixty

primary care centers serve nearly 6 million urban and rural Americans—71 percent of whom have incomes below \$7,000 in 1979. Eighty percent of the users of these centers are from minority groups.

Community health centers, migrant health centers, and black lung clinics are an integral part of health service delivery system in medically underserved areas; 79 percent of community health centers are located in the most severely underserved areas, and on average, the centers reach approximately two-thirds of the population in their target areas.

Centers have improved the health status of their users. In one county served by a center, infant mortality dropped by 40 percent over 4 years, while neighboring county rates remained the same. In Baltimore, there was a 60-percent decrease in rheumatic fever from 1960 to 1970 in communities with comprehensive health centers. Studies have shown that hospitalization of center users has dropped by 25 percent to 67 percent.

Centers are cost effective. Savings from reduced hospitalization alone exceed the cost of the program. Health center costs are 44-percent lower than the national average for comparable services. Cost per encounter for health centers is significantly lower than for Medicaid.

The block grant proposal threatens to undo the progress we have made in providing primary care in underserved areas. Many States have little or no experience in planning and delivering primary care. The New York State Health Commissioner has observed:

There are several programs slated for consolidated funding, such as community and migrant health centers, with which New York has no experience . . . (The proposal) threatens to disrupt service delivery and to adversely affect the health and welfare of New York residents.

Our proposal would amend the community health center program to assume that funds are directed to areas most in need. We are firmly convinced that the Federal Government has a continued responsibility and obligation to assure that primary care is available to the poor and underserved—an obligation that can only be met by continued Federal funding of community and migrant health centers and black lung clinics.

Our bill would authorize these programs in fiscal year 1982 at the fiscal year 1981 continuing resolution level—the level adopted by the Senate Budget Committee in the first concurrent budget resolution for fiscal year 1982. Although this level will lead to service diminution as a result of inflation, it is an appropriate balance of the need for fiscal restraint while retaining the minimum level of support necessary to provide adequate care.

IMMUNIZATIONS

Title II of our bill would extend for 3 years the authorization for childhood immunization programs. Funds spent for prevention programs such as immunizations are among our best investments in the Nation's health—yet only

2 cents out of every health dollar is spent for prevention.

The importance of a continued Federal responsibility for immunization programs is clear, as the administration has recognized by removing immunization from the block grant. Without a strong and visible Federal effort, immunization levels drop, as the experience of the 1970's demonstrated, with potentially disastrous consequences for the public health. With such an effort, it is possible to maintain safe levels of immunization. Secretary Califano's immunization initiative succeeded in raising children's immunization levels for major vaccine-preventable diseases from a dangerous two-thirds to over 90 percent between 1977 and 1980.

Our bill would authorize the childhood immunization program for fiscal year 1982 at the fiscal year 1981 continuing resolution level. This, too, is consistent with the actions of the Senate Budget Committee.

ADOLESCENT PREGNANCY

Title III of our bill would reauthorize the adolescent pregnancy program created by title VI of the Health Services and Centers Amendments of 1978.

The adolescent pregnancy program provides coordination, integration, and linkage of community efforts directed toward reducing the incidence of unwanted adolescent pregnancies and providing comprehensive services to the already pregnant adolescent.

It encourages the development of innovative approaches to meeting the comprehensive health, educational, and social services needs of the pregnant adolescent.

The Federal program responds to a critical national need. Over 1 million adolescent girls become pregnant each year, 600,000 go full term and 90 percent keep their babies. Even more disturbing is the increasing number of pregnancies among younger teenagers—approximately 30,000 girls who are 14 years or younger become pregnant each year.

Federal, State, and local costs from teenage pregnancy are high. It is estimated that in 1975, \$4.65 billion was paid in welfare benefits to women who had their first child while they were a teenager.

Comprehensive programs for pregnant adolescents and their families are cost effective. In one study, 24 percent of teenagers in comprehensive programs had become pregnant as compared with 43 percent and 45 percent in the two other groups, after more than 2 years.

Grantees in this program must make maximum use of funds from existing programs such as adult and vocational education, Medicaid, job training, food and nutrition, maternal and child health and family planning. In addition for every \$1 of program money spent, an additional \$2 of existing Federal, State, or private sector money is accessed.

The program's share of the funding for projects is decreased on a sliding scale so that by the end of a 5-year period the community is supporting the project through its own funding sources.

In fiscal year 1979 the first grants were

awarded to four comprehensive health projects. In fiscal year 1980 \$6.4 million in grants were awarded to 27 public and nonprofit private organizations to provide services to pregnant teenagers and teenage parents. These grantees are located in 21 States and the District of Columbia. It is estimated that some 38,000 teenagers will benefit from the services offered. Projected for fiscal year 1981 are grant awards to 34 comprehensive projects serving 54,000 persons.

The positive start that this program has achieved in its first years could be dissipated entirely if the program were folded into a block grant. States are now only beginning to learn that comprehensive services for adolescents and their families are essential to responding to the complexities of adolescent pregnancy. If forced to compete for scarce funds in a formless block grant, this small but innovative program may be overlooked entirely.

FAMILY PLANNING

Title IV of our bill reauthorizes title X of the Public Health Service Act for family planning services, research and training for 3 years, with the fiscal year 1982 authorization at 10 percent below the fiscal year 1981 continuing resolution level. This proposal recognizes the need for fiscal constraint while continuing the Federal commitment to this worthwhile program.

Title X dollars are dollars well spent. From 1974 to 1979, patient enrollments increased by 137 percent, while funding increased by only 34 percent. The cost per patient per year is only \$90 for medical services, contraceptive supplies, and counseling. There is little administrative overhead in title X. Of the moneys Congress appropriates, 95.3 percent go directly to local programs for the provision of patient services.

Title X has been a very cost-effective program. A recent study has shown that for every dollar spent for family planning by the Federal Government, a savings of \$1.80 was achieved the very next year in health and welfare costs. Between 1969 and 1975, the Federal Government's investment in family planning of \$584 million yielded a savings of \$1.1 billion to the Federal Government.

Title X—funded agencies have provided a focus for the provision of all family planning services regardless of source of funding. Agencies funded by title X have coordinated other Federal programs that provide complementary reproductive health care services—title V maternal and child health, title XIX Medicaid and title XX social services—and have been able to assist those whose services were paid for by State or local governments, private insurers or personal fees.

HYPERTENSION COORDINATION AND INFORMATION

Title V of our bill creates a new Office of Hypertension Coordination and Information in the Office of the Assistant Secretary for Health. Under title VI of this bill, funds for hypertension services are included in funds made available to States for health programs. We believe, however, that the absence of a Federal

focal point for coordinating national information and awareness efforts would severely hamper effective private sector efforts in promoting hypertension prevention and treatment. The creation of a central office at the Federal level will permit continued national visibility of hypertension prevention and treatment efforts, while leaving service activities to the States. The office will be authorized at \$1 million for fiscal year 1982.

HEALTH SERVICE CONSOLIDATION

Title VI of our bill is a constructive approach to furthering the Federal/State partnership in health care, through consolidation of a number of small, categorical health programs into a grant to the States. In contrast to the administration's proposal, our block grant consolidates programs that are well suited to State administration, and provides adequate standards for accountability to assure that the public health is promoted by this approach to the delivery of services.

This title would consolidate programs for sudden infant death syndrome, genetic screening, hemophilia, emergency medical systems, home health, venereal disease, hypertension, rat control, fluoridation and lead paint poisoning prevention into a single grant to the States. Funds previously available to the States under section 314(d) of the Public Health Service Act would also be included in this grant. States would be provided flexibility in the use of these funds, but would be required to continue some existing effort in each of these program areas to assure an orderly transition from categorical programs and to permit States an opportunity to develop planning and administrative capacity to maximize the use of these health dollars.

Under this program, States are required to prepare a plan identifying the needs for public health services and programs, the intended use of these funds and the benefits expected to be achieved through this expenditure. After the first year, States will be required to compare the expected and actual benefits from these programs, to permit an assessment of the States success in using this new flexibility to achieve improvements in the health of all the people of the States. States will be required to develop strong fiscal auditing procedures to assure that funds are spent properly, and are used to provide services, not simply to cover State administrative costs. A 10-percent limit is placed on expenditures other than those that go directly for services in the communities.

In developing these plans, and in delivering services, States will be required to work closely with local governments, community based organizations and the public, to assure that services are provided in a manner that will respond to local needs and make best use of existing service delivery mechanisms. States must use the funds provided under this title to supplement existing State efforts and not as a substitute for on-going State funded programs.

An important element of this title is the requirement that the Secretary pre-

pare an evaluation of the States' efforts under this program. This evaluation, which will examine the effects of the States' use of these funds on the public health, will permit us to examine under what circumstances State administration of health programs works and why, and where continued Federal involvement is needed. This evaluation will permit the Congress and the American people an opportunity to debate the appropriate role of Federal, State, and local governments in a calm and informed atmosphere, rather than plunging blindly into a radical transformation of health care service based at best on wishes and surmise. The health of the American people deserves no less.

Our block grant proposal assumes that mental health and substance abuse programs will continue to be funded separately in order to meet the critical service needs in these areas. In mental health, our proposal assumes the implementation this year of the Mental Health Systems Act of 1980. This act, which was enacted with substantial bipartisan support only last year, provides an innovative framework for coordinating mental health programs on the Federal, State, and community level. We believe this program should be given an opportunity to demonstrate its worth in helping meet the mental health needs of our Nation.

HEALTH MAINTENANCE ORGANIZATION

Title VII of our bill concerns health maintenance organizations.

Passage of the original HMO Act in 1973 has encouraged both private and public organizations to establish and operate HMO's. This is a Government program that has worked and worked well. HMO's have grown from 39 organizations with 3.5 million members in 1971 to more than 240 HMO's with 9 million subscribers today. Of the 240 HMO's in operation today, 120 are federally qualified and serve more than 6 million individuals.

The HMO program was created in a Republican administration and has enjoyed widespread bipartisan support over the years. Secretary Schweiker was one of its architects and strongest Senate supporters.

HMO's work. They save money for everyone. They have been able to reduce the cost of medical care by combining the incentives of prepayment with the efficiencies of an organized health care delivery system. HMO's have been able to realize substantial savings, which they pass on to their members through additional benefits and reduced out-of-pocket cost sharing. They do this by substituting ambulatory care for more expensive hospital services. Many studies found that total health care costs to HMO members are 10 to 40 percent less than those of people with conventional health insurance. Moreover, studies have found that the quality of HMO care is as good, if not better, than traditional fee-for-service medicine.

Without continued support, the impressive gains made by HMO's could well be lost over the next few short years. We would be denied the only real vehicle for competition in health and lose the

opportunity of saving considerable public and private health care expenditures.

The administration has proposed terminating the grant program for HMO's and phasing out the loan program over the next 2 years. This proposal could do incalculable damage to HMO's now in the development process and ignore the real and continuing need for a Federal role in assuring that capital is available to potentially viable and competitive HMO's that cannot obtain private financing.

Our bill would continue the grant program for HMO's already receiving Federal support in their development process to assure that the Federal investment is not lost through premature withdrawal of support. It would provide additional funds for loans and loan guarantees to meet expected Federal obligations on past commitments, while maintaining a \$5 million revolving fund to provide capital for the startup of promising HMO's.

The bill eliminates the mandatory set-aside of 20 percent of grant and loan funds for rural HMO's, but continues the priority for medically underserved areas. This will provide needed flexibility in providing Federal financial assistance, while retaining the commitment to promote the development of HMO's in both urban and rural underserved areas.

The maximum loan or loan guarantee to any HMO is increased to \$7,000,000, with the maximum annual loan or loan guarantee is increased to \$3,000,000.

Section 702 of our bill provides for a small demonstration grant program designed to evaluate the need for future Federal financial assistance for HMO development. Under this demonstration, the Secretary will choose a small number of sites currently unserved or underserved by health maintenance organizations, in both urban and rural areas, to make planning and development grants, and compare the experience of these communities with comparable communities that do not receive financial assistance. The Secretary will be authorized to grant waivers from the requirements of section 1301 if he determines that such a waiver will promote the purposes of the demonstration. In this way, Congress will be in a better position to determine whether there is sufficient private sector capital available to develop HMO's in promising areas or eliminate Federal support remains necessary, and which if any of the requirements of section 1301 deserve modification to promote the competitiveness and viability of HMO's.

Section 703 would modify the present community rating requirement by amending section 1302(8) to allow for class-based rating on the basis of age, sex, marital status, or family size. Although traditional community-rating principles seem best suited to the HMO model, this amendment will provide HMO's flexibility, where appropriate, to compete more equally with other forms of health insurance.

Finally, the bill eliminates the 15-percent ceiling on contracts with individual providers for federally qualified HMO's—30 percent in rural areas—after the expiration of 4 fiscal years after the

HMO becomes federally qualified. This amendment will permit flexibility to adopt the model of service design best suited to individual communities.

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. 1102

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 "Health Programs Amendments of 1981".

TITLE I—COMMUNITY AND MIGRANT HEALTH CENTERS

EXTENSION OF COMMUNITY HEALTH CENTERS PROGRAM

SEC. 101. (a) Section 330(g) of the Public Health Service Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(g) (1) For grants under subsections (c) and (d), there are authorized to be appropriated \$325,000,000 for the fiscal year ending September 30, 1982, and \$350,000,000 for the fiscal year ending September 30, 1983. The Secretary may not obligate or expend for grants under subsection (c) in any fiscal year an amount which exceeds 2 per centum of the funds appropriated under this paragraph for that fiscal year and the Secretary may not obligate or expend for grants under subsection (d) (1) (C) in any fiscal year an amount which exceeds 5 per centum of such funds."

(b) Paragraph (3) of section 330(g) of such Act is redesignated as paragraph (2).

CRITERIA FOR DETERMINING AREAS AND POPULATION GROUPS IN NEED OF SERVICES OF COMMUNITY HEALTH CENTERS

SEC. 102 (a) Section 330(b) (3) of the Public Health Service Act is amended by adding at the end the following: "The Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall include infant mortality in an area or population group, other factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to such services, and the availability of health professionals to residents of an area or to a population group."

(b) Section 330(e) (2) of such Act is amended by inserting before the second sentence the following: "Such an application shall also include a demonstration by the applicant that the area or a population group to be served by the applicant has a shortage of personal health services and that the center will be located so that it will provide services to the greatest number of persons residing in such area or included in such population group. Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b) (3) and on additional criteria which the Secretary shall prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services."

AUDITS OF GRANTS TO COMMUNITY HEALTH CENTERS

SEC. 103. Section 330 of the Public Health Service Act is amended by adding at the end thereof the following:

"(h) (1) Each entity which receives a grant under subsection (d) shall provide for an independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds

received under such grant and such other funds received by or allocated to the project for which such grant was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with generally accepted accounting principles. Each such audit shall evaluate—

"(A) the entity's implementation of the guidelines established by the Secretary respecting cost accounting,

"(B) the processes used by the entity to meet the financial and program reporting requirements of the Secretary, and

"(C) the billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.

A report of each such audit shall be filed with the Secretary at such time and in such manner as the Secretary may require.

"(2) Each entity which receives a grant under subsection (d) shall establish and maintain such records as the Secretary shall by regulation require to facilitate the audit required by paragraph (1). The Secretary may specify by regulation the form and manner in which such records shall be established and maintained.

"(3) Each entity which is required to establish and maintain records or to provide for an audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of such entity upon a reasonable request therefor. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction."

SERVICES TO MIGRANTS BY COMMUNITY HEALTH CENTERS

SEC. 104. The Secretary of Health and Human Service shall review the performance of community health centers which have received grants under section 329 of the Public Health Service Act (relating to migrant health centers) to determine if the community health centers have provided services to migrants in a manner which is consistent with the needs of the migrants. In determining if the services have been provided in such a manner, the Secretary shall consider the hours of operation of a center, the bilingual capabilities of a center's staff, and the ability of the center's staff to detect, report, and treat adverse health effects resulting from exposure to pesticides. The Secretary shall report the results of the review conducted under this section to the Congress not later than six months after the date of the enactment of this section and shall include in the report actions taken by the Secretary to assure that community health centers receiving grants under such section 329 will provide services to migrants in a manner consistent with their needs.

EXTENSION OF PROGRAM FOR MIGRANT HEALTH CENTERS

SEC. 105. (a) Section 329(h) of the Public Health Service Act is amended by striking out paragraph (1), (2), and (3) and inserting in lieu thereof the following:

"(h) (1) For the purposes of subsections (c), (d), and (e), there are authorized to be appropriated \$43,400,000 for the fiscal year ending September 30, 1982, and \$48,000,000 for the fiscal year ending September 30, 1983. The Secretary may not obligate or expend for grants and contracts under subsection (c)

(1) in any fiscal year an amount which exceeds 2 per centum of the funds appropriated under this paragraph for that fiscal year, the

Secretary may not obligate or expend for grants under subsection (d) (1) (C) in any fiscal year an amount which exceeds 5 per centum of such funds, and the Secretary may not obligate or expend for contracts under subsection (e) in any fiscal year an amount which exceeds 10 per centum of such funds."

(b) Paragraph (4) of section 329(b) of such Act is redesignated as paragraph (2).

TITLE II—IMMUNIZATION OF CHILDREN

IMMUNIZATION

SEC. 201. Section 317(j) (1) (A) of the Public Health Service Act is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "\$30,000,000 for the fiscal year ending September 30, 1982, \$31,500,000 for the fiscal year ending September 30, 1983, and \$33,000,000 for the fiscal year ending September 30, 1984."

TITLE III—ADOLESCENT PREGNANCY

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 607 of the Health Services and Centers Amendments of 1978 is amended—

(1) by striking out "and" after "1980" and inserting in lieu thereof a comma; and

(2) by inserting before the period a comma and "\$10,000,000 for the fiscal year ending September 30, 1982, \$12,000,000 for the fiscal year ending September 30, 1983, and \$14,000,000 for the fiscal year ending September 30, 1984."

TITLE IV—FAMILY PLANNING

PROJECT GRANTS FOR FAMILY PLANNING SERVICES

SEC. 401. Section 1001(c) is amended by striking out "and" after "1980" and by inserting before the period a semicolon and "\$143,000,000 for the fiscal year ending September 30, 1982; \$157,000,000 for the fiscal year ending September 30, 1983; and \$172,000,000 for the fiscal year ending September 30, 1984."

TRAINING GRANTS AND CONTRACTS

SEC. 402. Section 1003(b) of the Public Health Service Act is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and "\$3,000,000 for the fiscal year ending September 30, 1983; and \$3,500,000 for the fiscal year ending September 30, 1984."

RESEARCH

SEC. 403. Section 1004(b) (1) of the Public Health Service Act is amended by striking out "and" after "1980," and by inserting before the period a comma and "\$2,500,000 for the fiscal year ending September 30, 1982, \$3,000,000 for the fiscal year ending September 30, 1983, and \$3,000,000 for the fiscal year ending September 30, 1984."

INFORMATIONAL AND EDUCATIONAL MATERIALS

SEC. 404. Section 1005(b) is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and "\$630,000 for the fiscal year ending September 30, 1982; \$700,000 for the fiscal year ending September 30, 1983; and \$800,000 for the fiscal year ending September 30, 1984."

TITLE V—HYPERTENSION

ESTABLISHMENT OF OFFICE

SEC. 501. The Public Health Service Act is amended by inserting after section 318 the following new section:

"OFFICE OF HYPERTENSION COORDINATION AND INFORMATION

"Sec. 319 (a) The Secretary shall establish within the Office of the Assistant Secretary for Health an Office of Hypertension Coordination and Information, which shall be headed by a Director appointed by the Secretary. The Director shall—

(1) provide assistance to the States and other public and private entities in coordinating the provision of hypertension prevention, screening, and treatment services;

"(2) disseminate information and research findings concerning innovative and effective methods for screening, treating, and preventing hypertension;

"(3) coordinate with public and private entities national and local efforts to inform the public and promote public awareness concerning the risks of hypertension and the need for hypertension screening, treatment, and prevention activities; and

"(4) establish a national clearinghouse to (A) facilitate the exchange of information concerning matters relating to hypertension screening, treatment, and prevention, (B) facilitate access to such information, and (C) assist in the analysis of issues and problems relating to hypertension.

"(b) By January 1 of each year, the Director shall publish and transmit to the Congress a report concerning hypertension and hypertension screening, treatment, and prevention. The report shall be in such form and manner as the Director determines appropriate, and shall include—

"(1) an analysis of the extent of hypertension and the need for hypertension services, including preventive activities and screening throughout the Nation and in each State;

"(2) an analysis of national, State, and local public and private activities designed to prevent, screen, or treat hypertension, including the extent to which States have used funds provided under section 313 to conduct such activities; and

"(3) recommendations for Federal, State, and local public and private efforts to respond to unmet needs for hypertension prevention, screening, and treatment."

TITLE VI—HEALTH SERVICES BLOCK GRANT

SEC. 601. The Public Health Service Act is amended by inserting after section 311 the following new section:

"HEALTH SERVICES BLOCK GRANT

"SEC. 312. (a) (1) From the amounts appropriated under subsection (h) for any fiscal year, (other than the amounts reserved by the Secretary under subsection (g) (2)) the Secretary shall allot to each State an amount which bears the same ratio to the total amounts appropriated under such subsection for that fiscal year (other than the amount reserved by the Secretary under subsection (g) (2)) as the amounts provided or allotted by the Secretary for fiscal year 1981 to the State and to entities in the State under section 317 for rodent control, hypertension, and fluoridation activities, under sections 314(d), 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act (as such sections were in effect on September 30, 1981) and under sections 401 and 402 of the Health Services and Centers Amendment of 1978 (as such sections were in effect on September 30, 1981) bore to the amounts provided or allotted by the Secretary under such sections to all States and to entities in all States from appropriations for fiscal year 1981.

"(2) By October 1, 1981, the Secretary shall prepare and transmit to the Congress a report which recommends an equitable formula for the allotment of funds under this section. In developing such formula, the Secretary shall consider the relative population of each State, the per capita income of each State, the financial need of each State, and the amount of State and local expenditures for health activities in each State. In determining the financial need of a State, the Secretary shall consider the percentage of the population of the State which has an income that is below the poverty income level established by the Secretary and the percentage of the population of the State which is living in medically underserved areas.

"(b) (1) The Secretary shall make payments in accordance with section 203 of the

Intergovernmental Cooperation Act of 1968, to each State from its allotment under subsection (a) from amounts appropriated for any fiscal year under subsection (h).

"(2) The Secretary, at the request of a State, may reduce the amount paid under paragraph (1) by the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to a State health authority and the amount of any other costs incurred in connection with the detail of such officer or employee, when the detail of such an officer or employee is for the convenience of the State health authority and for the purpose of carrying out a program with respect to which its payment under paragraph (1) is made. The amount by which any such payment is so reduced shall be available for payment by the Secretary of the costs incurred in detailing the personnel, on which the reduction of such payment is based, and such amount shall be deemed as part of the payment and shall be deemed to have been paid to the State.

"(c) (1) Except as provided in paragraphs (2) and (3), amounts paid under subsection (b) may be used by States to assist in meeting the costs of providing services related to sudden infant death syndrome, genetic screening, hemophilia, emergency medical systems, home health services, venereal disease, hypertension, rat control, fluoridation, lead paint poisoning prevention, and other public health services designed to improve health status.

"(2) Amounts paid to the States under subsection (b) may not be used for—

"(A) cash payments to intended recipients of health services;

"(B) the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or

"(C) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(3) Not more than 10 percent of the amounts paid under subsection (b) shall be used for the payment of salaries and expenses other than salaries and expenses involved directly in the delivery of health services.

"(d) (1) By January 1 of each fiscal year, each State receiving a payment for such fiscal year under subsection (b) shall prepare and transmit a report to the Secretary. Each report shall be in such form and in such manner and shall contain such information as the Secretary may require. Each report shall contain—

"(A) a description of the needs in the State for the services described in subsection (c) (1);

"(B) a description of the extent to which such services are provided in the State;

"(C) a description of the plans of the State to meet the needs identified in paragraph (A) through existing and new services;

"(D) a description of the manner in which the State intends to use the payment made under subsection (b) during the fiscal year in which the report is made, and the expected benefits to be achieved with such payment through each of the types of services described in subsection (c) (1); and

"(E) a description of the manner in which the State expended the amount paid under subsection (b) for the preceding fiscal year, including a description of the benefits achieved through the expenditure of such amount, a comparison of the benefits achieved through the expenditure of such amount with the expected benefits identified in the report for the preceding fiscal year under subparagraph (D), and a description of the plans of the State to remedy any difference between the expected benefits identified and actual benefits achieved.

"(2) The report required by paragraph (1) for fiscal year 1982 need not contain the description required by subparagraph (E) of such paragraph.

"(e) Each State that receives a payment under subsection (b) shall—

"(1) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for such payment;

"(2) assure that such payment will be used to supplement and not supplant the level of non-Federal funds that would otherwise be made available for the activities for which such payment is provided;

"(3) assure that, to the maximum extent feasible, local public health entities and community based nonprofit organizations are involved in the design of State plans for the expenditure of such payment and in the delivery of services supported by such payment; and

"(4) assure that, prior to the implementation of any plan for the expenditure of any payment under subsection (b), the public has an adequate opportunity to comment on the proposed use of such funds, and that, prior to the submission of any report pursuant to subsection (d), the public has an opportunity to comment on the proposed report.

"(f) (1) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this section. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

"(2) Whenever the Secretary determines that a State that has received a payment under this subpart has failed to comply with paragraph (1) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (C) take such other action as may be provided by law.

"(3) When a matter is referred to the Attorney General pursuant to paragraph (2), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this subsection, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(g) (1) By October 1, 1983, the Secretary shall prepare and transmit to the Congress an evaluation of the efforts made by States with amounts paid under subsection (b). The report shall include—

"(A) a description of the needs, throughout the Nation and in each State, for the services described in subsection (c) (1);

"(B) a description of the level of such services provided throughout the Nation and in each State prior to October 1, 1981, and of the need for such services prior to such date;

"(C) a description of the proposed use by the States of amounts provided under this section, and the expected benefits to be achieved by the States through the expenditure of such amounts;

"(D) an evaluation of the actual expendi-

ture by the States of amounts provided under this section, including the benefits actually achieved by the States through the expenditure of such amounts, the difference between expected benefits specified in the reports by the States submitted under subsection (d) and the actual benefits achieved by the States, and a description of continuing unmet needs for the services described in subsection (c) (1).

"(2) For the purpose of conducting the evaluation required by paragraph (1) of this subsection, there shall be available to the Secretary, pursuant to section 513 of this Act, 1 percent of any appropriation for payments under this section.

"(h) For the purposes of this section, there are authorized to be appropriated \$204,000,000 for the fiscal year ending September 30, 1982, \$224,000,000 for the fiscal year ending September 30, 1983, and \$244,000,000 for the fiscal year ending September 30, 1984.

"(1) (1) For the purpose of assuring an orderly transition from health activities supported with Federal financial assistance in fiscal year 1981, each State receiving a payment under this section shall assure that, except as provided in paragraph (2)—

"(A) for fiscal year 1982, each activity carried out in the State which was supported in fiscal year 1981 section 317 (for rodent control, hypertension, and fluoridation activities) and under sections 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act shall receive from the payment made to the State under subsection (b) an amount which is not less than 70 percent of the amount provided for each such activity in fiscal year 1981 in that State;

"(B) for fiscal year 1983, each activity carried out in the State which was supported in fiscal year 1981 under section 317 (for rodent control, hypertension, and fluoridation activities) and under sections 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act shall receive from the payment made to the State under subsection (b) an amount which is not less than 60 percent of the amount provided for each such activity in fiscal year 1981 in that State; and

"(C) for fiscal year 1984, each activity carried out in the State which was supported in fiscal year 1981 under section 317 (for rodent control, hypertension, and fluoridation activities) and sections 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act shall receive an amount from the payment made to the State under subsection (b) which is not less than 50 percent of the amount provided for each such activity in fiscal year 1981 in that State.

"(2) If the amount appropriated for fiscal year 1982, 1983, or 1984 for allotments to States under this section is less than the amount authorized in subsection (h), the Secretary shall by regulation modify the percentages specified in subparagraphs (A) through (C) of paragraph (1) so that the percentage required for each activity described in subsection (c) (1) bears the same ratio to the percentages specified in such subparagraphs as the amount appropriated for such fiscal year bears to the amount authorized for that year.

"(3) If the Secretary determines that a State is unable to provide the services described in subsection (c) (1) in the amount required by subparagraphs (A) through (C) of paragraph (1), the Secretary may directly fund such services until such time as the Secretary is satisfied that the State is capable of providing the amount and types of services required by such subparagraphs. Any such sums which are expended directly by the Secretary in a State shall be deducted from the State's allotment under subsection (a).

"(4) The Secretary may waive the requirements of paragraph (1) upon a determination that the State has demonstrated to the satisfaction of the Secretary, that the inter-

est of the public health would be furthered by a waiver of those provisions."

TITLE VII—HEALTH MAINTENANCE ORGANIZATION EXTENSIONS

Sec. 701. (a) Section 1309(a) of the Public Health Service Act is amended to read as follows:

"(a) There are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1982, and the two succeeding fiscal years for grants and contracts under sections 1304(a), 1304(b), and 1317. No funds appropriated under this subsection may be obligated or expended for a grant or contract under section 1304 (a) for an entity unless that entity received a grant or contract under section 1303 or 1304(a) for the fiscal year ending September 30, 1981, and no funds appropriated under this subsection may be obligated for a grant or contract under section 1304(b) for an entity unless that entity received a grant or contract under section 1303, section 1304 (a), or section 1304(b) for such fiscal year."

(b) Section 1309(b) of such Act is amended to read as follows:

"(b) To assure that the loan fund established under section 1308(e) has a balance of at least \$5,000,000 at the end of each fiscal year, to meet the obligations of the loan fund resulting from defaults on loans made from the fund, and to meet the other obligations of the fund, there are authorized to be appropriated to the loan fund \$40,000,000 or such greater amount as may be necessary to assure such balance and meet such obligations."

(c) Section 1304(i) of such Act is amended by striking out "1981" and inserting in lieu thereof "1984".

DEMONSTRATION AND EVALUATION

Sec. 702. Title XIII of the Public Health Service Act is amended by inserting after section 1304 the following new section:

"GRANTS AND CONTRACTS FOR DEMONSTRATION AND EVALUATION OF THE NEED FOR HEALTH MAINTENANCE ORGANIZATIONS

"Sec. 1304A. (a) The Secretary may make grants to and enter into contracts with public or private nonprofit entities for the purpose of demonstrating and evaluating the need for Federal financial assistance to develop health maintenance organizations in areas that are not now adequately served by health maintenance organizations. Funds made available under this section may be used for—

"(1) projects for surveys or other activities to determine the feasibility of developing and operating health maintenance organizations;

"(2) planning projects for the establishment of health maintenance organizations; and

"(3) the initial development of health maintenance organizations.

"(b) An application for a grant or contract under this section shall contain—

"(1) information concerning the extent to which the area to be served is being served by any existing health maintenance organization;

"(2) information concerning the need for Federal financial assistance for projects to determine the feasibility of health maintenance organizations, to plan for the establishment of health maintenance organizations, or to develop health maintenance organizations; and

"(3) such other information as the Secretary may by regulation prescribe.

"(c) In considering applications for grants and contracts under this section, the Secretary shall give priority to areas that are not served by health maintenance organizations or that are inadequately served by health maintenance organizations, and shall to the maximum extent practicable, attempt to identify comparable areas that are not

served or are inadequately served by health maintenance organizations for the purpose of comparing and evaluating the development of health maintenance organizations in underserved areas where Federal assistance is provided as compared with development of health maintenance organizations in underserved areas where no Federal assistance is provided.

"(d) For the purpose of conducting the demonstration projects under this section, the Secretary may waive compliance with any of the requirements of section 1301 to the extent and for such period of time as is necessary to accomplish the purposes of this section.

"(e) By January 1, 1984, the Secretary shall prepare and transmit to Congress a report evaluating the need for and efficacy of Federal financial assistance for the development of health maintenance organizations. The Secretary shall evaluate the projects carried out under this section in preparing such report and may include in such report any other information that the Secretary determines appropriate.

"(f) For purposes of carrying out this section, there are authorized to be appropriated \$4,000,000 for the fiscal year ending September 30, 1982, \$3,000,000 for the fiscal year ending September 30, 1983, and \$2,000,000 for the fiscal year ending September 30, 1984."

REVISION OF REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS

Sec. 703. (a) (1) Section 1301(b) (3) of the Public Health Service Act is amended—

(A) by striking out subparagraph (c); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(2) Section 1301(b) (3) (A) (iv) of such Act is amended by striking out "subject to subparagraph (C)."

(3) Section 1310(b) (2) of such Act is amended by striking out "or (B)" and inserting in lieu thereof "(B) individual physicians and other health professionals under contract with the organization, or (C)".

(b) Section 1302(8) of such Act is amended—

(1) in the second sentence by striking out "the next sentence" and inserting in lieu thereof "the last sentence of this paragraph"; and

(2) by inserting after the second sentence the following: "Under such a system rates of payment may also be determined on a per-class basis but only if the classes used in the system are established on the basis of age, sex, marital status, or family size or any combination of such bases. Except as authorized in the next sentence, rates determined on a per-class basis must be equivalent for all individuals in the same class and for all families in the same class."

INITIAL COSTS OF OPERATION

Sec. 704. (a) Section 1305(b) (1) of such Act is amended to read as follows:

"(b) (1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under subsection (a) for a health maintenance organization may not exceed \$7,000,000. In any twelve-month period the amount disbursed to a health maintenance organization under this section (either directly by the Secretary, by an escrow agent under the terms of an escrow agreement, or by a lender under a guaranteed loan) may not exceed \$3,000,000."

(b) Section 1305(d) of such Act is amended by striking out "1981" and inserting in lieu thereof "1986".

(c) Section 1307(e) of such Act is repealed.

LIMIT ON SPECIAL CONSIDERATIONS

Sec. 705. (a) Section 1303(1) of the Public Health Service Act is repealed.

(b) Section 1304(k) of such Act is repealed.

(c) Section 1305 of such Act is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

By Mr. HATCH:

S. 1103. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education and to restore control over education to States and to local educational agencies; to the Committee on Labor and Human Resources.

ELEMENTARY AND SECONDARY EDUCATION CONSOLIDATION ACT OF 1981

● Mr. HATCH. Mr. President, I am introducing today the administration's draft bill to consolidate 44 existing elementary and secondary support programs into two simplified allocations of funds to provide educational support at the State and local level in a way which will substantially reduce Federal regulations. This legislation would allow the States and localities considerable discretion and flexibility in setting priorities and in administering the programs. This flexibility is necessary to assure that the programs adapt to individual local and State needs and to attain maximum efficiency in the delivery of services.

I have long been concerned with the growing encroachment of the Federal Government into educational matters which I believe traditionally and constitutionally belong at the State and local level. The time is ripe for us to reassess the efficacy of our current approach to Federal support of elementary and secondary education. This approach embodies a detailed categorical scheme buttressed by exhaustive and exhausting regulations. It is a scheme often characterized by inflexibility, disunity of purpose and effect of programs, and an adversarial relationship among Federal, State, and local authorities.

It is a scheme based upon the notion that State and local educators are not to be trusted, upon the presumption that wise policy will not be achieved unless and until education is insulated from the desires and values of the local citizenry. Thus our present Federal approach has perhaps inadvertently weakened the effect of local values, has drawn attention away from productive instruction in many cases, and has robbed many of our school administrators of their initiative and their sense of responsibility.

Indeed, the growing Federal presence in education has encouraged our citizens, as well as our professional educators, to abdicate their responsibilities to the Washington watchdogs. Do you suspect unwise use of local funds? Do not worry, the Federal Government keeps tabs on those things. Are you grieved by the school board's choice of textbooks or curriculum? Write a letter to the U.S. Secretary of Education or file a Federal suit. Whatever you do, however, do not waste time organizing on a local level; do not bother to run for positions on the school board. The action is in Washington.

If we are to reverse this trend we must restore to our people the opportunity—and the responsibility—for governing

themselves. It is for these reasons that I am proud to attach my name to this bill. Its concept is sound, its intent worthy. It is not perfect in its present form, but I am confident its block grant and consolidation proposals will furnish an essential basis for a full consideration of the issues we must face as we reassess and hopefully restructure the Federal role in achieving national educational objectives.

I ask unanimous consent that there be printed in the RECORD the text of the bill as well as the letter of transmittal from Secretary of Education Terrel H. Bell to the President of the Senate and a section-by-section analysis.

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

S. 1103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Elementary and Secondary Education Consolidation Act of 1981".

TITLE I—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS

STATEMENT OF PURPOSE

SEC. 101. It is the purpose of this title to provide financial assistance to States and local educational agencies to improve educational achievement, especially in basic skills and career preparation, for educationally deprived children, handicapped children, children in schools undergoing desegregation, migratory children, children in institutions for neglected or delinquent children or in adult correctional institutions, and for adults lacking basic skills.

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. There are authorized to be appropriated for the purposes of this title for the fiscal year ending September 30, 1982 \$3,790,124,000 for the fiscal year ending September 30, 1983 \$3,979,630,000, for the fiscal year ending September 30, 1984 \$4,178,612,000 for the fiscal year ending September 30, 1985 \$4,378,542,000, and for the fiscal year ending September 30, 1986 \$4,606,919,000.

ALLOTMENTS TO STATES

SEC. 103. (a) From the sums appropriated in any fiscal year for the purposes of this title, the Secretary shall reserve up to 1 percentum of such sums for the purposes of payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, to be allotted in accordance with their respective needs under this title, and to the Secretary of the Interior for programs and projects designed to meet the special educational needs of eligible Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior or through contract with the Department of the Interior.

(b) From the remainder of the sums appropriated for purposes of this title for any fiscal year, the Secretary shall allot 87 percentum of such sums to the States for grants to local educational agencies to assist them in meeting the special educational needs of educationally deprived children, handicapped children, and children in schools undergoing desegregation. The Secretary shall allot the remaining 13 percentum to the States to assist them in meeting the special educational needs of handicapped children for whom the State has responsibility, children in institutions for neglected or delinquent children or in adult correctional institutions, migratory children, and adults lacking basic skills.

(c) Of the 87 percentum to be allotted

to the States for grants to local educational agencies, the Secretary shall allot 75 percentum of such sums to the States on the basis of the number of low-income children in accordance with subsection (d) and 25 percentum of such sums on the basis of school-age population in accordance with subsection (g).

(d) Of the sums allotted to the States on the basis of the number of low-income children—

(1) each State shall receive for fiscal year 1982 an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under sections 111 and 117 of the Elementary and Secondary Education Act bears to the total amount awarded to the States under these sections for fiscal year 1981, and

(2) each State shall receive for any fiscal year subsequent to fiscal year 1982 an amount equal to the amount the State received under paragraph (1) for fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the amount determined under subsection (e) bears to the sum of such amounts for all the States.

(e) The amount referred to in subsection (d) (2) shall be determined by multiplying the number of low-income children in the State by the average per pupil expenditure in the State except (1) if the average per pupil expenditure in the State is less than 80 percentum of the average per pupil expenditure in the United States, the amount used shall be 80 percentum of the average per pupil expenditure in the United States, or (2) if the average per pupil expenditure in the State is more than 120 percentum of the average per pupil expenditure in the United States, the amount used shall be 120 percentum of the average per pupil expenditure in the United States, and (3) in the case of Puerto Rico, the amount used shall be determined by multiplying the ratio of the average per pupil expenditure in Puerto Rico to the lowest average per pupil expenditure of any of the fifty States by 80 percentum of the average per pupil expenditure in the United States.

(f) For purposes of this section, the term "low-income children" means—

(1) children aged 5 to 17, inclusive, from families below the poverty level as determined on the basis of the most recent decennial census data available from the Department of Commerce, using the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census, and

(2) children aged 5 to 17, inclusive, from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act, using the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a nonfarm family of four in such form as those criteria have been updated by increases in the Consumer Price Index.

(g) Of the sums allotted to the States on the basis of school-age population, each State shall receive for any fiscal year an amount that bears the same ratio to the total amount of such sums as the school-age population in the State bears to the school-age population in all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under sections 611 and 617 of the Education of the Handicapped Act (for programs involving State grants and preschool incentive grants) and under sections 606(a) and 608 of the Emergency School Aid Act (for programs involving grants to local educational agencies) bears to the total amount

awarded to the States under these sections for fiscal year 1981, and

(2) for fiscal year 1983 each State shall receive an amount equal to 75 per centum of the amount the State received under paragraph (1) for fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the school-age population in the State bears to the school-age population in all the States.

(h) Of the remaining 13 per centum to be allotted to the States, the Secretary shall allot 80 per centum of such sums to the States on the basis of the number of other eligible children in accordance with subsection (i) and 20 per centum of such sums on the basis of the number of eligible adults in accordance with subsection (1).

(1) Of the sums allotted to the States on the basis of other eligible children, each State shall receive for any fiscal year an amount that bears the same ratio to the total amount of such sums as the amount determined under subsection (j) bears to the sum of such amounts for all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under subparts 1, 2, and 3 of part B of title I of the Elementary and Secondary Education Act bears to the total amount awarded to the States under these sections for fiscal year 1981, and

(2) for fiscal year 1983 each State shall receive an amount equal to 75 per centum of the amount the State received under paragraph (1) in fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the amount determined under subsection (j) bears to the sum of such amounts for all the States.

(j) The amount referred to in subsection (i)(2) shall be determined by multiplying the number of other eligible children by the average per pupil expenditure in the State except (1) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, the amount used shall be 80 per centum of the average per pupil expenditure in the United States, or (2) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, the amount used shall be determined by multiplying the ratio of the average per pupil expenditure in Puerto Rico to the lowest average per pupil expenditure of any of the fifty States by 80 per centum of the average per pupil expenditure in the United States.

(k) For purposes of this section, the term "other eligible children" means—

(1) (A) handicapped children in average daily attendance at schools for handicapped children operated or supported by a State agency directly responsible for providing free public education for handicapped children, including schools providing special education for handicapped children under contract or other arrangements with such State agency,

(B) handicapped children who have left an educational program described in subparagraph (A) in order to participate in an educational program for handicapped children operated or supported by a local educational agency if—

(i) they continue to receive an appropriately designed educational program; and

(ii) the State agency transfers to the local educational agency in whose program such children participate amounts equal to the sums received by the State agency under this title which are attributable to such children.

(2) neglected or delinquent children in average daily attendance at schools for such children operated or supported by a State agency directly responsible for providing free public education for such children in institutions for neglected or delinquent children or in adult correctional institutions, including schools under contract or other arrangements with such State agency, and

(3) the estimated number of migratory children of migratory agricultural workers or of migratory fishermen, aged 5 to 17, inclusive, who reside in the State full-time and the full-time equivalent of the estimated number of such migratory children who reside in the State part-time.

(1) Of the sums allotted to the States on the basis of the number of eligible adults, each State shall receive for any fiscal year an amount that bears the same ratio to the total amount of such sums as the number of eligible adults in the State bears to the total number of these adults in all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under section 305 of the Adult Education Act bears to the total amount awarded to the States under this section for fiscal year 1981, and

(2) for fiscal year 1983 each State shall receive an amount which is equal to 75 per centum of the amount the State received under paragraph (1) for fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the number of eligible adults in the State bears to the total number of such adults in all the States.

(m) For the purposes of this section—

(1) the term "eligible adults" means adults who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools, and

(2) the terms "State" and "United States" include the fifty States, the District of Columbia, and Puerto Rico.

ALLOCATIONS BY THE STATES

Sec. 104. (a) Each State shall allocate the sums received in any fiscal year under subsections (d) and (g) of section 103 to local educational agencies on the basis of data which the State determines are consistent with meeting the needs of eligible children referred to in section 104(a), including measures of poverty, educational deprivation, numbers of handicapped children, enrollment of children in schools undergoing desegregation, or such other indicators as deemed appropriate, except that—

(1) for fiscal year 1982 each local educational agency shall receive no less than an amount that bears the same ratio to the total amount allotted to the State under subsection (d) as the amount awarded to the local educational agency for fiscal year 1981 under sections 111 and 117 of the Elementary and Secondary Education Act bears to the total amount awarded to the State under these sections for fiscal year 1981, and

(2) for fiscal year 1983 each local educational agency shall receive no less than an amount equal to 75 per centum of the amount the local educational agency received under paragraph (1) of this subsection for fiscal year 1982.

(b)(1) Each State shall allocate the sums received under subsection (h) of section 103 to carry out the activities authorized under section 105(d). The State may use the sums to carry out activities directly, under its own supervision and control, or may award subgrants to, and enter into contracts with, local educational agencies and other public and private agencies, organizations, and institutions, and individuals. In making awards under this title, the State may give clear

consideration to community-based self-help organizations of demonstrated effectiveness.

(2) No subgrant may be made with funds received under subsection (h) of section 103 to other than a public agency or nonprofit private organization or institution.

AUTHORIZED ACTIVITIES

Sec. 105. (a) A local educational agency may use funds received under section 104(a) only for programs and projects which are designed to meet the special educational needs of—

(1) educationally deprived children residing in public school attendance areas with high concentrations of such children,

(2) handicapped children (especially the severely handicapped), and

(3) children in schools undergoing desegregation.

(b) Such programs and projects may include the employment of additional staff to assist in meeting the special educational needs of the children referred to in subsection (a); the development or acquisition of curricula, methods, practices, techniques, materials or equipment to support more effective instruction; the in-service training of teachers and school staff; exemplary educational activities; community relations activities; repair or minor remodeling of schools and other instructional facilities (but not structural alterations to buildings or the acquisition of land or existing structures); incentives for superior teaching and school performance in the education of students with special needs; developmental, corrective, and other supportive services; and planning, evaluation, dissemination and other activities directly related and necessary to achieve the purpose stated in section 101.

(c) The local educational agency shall determine which needs to address with the funds received under section 104(a) and how to meet these needs.

(d) A State may use the sums received under subsection (h) of section 103 for the purpose set forth in section 101 only to support—

(1) programs and projects to meet the special educational needs of handicapped children in schools operated or supported by a State agency directly responsible for providing free public education for handicapped children, including schools providing special education for handicapped children under contract or other arrangements with such State agency and programs and projects operated or supported by a local educational agency for handicapped children who have left an educational program operated or supported by a State agency;

(2) programs and projects to meet the special educational needs of neglected or delinquent children in institutions for such children or in adult correctional institutions operated or supported by a State agency responsible for providing free public education for neglected or delinquent children in such institutions, including schools providing education for such children under contract or other arrangements with such State agency;

(3) programs of education for migratory children of migratory agricultural workers or of migratory fishermen, including interstate and intrastate coordination to identify and serve eligible children; and

(4) programs of adult education that will enable adults lacking basic skills to acquire the skills necessary to function in society and for those who so desire to continue their education to the level of completion of secondary school.

TITLE II—FINANCIAL ASSISTANCE FOR IMPROVEMENT OF SCHOOL RESOURCES AND PERFORMANCE

STATEMENT OF PURPOSE

Sec. 201. It is the purpose of this title to provide financial assistance to States for activities that will encourage academic excel-

lence through more effective instructional and management practices for elementary and secondary education; improve student achievement, especially in basic skills and other subjects addressed by State and local instructional goals; increase opportunities for educational services for students with special needs; and strengthen State oversight and management functions.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. There are authorized to be appropriated for the purposes of this title for the fiscal year ending September 30, 1982 \$565,070,000, for the fiscal year ending September 30, 1983 \$593,324,000 for the fiscal year ending September 30, 1984 \$622,990,000, for the fiscal year ending September 30, 1985 \$654,139,000, and for the fiscal year ending September 30, 1986 \$686,846,000.

ALLOTMENTS TO STATES

SEC. 203. (a) From the sums appropriated in any fiscal year for the purposes of this title, the Secretary shall reserve up to 1 per centum of such sums for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs, and to the Secretary of the Interior for programs and projects designed to serve Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior or through contract with the Department of the Interior.

(b) From the remainder of the sums appropriated for purposes of this title for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the remainder of such sums as the school-age population in the State bears to the school-age population in all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the remainder as the amount paid to the State, and other agencies, organizations, and institutions within the State in fiscal year 1981 under the antecedent programs of this title bears to the total amount paid to the States, and other agencies, organizations, and institutions within the States in fiscal year 1981 under the antecedent programs,

(2) for fiscal year 1983 each State shall receive an amount equal to 75 per centum of the amount the State received under paragraph (1) in fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the school-age population in the State bears to the school-age population in all the States, and

(3) no State shall receive less than an amount equal to .6 percent of the remainder of the sums appropriated for purposes of this title.

(c) For purposes of this section—

(1) the terms "State" and "United States" include the fifty States, the District of Columbia, and Puerto Rico, and

(2) the term "antecedent programs of this title" includes—

(A) activities under sections 183 (except national evaluation and studies) and 194 of the Elementary and Secondary Education Act;

(B) programs under title II (except sections 207, 209, and 210), part B (except evaluation) and parts C through M of title III, title IV, title V, title VII, and title IX (except programs involving research and development, information clearinghouses, and professional development under section 905) of the Elementary and Secondary Education Act;

(C) State educational agency incentive grants, multicultural arts awards to States, and grants to Territories under section 608 (a) of the Emergency School Aid Act;

(D) programs under sections 608(b) and 611 of the Emergency School Aid Act;

(E) severely handicapped projects under sections 621 and 624 of part C, programs under 623 (except early childhood research institutes), demonstration projects for adult and postsecondary students under section 625, demonstration projects and technical assistance activities under part E, regional resource centers under section 621, and personnel development programs under sections 631, 632, and 634 of the Education of the Handicapped Act;

(F) programs under the Career Education Incentive Act (except the national information effort under section 4);

(G) programs under part B of title V of the Economic Opportunity Act (except activities involving research and development and resource centers);

(H) programs under the Alcohol and Drug Abuse Education Act;

(I) the Pre-college Teacher Development in Science program administered by the Secretary under the National Science Foundation Act of 1950;

(J) the Teacher Center program under section 532 of the Higher Education Act and the Teacher Corps program under part A of title V of the Higher Education Act (except evaluation activities);

(K) programs involving training and advisory services under title IV of the Civil Rights Act of 1964; and

(L) the Cities in Schools program and the PUSH for Excellence program under section 303(d)(1) of the Elementary and Secondary Education Act.

ACTIVITIES AUTHORIZED

SEC. 204. (a) The amounts allotted to each State under section 203 may be used only for the following activities relating to preschool, elementary school, second school, and adult basic education to achieve the purposes set forth in section 201:

(1) projects to strengthen the curriculum of schools—such as basic skills instructions, education about our system of law and its underlying principles, and arts education—and integrating such curriculum changes into the overall instructional program;

(2) projects to increase community involvement in school programs, including, for example, volunteers in schools; parent participation in the education of their children; participation by business, the professions, museums, and other community groups in developing school programs and as instructional and technical assistance resources to the programs; and community school programs offering education, recreation, and other social services to meet community needs;

(3) professional development programs for teachers, administrators, and other school personnel, including, for example, training programs to assist such personnel in serving educationally deprived children, handicapped children, children in schools undergoing desegregation, and other children with special educational needs;

(4) (A) pilot and demonstration projects—
(1) to improve education for educationally deprived children, handicapped children, children in schools undergoing desegregation, and other children with special educational needs;

(ii) to address significant educational problems and needs such as improving student motivation and reducing school violence and vandalism;

(ii) to improve the quality of instructional efforts involving the use of technology; and

(iv) to improve educational equity for women;

(B) projects under this subsection may include, for example, incentives for superior teaching and school performance in educat-

ing children with special needs, and projects to attract educationally deprived children to careers in the biomedical sciences;

(5) regional and interstate educational programs;

(6) technical assistance and dissemination of information to strengthen school instructional programs, including, for example, projects to assist local educational agencies in meeting the needs of children in schools undergoing desegregation and in developing and implementing plans for the elimination of discrimination on the basis of race, sex, or national origin in the schools;

(7) studies and other projects to improve school management and the coordination of resources in a school to meet the needs of individual children;

(8) the acquisition for instructional purposes of school library resources, textbooks, and instructional equipment and materials;

(9) to the extent necessary to implement other activities authorized by this section, repairs and minor remodeling of schools and other instructional facilities (but not structural alterations to buildings or the acquisition of land or existing structures);

(10) programs to strengthen State educational oversight and management through such activities as the collection and analysis of statistics, consultation and advice to local educational agencies, studies of educational policy issues and assessment of educational progress, and exchanging information about successful educational practices;

(11) administration of this Act, including planning, technical assistance to local educational agencies and other subgrantees under the Act, the evaluation of activities funded under the Act, the dissemination of information about these activities, and audits of expenditures under the Act.

ELIGIBILITY FOR SUBGRANTS AND CONTRACTS

SEC. 205. (a) A State may use the funds received under this title to carry out directly under its own supervision and control the activities authorized under section 204 or the State may award subgrants to, and enter into contracts with, local educational agencies and other public and private agencies, organizations, and institutions to carry out the purposes of this title. In making awards under this title, a State may give clear consideration to community-based self-help organizations of demonstrated effectiveness.

(b) No subgrant may be made under this title to other than a public agency or non-profit organization or institution.

TITLE III—GENERAL PROVISIONS

STATE PLANS

SEC. 301. (a) Prior to expenditure by a State of assistance received under this Act for any fiscal year, the State shall prepare a plan that describes the intended use of payments the State will receive under this Act, including information on the types of activities to be supported and the categories or characteristics of the individuals to be served.

(b) The plan shall be made public within the State in a manner that will facilitate comment from any person (including any Federal or other public agency) during the development of the plan and after its completion.

(c) The plan shall be revised throughout the year if there are substantial changes in the activities described in the plan. If the State amends its plan, the State shall use the same procedures used to prepare a plan.

(d) In carrying out the requirements of this section, the State may require from local educational agencies and other subgrantees such information as the State deems necessary.

STATE ACTIVITIES REPORTS

SEC. 302. (a) Each State shall prepare a report on its activities under this Act.

(b) The report shall be in such form, contain such information, and be of such frequency (at least once every two years) as the State finds necessary to secure an accurate description of those activities, to secure a complete record of the purposes for which the funds were spent, and to determine the extent to which the funds were expended consistently with the plan required under section 301.

(c) The State shall make copies of this report available for public inspection within the State. Copies of the report shall also be provided, upon request, to any interested Federal or other public agency, and any such agency may provide its views on the report to the Congress.

(d) In carrying out the requirements of this section, the State may require from local educational agencies and other subgrantees such information as the State deems necessary.

AUDITS

SEC. 303. (a) Each State shall make provision for audits of its expenditure of funds received under this Act. Such audits shall be made at least once every two years, and shall be conducted by an entity independent of any agency administering a program funded this Act, in accordance with generally accepted accounting principles. Within 30 days after the completion of each audit, a copy of that audit shall be submitted to the legislature of the State and to the Secretary.

(b) A State shall repay to the United States the amount of funds received under this Act ultimately determined not to have been spent in accordance with Federal law, or the Secretary may offset any such amount against any other amount which the State is or may become entitled to receive under this Act.

(c) Each State shall conduct or arrange for audits of the expenditure of funds received under this Act by local educational agencies. Such audits shall be made at least once every two years and shall be conducted by an entity independent of any agency administering a program funded under this Act, in accordance with generally accepted accounting principles.

(d) States that recover or offset amounts allocated under section 104(a) found not to have been spent in accordance with Federal law may reallocate such amounts among other local educational agencies for use in accordance with the purposes for which the amounts were originally distributed.

LOCAL EDUCATIONAL AGENCY TRANSITION PLAN

SEC. 304. For fiscal year 1982 each local educational agency receiving assistance under section 104(a) of this Act shall prepare a plan on how it will administer the consolidated Federal assistance provided under that section. The plan shall include information on steps the local educational agency will take to prepare for the transition from separate Federally supported programs of assistance for the educationally deprived, the handicapped, and children in school undergoing desegregation authorized through fiscal year 1981 to the consolidated Federal support for such students under this Act beginning in fiscal year 1982. It shall describe the intended use of payments the agency is to receive, including information on the types of activities to be supported and the categories or characteristics of the individuals to be served. The plan shall be made public within the jurisdiction of the local educational agency in a manner that will facilitate comment from any person (including any State or other public agency) during development and implementation of the plan.

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

SEC. 305. (a) The requirements of this section apply to any project—

(1) under title I that is carried out by a local educational agency with funds received under section 104(a); or

(2) under title II that is carried out either—

(A) by a local educational agency, or

(B) by the State directly or through a contract by the State with another agency or organization; and

(3) that provides services, materials, or equipment for the benefit of children in public elementary or secondary schools, including the participation of teachers of such children (and other educational personnel serving such children) in training programs.

(b) In designing a project subject to this section, a local educational agency or the State shall take into account the needs of children in nonprofit private elementary and secondary schools through consultation with private school officials.

(c) The local educational agency or State shall provide for the equitable participation of children in nonprofit private elementary and secondary schools in the project's services, materials, and equipment, including the participation of teachers of such children (and other educational personnel serving such children) in training programs and the repair or minor remodeling of public facilities as may be necessary for their provision—

(1) (A) with respect to projects under title I, in proportion to the number of eligible children referred to in section 105(a) who are enrolled in nonprofit private elementary and secondary schools in the district of the local educational agency and in consideration of the special educational needs of these children; or

(B) with respect to projects under title II, in proportion to the number of eligible children in nonprofit private elementary and secondary schools in the area to be served who have the educational needs the project is intended to address; and

(2) on a basis comparable to that provided for public school children.

(d) If the special educational needs of the children enrolled in nonprofit private schools are different from the educational needs addressed by the plan or project, or if the services, materials, or equipment under the project are not feasible or necessary to benefit children in one or more private schools in the area to be served, as determined by the local educational agency or State, in consultation with the appropriate private school officials, the local educational agency or State shall provide such other arrangements as will assure equitable participation of private school children in the benefits and purposes of title I or title II, as applicable.

(e) Expenditures for services, materials, and equipment to benefit children enrolled in nonprofit private schools shall be equal (consistent with the number of eligible children to be served) to expenditures under title I or title II for the benefit of children enrolled in the public schools in the area to be served, taking into account the needs of the individual children and other factors that relate to such expenditures.

(f) If a State is prohibited by law from providing for the participation of private school children in programs, as required by this section, the Secretary shall waive such requirements, and shall arrange for the provision of services to such children in accordance with the requirements of this section.

(g) If the Secretary determines that a local educational agency or the State has substantially failed or is unwilling to provide services to children in private schools in accordance with the requirements of this section, the Secretary shall arrange for the provision of services to such children, except that in the case of a local educational agency that has not complied with the requirements

of this section, the Secretary shall arrange for services only after affording the State an opportunity to provide services within a reasonable period of time.

(h) (1) When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate private and public school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allotment to the State.

(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection the Secretary may withhold from the allotment of the affected State the amount the Secretary estimates would be necessary to pay the cost of such services.

(3) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there is no longer any failure or inability on the part of the local educational agency or State to meet the requirements of this section.

(1) (1) The Secretary shall not take any final action under this section until the local educational agency or the State affected by such action has had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Secretary to show cause why that action should not be taken.

(2) If a local educational agency or State is dissatisfied with the Secretary's final action after a proceeding under paragraph (1) of this subsection, it may appeal to the United States court of appeals for the circuit in which such agency or State is located in accordance with the provisions of section 455 of the General Education Provisions Act.

(j) Nothing contained in this Act shall be construed to authorize the making of any payments under this Act for religious worship or instruction.

COMPLAINT RESOLUTION

SEC. 306. (a) (1) Each State that receives funds under this Act shall develop and implement written procedures for the resolution of each complaint concerning violations under provisions of this Act (except section 307), including complaints referred to the State by the Secretary and complaints by representatives of children enrolled in private schools that those children are not receiving the services to which they are entitled under this Act.

(b) Such procedures shall provide an opportunity for the complainant or the complainant's representative to present evidence on matters relevant to the complaint and to question the parties involved before an impartial hearing examiner.

(c) A decision made in a proceeding conducted pursuant to this section shall be final and shall be rendered within 120 days of receipt of the complaint.

(d) No person or class of persons shall have the right to bring a civil action with respect to any complaint concerning violations under provisions of this Act (except section 307) without exhausting the administrative remedy provided for in this section.

NONDISCRIMINATION PROVISION

SEC. 307. (a) Whenever the Secretary determines that there has been a failure to comply with title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, or title IX of the Education Amendments of 1972 in any program or activity receiving Federal financial assistance under this Act, he shall notify the chief executive officer of the State and afford him an opportunity to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer does not secure compliance, the Secretary shall take such action as may be provided by law. The time afforded the chief executive officer under this sub-

section shall not reduce the time otherwise available to the Secretary to secure compliance.

(b) When a matter is referred to the Attorney General pursuant to subsection (a) of this section, or whenever he has reason to believe that there has occurred a pattern or practice in violation of the civil rights provisions referred to in subsection (a) in any program or activity receiving Federal financial assistance under this Act, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

DEFINITIONS

SEC. 308. (a) Except as otherwise provided herein, as used in this Act—

(1) the term "State" means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(2) the term "Secretary" means the Secretary of Education or the Secretary's designee;

(3) the term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school;

(4) the term "elementary school" means a day or residential school which provides elementary education, as determined under State law, and the term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade twelve;

(5) the term "school-age population" means children aged 5 to 17, inclusive;

(6) the term "handicapped children" means mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children or children with specific learning disabilities who by reason thereof require special education;

(7) the term "children in schools undergoing desegregation" means children who are enrolled in a school which is directly affected by the implementation of a plan which requires the desegregation of minority group segregated children or faculty in the elementary or secondary schools of the agency or provides for the elimination, reduction, or prevention of minority group isolation in such schools and children who are enrolled in a school that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds;

(8) the term "educationally deprived children" means children who need special educational assistance to attain a level of achievement appropriate for children of their age;

(9) the term "public school attendance areas with high concentrations of such children" means attendance areas in which the number or percentage of educationally deprived children in the public schools (or at particular grade levels in such schools) is at least as great as the average number or average percentage of such children in all the public schools in the district (or at those particular grade levels);

(10) the term "adults lacking basic skills" means adults who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education, or adults who lack sufficient mastery of basic educational skills to enable them to function effectively in society;

(11) the term "equipment" includes machinery, utilities, and building equipment and any necessary enclosure or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, telecommunications, sensory, and other technological aids and devices, and books, periodicals, documents, and other related materials;

(12) the term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individuals;

(13) the term "average per pupil expenditure" means in the case of a State or the United States, the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of the computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all the local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year;

(14) the term "adult" means any individual who has attained the age of sixteen;

(15) the term "generally accepted accounting principles" means generally accepted Government auditing standards for financial and complicated audit.

ADMINISTRATIVE ACTIVITIES

SEC. 309. From the sums received by the States under title II, not more than the greater of \$600,000 or an amount equal to 2 per centum of the amount received by the State under title I and 9 per centum of the amount received by the State under title II in any fiscal year may be used for the administration of this Act by the State and for activities to strengthen State oversight and management, authorized under section 204 (a) (10) and (11).

AVAILABILITY OF APPROPRIATIONS

SEC. 310. Notwithstanding any other provision of law, unless expressly in limitation of this section, funds appropriated in any fiscal year to carry out activities under this Act shall become available for obligation on July 1 of such fiscal year and shall remain available for obligation until the end of the succeeding fiscal year.

INSUFFICIENT APPROPRIATIONS

SEC. 311. (a) If the sums appropriated for any fiscal year for making payments under title I are not sufficient to pay in full the amounts provided for in sections 103(d) (2), 103(g) (2), 103(1) (2), 103(1) (2), and 104(a) (2), such amounts shall be ratably reduced to the extent necessary to bring such payments within the limits of the amounts so appropriated.

(b) If the sums appropriated for fiscal year

1983 for making payments under title II are not sufficient to pay in full the amounts provided for in section 203(b) (2), such amounts shall be ratably reduced to the extent necessary to bring such payments within the limits of the amounts so appropriated.

OTHER APPLICABLE PROVISIONS OF LAW

SEC. 312. (a) The General Education Provisions Act does not apply to programs and projects conducted under this Act, except that—

(1) sections 400(d), 412 (a) and (b) (1), 414, 416, 420, 422(a) (1) and (2); 432, 437(a), 438 through 452, 454, and 455 are applicable; and

(2) programs and projects conducted under this Act are applicable programs for purposes of such sections, and

(b) the Intergovernmental Cooperation Act of 1968 applies to programs and projects under this Act.

REPEALS

SEC. 313. There are hereby repealed—

(a) titles I, II, III (except part A, IV, V, VI, VIII, and IX of the Elementary and Secondary Education Act of 1965,

(b) the Education of the Handicapped Act (except sections 602, 622, 623, 624, 625, 627, 633, 635 and 636, and parts E and F),

(c) part A and section 532 of title V of the Higher Education Act of 1965,

(d) the Adult Education Act (except section 316),

(e) the Career Education Incentive Act,

(f) the Alcohol and Drug Abuse Education Act, and

(g) part B of title V of the Economic Opportunity Act of 1964.

EFFECTIVE DATE

SEC. 314. The provisions of this Act shall take effect October 1, 1981.

ELEMENTARY AND SECONDARY EDUCATION CONSOLIDATION ACT OF 1981—SECTION-BY-SECTION ANALYSIS

TITLE I

FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS

Purpose.—Section 101 of the bill sets forth the purpose of title I, which is to provide financial assistance to States and local educational agencies to improve educational achievement, especially in basic skills and career preparation, for educationally deprived children, handicapped children, children in schools undergoing desegregation, migratory children, children in institutions for neglected or delinquent children or in adult correctional institutions, and adults lacking basic skills.

Authorization of Appropriations.—Section 102 would authorize the appropriation of \$6,790,124,000 for FY 1982, \$3,979,630,000 for FY 1983, \$4,178,612,000 for FY 1984, \$4,387,542,000 for FY 1985, and \$4,060,919,000 for FY 1986.

Allotments to the States.—Section 103 provides the formula for allotting the funds appropriated for this title under section 102. Under subsection (a), the Secretary would be authorized to reserve up to 1 per cent from the sums appropriated for payments to the insular areas and to the Secretary of the Interior for programs for eligible Indian children in schools operated by, or through contract with, the Department of the Interior. Under subsection (b), the Secretary would allot 87 per cent of the remaining sums to the States for reallocation to local educational agencies to assist them in meeting the special educational needs of educationally deprived children, handicapped children, and children in schools undergoing desegregation. The remaining 13 per cent would be allotted to the States to assist them in meeting the special educational needs of handicapped children for whom the States has responsibility, children in institutions for neglected or delinquent children or in adult

correctional institutions, migratory children and adults lacking basic skills.

Subsection (c) provides that of the 87 per cent to be allotted to the States for reallocation to the local educational agencies, the Secretary would allot 75 per cent of such sums to the States on the basis of the number of low-income children multiplied by a per pupil expenditure factor, and 25 per cent of such sums on the basis of school-age population. For purposes of this section, the Secretary would count low-income children in the same manner as they have counted for determining eligibility under title I of the Elementary and Secondary Education Act.

Under subsection (h), 80 per cent of the remaining 13 per cent would be allotted to the States on the basis of the number of handicapped children for whom the State has responsibility, the number of neglected or delinquent children in State-operated institutions, and the number of migratory children multiplied by a per pupil expenditure factor. The remaining 20 per cent would be allotted to the States on the basis of the number of adults who do not have a certificate of graduation from a secondary school.

In order to give the States an opportunity to adjust to funding shifts resulting from the application of a new formula, the bill would hold the States harmless in FY 1982 with respect to their relative funding positions under the antecedent programs in FY 1981. Of the sums allotted to the States on the basis of the number of low-income children, the Secretary would allot to each State in FY 1982 a share equal to the share the State received in FY 1981 under sections 111 and 117 of the Elementary and Secondary Education Act. Of the sums allotted to the States on the basis of school-age population, the Secretary would allot to each State in FY 1982 a share equal to the share the State received in fiscal year 1981 under sections 611 and 617 of the Education of the Handicapped Act and under sections 606(a) and 608 of the Emergency School Aid Act. Under subsections (i) and (j) each State would receive in FY 1982 an amount based on the State's FY 1981 share under subparts 1, 2, and 3 of part B of title I of the Elementary and Secondary Education Act, and an amount based on the State's FY 1981 share under the Adult Education Act. In FY 1983 each State would receive no less than 75 per cent of these amounts. The States would not be held harmless in subsequent fiscal years except that each State would receive no less than the amount the State received in FY 1982 under subsection (d) from the sums allotted on the basis of the number of low-income children.

Allocations by the States.—Section 104 deals with the 87 per cent that States must reallocate to the local educational agencies each year. It provides that each State would allocate the sums received in any fiscal year under section 103(d) and (g) to local educational agencies on the basis of data which the State determines is consistent with the needs of eligible children referred to in section 105(a), including measures of educational deprivation, poverty, numbers of handicapped children, enrollment of children in schools undergoing desegregation or such other measures as the State deems appropriate, except that in FY 1982 each local educational agency would receive a share of the sums allotted under section 103(d) at least equal to the share the agency received in FY 1981 under sections 111 and 117 of ESEA, and in fiscal year 1983 each local educational agency would receive no less than 75 per cent of this amount. Section 104 further provides that each State shall allocate the sums received under subsection (h) to carry out the activities authorized under section 105(d). The State may carry out these activities directly or may award subgrants to or enter into contracts with local

educational agencies and other public and private agencies. A State would not be required to allocate the funds received under subsection (h) for the same purposes and in the same proportions as the Federal allotment to the State as long as the funds are distributed so as to meet the purposes of this title.

Authorized Activities.—Section 105 sets forth the activities for which funds provided under this title are to be used.

Subsection (a) provides that assistance received by a local educational agency under section 104(a) would be used to meet the special educational needs of educationally deprived children in school attendance areas with high concentrations of such children, handicapped children, or children in schools undergoing desegregation. The local educational agency would choose which needs to address and how to meet those needs. The bill would authorize activities permitted under the antecedent programs, including the employment of additional staff; the acquisition of curricula, techniques, materials, and equipment; in-service training; community relations activities; repair or minor remodeling; special incentives for superior teaching and school performance; developmental, corrective and supportive services; and planning, evaluation, dissemination and other administrative activities.

Subsection (d) provides that the remaining funds allotted to the States under this title would be used to support programs and activities to meet the special educational needs of handicapped children for whom the State has responsibility, neglected or delinquent children in State-operated institutions or in adult correctional institutions, migratory children, or to support adult basic education.

TITLE II

FINANCIAL ASSISTANCE FOR IMPROVEMENT OF SCHOOL RESOURCES AND PERFORMANCE

Purpose.—Section 201 provides that the purpose of title II is to provide financial assistance to the States for activities which will encourage academic excellence through more effective instructional and management practices for elementary and secondary education; improve student achievement, especially in basic skills and other subjects addressed by State and local instructional goals; increase opportunities for educational services for students with special needs; and strengthen State oversight and management functions.

Authorization of Appropriations.—Section 202 would authorize the appropriation of \$565,070,000 for FY 1982, \$593,324,000 for FY 1983, \$622,990,000 for FY 1984, \$654,139,000 for FY 1985, and \$686,846,000 for FY 1986.

Allotments to the States.—Section 203 sets forth the formula for allotting the sums appropriated for purposes of this title to the States. Subsection (a) authorizes the Secretary to reserve up to 1 per cent for payments to the insular areas and to the Department of the Interior for Indian children. Subsection (b) provides that the Secretary would allot the remaining funds to the States on the basis of school-age population, except that no State would receive less than .6 per cent of the total amount allotted under this title.

A hold harmless provision is also provided for FY 1982 and FY 1983. Under this provision each State would receive in FY 1982 an amount based on the share the State and other awardees within the State received in FY 1981 under the antecedent programs of this title, which are listed in section 203. In FY 1983 each State would receive an amount equal to 75 per cent of the amount received in FY 1982. Any remaining funds in FY 1983 would be allotted by the Secretary to the States on the basis of the State's share of school-age population.

Authorized Activities.—Section 204 de-

scribes the activities authorized under this title. These activities are those authorized under the antecedent programs and include projects to strengthen school curricula (e.g. basic skills instruction, arts education); projects to increase community involvement in school programs; professional development programs; pilot and demonstration projects (including projects using technology and improving educational equity for women); regional and interstate education programs; technical assistance and dissemination of information to strengthen school instruction; acquisition of school library and instructional materials and equipment; repairs and minor remodeling; activities to strengthen State educational oversight and management; and administrative activities.

Title II activities focus on improving the capability of local educational agencies and States to administer effective programs and to target resources where they are most needed. While it is expected that many of the activities would be carried out by local educational agencies, the States would have the flexibility to coordinate these activities with State policies and other State resources to achieve maximum benefits.

Eligible Recipients.—Section 205 provides that a State could carry out the purposes of this title directly or through subgrants to or contracts with local educational agencies, or other public or private nonprofit organizations and institutions or individuals. Subgrants could be made only to public agencies or nonprofit organizations or institutions.

TITLE III

GENERAL PROVISIONS

State Plan.—Section 301 describes the State plan required under the Act. Prior to expenditure of funds received under this Act for any fiscal year, each State would be required to prepare a plan which describes the State's intended use of the funds. The plan would include information on the types of activities to be supported and the categories or characteristics of individuals to be served. The State would be required to make the plan public in a manner that would facilitate comment from any person (including any Federal or other public agency) during the development and implementation of the plan.

The State would revise the plan during the year as necessary to reflect substantial changes in the activities to be supported and any revisions would be made public in a manner that would facilitate comment. The requirement for a State plan is designed to provide accountability to State citizens for use of Federal funds. There is no provision for Federal approval or disapproval of the plan.

State Activities Report.—Section 302 requires each State to prepare a report at least once every two years in a form the State finds necessary to provide a complete record of the purposes for which funds received under this Act were spent, including an accurate description of the activities assisted under the Act, and the extent to which the funds were expended consistently with the plan required by this Act.

The State would make copies of these reports available for public inspection within the State and would provide copies, upon request, to any interested Federal or other public agency. Each such agency may provide its views on these reports to the Congress.

Audits.—Section 303 requires the State to provide for audits of its expenditure of funds received under the Act at least once every two years. The audit would be conducted by an agency independent of any agency administering programs funded under the Act. A copy of the audit would be sent to the State legislature and the Secretary within 30 days of its completion. The State would be required to repay any

amount found not to have been spent in accordance with Federal law or the Secretary could offset any amount against any other amount the State is or may become entitled to receive under the Act.

Subsection (c) requires the State to conduct or arrange for audits of the expenditure of funds received by local educational agencies under the Act. The State would be permitted to reallocate any amount recovered or offset from the sums allocated under section 104(a) among other local educational agencies for the purposes for which the sums were originally distributed.

Local Educational Agency Transition Plan.—Section 304 requires each local educational agency to prepare a single plan for fiscal year 1982. The plan would contain the same type of information as required for the State plan, as well as information on the steps the local educational agency plans to take to prepare for the transition from separate Federally supported programs to consolidated support. The local educational agency would be required to make the plan public so as to facilitate comment.

Participation of Children Enrolled in Private Schools.—Section 305 sets forth the requirements for the participation of children enrolled in private schools in the benefits of the Act. Under current law, private school children are eligible to participate in the benefits of the antecedent programs of this Act. Section 305 would continue their equitable participation on the same basis in the programs to be conducted with the assistance to be provided under the Act. Any project carried out by a local educational agency or by the States directly or through a contract which provides services, materials, or equipment for the benefit of public school children would be subject to the requirements of this section.

A local educational agency or the State would be required to take account of the needs of private school children through consultation with private school officials, provide for the equitable participation of these children in the project's services, materials, and equipment on a basis that is comparable to that provided to public school children, taking account of the number of children in private schools and the needs of the private school children. If the needs of private school children are different or if the services, materials, or equipment to be provided are not feasible or necessary to benefit private school children, other arrangements would have to be made. Expenditures would have to be equal, taking into account the number and needs of private school children.

Section 305 also includes a "by-pass" provision authorizing the Secretary to provide for the participation of private school children where the local educational agency or the State is unable or unwilling to do so. The Secretary would make arrangements for appropriate services and would pay for such services from the appropriate State allotment. However, in the case of a local educational agency that is unable or unwilling to comply with the requirements of this section, the Secretary would first give the State an opportunity to provide services within a reasonable period of time. The affected local educational agency or State would be entitled to notice and a hearing before any final action were taken and could appeal the action to the U.S. Court of Appeals.

Complaint Resolution.—Section 306 requires each State to establish written procedures for the resolution of complaints concerning violations under provisions of the Act (except section 307), including complaints referred to the State by the Secretary. The procedures would have to provide the complainant with an opportunity to present evidence and question the parties involved before an impartial hearing examiner. A decision in the proceedings would be final and

would have to be rendered within 120 days of receipt of the complaint. No person or class of persons would have the right to bring a civil action with respect to any complaint relating to violations under provisions of this Act (except section 307) without exhausting the administrative remedy provided for in his section.

Nondiscrimination.—Section 307 is modeled on the nondiscrimination provision in title I of the Housing and Community Development Act of 1974. This section provides that whenever the Secretary determines that there has been a failure to comply with title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, or title IX of the Education Amendments of 1972 in any program or activity assisted under this Act, the Secretary must notify the Governor of the State and afford him up to 60 days to secure compliance. If the Governor does not secure compliance, the Secretary may take any action provided by law. Subsection (a) further provides that the Secretary would have such time as would otherwise be available to the Secretary to secure voluntary compliance.

Under subsection (b), the Attorney General would be authorized to bring a civil action whenever he has reason to believe there has occurred a pattern or practice of violations under the laws referred to in this section in any program or activity assisted under this Act.

Definitions.—Section 308 defines the terms "State", "Secretary", "local educational agency", "elementary school", "school-age population", "handicapped children", "children in schools undergoing desegregation", "educationally deprived children", "public school attendance areas with high concentrations of such children", "adults lacking basic skills", "equipment", "nonprofit", "average per pupil expenditure", "adult", and "generally accepted accounting principles".

Administration.—Section 309 provides that from the funds allotted under title II a State may not spend for administrative activities and strengthening its own staff capabilities an amount greater than an amount equal to 2 per cent of the amount received by the State under title I of this Act and 9 per cent of the amount received by the State under title II, or \$600,000, whichever is greater.

Availability of Appropriations.—Section 310 would provide for forward funding under this Act.

Insufficient Appropriations.—Section 311 provides for ratable reduction of the payments to States and local educational agencies under this bill where appropriations are insufficient to pay in full the amounts provided for in the bill.

Other Applicable Provisions of Law.—Section 312(a) makes applicable to programs and projects funded under the Act the following provisions of the General Education Provisions Act: sections 400(d), 412(a) and (b) (1), 414, 416, 420, 422(a) (1) and (2), 432, 437(a), 438 through 452, 454, and 455. These provisions provide for—

Extended availability of funds for expenditure at the State and local levels; a contingent one-year extension of the authorization statute; planning and evaluation; prohibition of Federal control of education and of use of funds for busing to overcome racial imbalance; dissemination of information about the program; recordkeeping concerning the disposition of Federal funds; protection of the privacy of student records; inspection by parents of instructional materials in experimental projects; limitations on particular types of psychiatric or psychological examinations or tests; procedures for limiting, suspending, or deferring Federal funding based on noncompliance with nondiscrimination provisions of law; procedures for hearings before the Education Appeals

Board (and for judicial review) concerning enforcement actions by the Secretary related to audit determinations and cease and desist orders.

Other provisions of the General Education Provision Act are made inapplicable to programs and projects under this Act.

Section 312(b) notes the applicability to the Intergovernmental Cooperation Act of 1968 to programs and projects under the Act. The Intergovernmental Cooperation Act provides, among other provisions, that Federal funds shall be properly accounted for as Federal funds in the accounts of the State; that the Federal agency and the Comptroller General shall have access for audit purposes to pertinent books and papers; and that the Comptroller General shall conduct studies of programs at the request of cognizant congressional committees. The audit provisions of the Intergovernmental Cooperation Act would be carried out under government-wide directive designed to ensure that duplicative Federal audit activities are not conducted in addition to State-sponsored audits using generally accepted accounting principles.

Repeals.—Section 313 would repeal titles I, II, III (except part A), IV, V, VI, VIII, and IX of the Elementary and Secondary Education Act; the Education of the Handicapped Act (except sections 602, 622, 623, 624, 625, 627, 633, 635, 636, and parts E and F); part A and section 532 of title V of the Higher Education Act of 1965; the Adult Education Act (except section 316); the Career Education Incentive Act; the Alcohol and Drug Abuse Education Act; and part B of title V of the Economic Opportunity Act.

Effective Date.—Section 314 provides that the provisions of this bill would become effective October 1, 1981.

SUMMARY OF "ELEMENTARY AND SECONDARY EDUCATION ACT OF 1981"

I. Title I (Financial Assistance to Meet Special Educational Needs).

A. Funds are divided into three categories:

1. Secretary may reserve up to 1 percent of Title I funds off the top for insular areas (Guam, Virgin Islands, etc.) and Indian Education.

2. 87 percent of the remainder is passed through States to Local Educational Agencies (LEA's, i.e. schools) to serve the following populations in the proportions and amounts the LEA's deem appropriate (no Federal determination of priorities or minimum amounts):

- Educationally-deprived Children (Title I, ESEA).
- Handicapped Children (FL 94-142.)
- Children in Desegregating Schools (ESAA).

(Note: The Federal statutes formerly covering these categories, and all those mentioned hereafter are repealed.)

This 87 percent of Title I funds is allocated among the states partly by the number of low-income children times a per pupil expenditure figure and partly on the basis of school-age population.

3. The remaining 13 percent of Title I funds are granted to the States for direct state services or support of grants and contracts. Disbursements may only be used for purposes permitted in the Act, but the state has full discretion as to which activities it will fund and in what amounts.

Permissible uses:

a. Services to students in state operated schools for the handicapped, neglected and delinquent children, or correctional institutions now provided under Title I, ESEA.

b. Services to migratory students now under Title I, ESEA.

c. Adults lacking basic skills now provided for under the Adult Education Act.

This 13 percent is allocated among the states by proportion based on their share of the nation's handicapped/delinquent/ne-

glected/migratory children and adults without high school certificates.

B. Transition ("hold harmless") Provisions for FY 1982 and FY 1983 are included, designed to govern state allotments and prevent large unexpected drops in Federal aid during these transition years. (Details are set out on Attachment A)

II. Title II (Financial Assistance for Improvement of School Resources and Performance)

A. Funds are divided into two categories:
1. Secretary may reserve up to 1 percent of Title II appropriation for insular areas and Indian Education.

2. Remaining 99 percent is allotted to the states for the following activities, with full discretion of which they wish to fund and in what amounts:

a. Basic skills and other projects to strengthen the curriculum,

b. Projects to increase community involvement,

c. Professional development,

d. Pilot and demonstration projects for:

i. Children with special needs (as identified in Title I)

ii. Student motivation and reducing violence and vandalism,

iii. Educational equity for women,

iv. Use of technology

e. Regional and interstate programs,

f. Technical assistance and dissemination,

g. Improvement of school management,

h. Acquisition of school library resources, textbooks, and instructional equipment and materials,

i. Repairs and remodeling as required for any of the above,

j. Strengthening state oversight and management, and

k. Administration of the Act.

Funds are allotted among the states on the basis of school-age population, except that no state will receive less than .6 percent of the Title II appropriation.

B. Transition Provisions are also included for FY 1982 and FY 1983 to maintain some financial continuity (see Attachment A for details).

III. General Mechanics

A. State Plan:

1. The state prepares a plan which describes the intended uses of funds. There is no requirement for prior federal review or approval—the plan need only be made public in a manner (developed by the state) to permit public review and comment during its development.

2. The plan is to be revised during the year to reflect changed conditions if appropriate, and the revision is to follow the same procedure for review and comment.

3. The State may require any information it deems necessary from LEA's and subgrantees in preparing its report and revisions (thus, the potential for the states to reimpose the paperwork saved by block granting).

B. State Report:

1. The only required evaluation report is one which must be prepared by the States, at least once every two years, describing the activities assisted, purposes for expenditures, and consistency with their prior State Plans.

2. Copies must be made public within the State.

C. Local Plan:

1. There is no requirement for a local plan (thus no formal means of public review and comment other than what may already exist) except for the LEA's receiving Title I funds for FY 1982. This transition plan must explain the intended use of the funds and describe the activities and individuals to be assisted for the year.

2. The plan must be made public for review and comment during development.

D. Audits:

1. At least once every 2 years each state must make provision for an audit of all funds it expends under the Act.

a. Must be conducted by an entity independent of any agency administering a program funded under the Act.

b. Must be conducted according to generally accepted accounting principles.

c. Copy of audit must be furnished to state legislature and to the Secretary of Dept. of Education.

2. At least once every 2 years each state shall arrange for an audit of LEA expenditures under the Act. These audits are subject to the same requirements as set forth for state audits except that no copies need to be furnished to anyone.

3. Repayment/Set-off: The state shall repay to the Secretary funds he determines not to have been spent in accordance with the Act or he may withhold the sums from future allotments.

Note: this applies just to state expenditures and not to improper local expenditures. The paragraph giving the State power to reallocate improperly-spent LEA funds to other LEA's is unclear.

E. Private Schools:

1. States and LEA's must provide money to non-private schools serving children targeted in plans or set forth in Act on an equitable and comparable basis (but no funds to be used for religious purposes).

2. There is a bypass provision like that in current law allowing the Secretary to administer private school participation directly where there is State/LEA inaction or, because of state law, state incapacity to assist private schools.

F. Complaint Resolution:

1. States are to develop *their own procedures* for handling complaints of violations of Act's provisions.

2. Procedures must provide for impartial hearing officer, presentation of evidence and questioning of parties. Administrative remedies must be exhausted before civil suit is filed.

G. Non-discrimination:

1. Basic non-discrimination provisions are preserved without change from current law. However in case of violations, as determined by the Secretary, the Governor has an additional 60 days to secure compliance before further action by the Department.

2. As under present law, the Secretary may refer matters to the Attorney General, who may file civil suit for appropriate relief, including injunctions.

H. Administrative Allowance: Out of Title II funds, the State can use the greater of \$600,000. or [2 percent of Title I funds plus 9 percent of Title II funds it receives] to administer both Titles.

I. Forward Funding: Forward funding is preserved.

J. Ratable Reductions: Ratable reduction provisions are included in case the appropriation is not sufficient to insure payment of the entitlement sums set forth in the 1982 and 1983 transition provisions.

K. Miscellaneous Provisions: include the applicability of some sections of the General Education Provisions Act. Among other points these authorize *federal audits* and make applicable the student record privacy and Hatch Act protections.

L. Effective Date: October 1, 1981.

M. Authorized Appropriations

Title I:

Fiscal year: 1982 ----- \$3,790,124,000

1983 ----- 3,979,630,000

1984 ----- 4,178,612,000

1985 ----- 4,387,542,000

1986 ----- 4,606,919,000

Title II:

Fiscal year: 1982 ----- \$565,070,000

1983 ----- 593,324,000

1984 ----- 622,990,000

1985 ----- 654,139,000

1986 ----- 686,846,000

Note: Since these basically reflect the President's requested 25 percent cut, they will be lower than the Budget's Committee figures.

N. Subgrants and Subcontracts:

1. Title I: The states may through subcontracts or subgrants employ public or private organizations in carrying out their plans for the 13% of Title I funds they retain.

2. Title II: The states may through subcontracts or subgrants employ only public or private *non-profit* organizations in carrying out their plans for Title II funds.

O. State Administration of Funds:

Nowhere in the Act is there a designation of who in each state is to receive and administer the funds on the state level. As a result each state will internally make this decision, with the Executive likely moving things in the absence of Legislative action. In all states with which I am familiar the Legislature has the power to direct the Executive in how and on whom funds are to be spent, regardless of where those funds come from (except where a condition is attached to the receipts of those funds, as is the case now with federal aid to education). Therefore I expect in all cases that the Legislatures will be active in giving direction to the Title I funds (the 13%) retained by the states and the Title II funds. Under the language of the Act as proposed I think it doubtful that the Legislatures could direct the LEA's on how they are to spend their pass-through funds.

ATTACHMENT A—TRANSITION SCHEME FOR FY 1982 AND FY 1983

State allotments for the next two fiscal years will be figured as follows:

A. Title I:

1982—Of the 87 percent to be passed through to LEA's, each state will receive the same proportion of 75 percent of this sum as it received in 1981 of the total appropriation under §§ 111 and 117 of ESEA.

Of the remaining 25 percent of the 87 percent, each state will get the same proportion of total as it received in 1981 under the Handicapped Act and ESAA (children in desegregating schools).

Of the 13 percent to be retained by the state for direct services and subgrants, each state will get the same proportion of the total as it did for corresponding programs in 1981.

1983—Of the 87 percent to be passed through to LEA's, each state will receive from the 75 percent portion at least the amount it got in 1982 plus from any excess a proportion based on its share of the nation's low-income children (Note: this formula is a floor for all years subsequent to 1983 also.)

Of the remaining 25 percent of the 87 percent, each state will get 75 percent of its 1982 amount plus a proportion of any excess based on its share of the nation's school-age children.

Of the 13 percent to be retained by the state, each will receive 75 percent of its 1982 amount plus a proportion of any excess based on its number of eligible children (handicapped, migratory, etc.) times a per pupil expenditure figure.

B. Title II:

1982—Each state will receive the same proportion of Title II funds that it and other organizations in the state received in 1981 under Title II's antecedent programs.

1983—Each state will receive at least 75 percent of the 1982 amount, and a proportion of the excess based on its share of the national school-age population.

LEA allotments for FY 1982 and FY 1983 will be subject to the following:

1982—Of the 87 percent pass-through funds under Title I, each LEA will receive of the 75 percent mentioned above at least as

much proportionally as it did in 1981 under §§ 111 and 117 of ESEA.

1983—Each LEA will receive of the 75 percent of the 87 percent no less than 75 percent of its 1982 amount.

THE SECRETARY,

Washington, D.C., April 28, 1981.

HON. GEORGE BUSH,
The Vice President,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for the consideration of the Congress is a draft bill entitled the "Elementary and Secondary Education Consolidation Act of 1981".

The enclosed bill would authorize two major consolidations involving 44 existing elementary and secondary education programs. (A list of the programs consolidated is attached.) Title I of the bill would consolidate programs to assist States and local educational agencies in meeting special educational needs, including programs under title I of the Elementary and Secondary Education Act (ESEA), the Education of the Handicapped Act, the Emergency School Aid Act, and the Adult Education Act. Title II of the bill would consolidate programs to improve the resources and performance of schools, including various programs authorized under ESEA and other Acts.

This bill would change the Federal approach to financial support of elementary and secondary education by shifting to States and local governments many of the responsibilities for education decisions and policy making that have been exercised by the Federal Government in recent years. States and local educational agencies are in the best position to make choices about how to meet educational needs addressed by the dozens of existing Federal elementary and secondary programs that would be consolidated under this measure. They are, also, the only governmental bodies that can integrate Federally supported activities with related ones of their own. The proposed legislation would permit States and localities to make the decisions, as they most appropriately can, as to how, when and where educational services should be provided, about priorities among needs, and about what services should be offered.

The new approach rejects the implication of previous laws that educators are not to be trusted and their actions should be circumscribed by mandates, prohibitions, and regulations. We believe that educators will make every effort to provide services that meet the needs of students. Indeed, such officials have a major stake in serving the public well since they are employed by State and local taxpayers who provide \$11 out of every \$12 spent on public education.

Accordingly, the bill would repeal existing grant authorizations along with the provisions that generate the need for burdensome and unnecessary regulations and reports. There would be no fiscal requirements such as maintenance of effort, supplement not supplant, comparability, excess costs, or matching. There would be no required advisory committees or other procedural mandates that detract from the authority of responsible officials. There would be no program "set-asides", earmarks or other division of funds beyond the appropriation authorizations and the allocation provisions governing them. There would be no required applications, mandated lists of eligible schools or students, or average daily attendance reports.

But while this bill represents a change in approach to Federal assistance, it does not retreat from national objectives. It is not general aid or revenue sharing nor would it permit tax relief. The proposed legislation directs benefits to the same students with special needs as under present laws, especially deprived, the handicapped, children

in schools undergoing desegregation, adults lacking basic education skills, the neglected and delinquent, and migratory children. Moreover, use of funds is limited to the same types of activities as under the existing laws.

The bill is, in addition, an education assistance measure, one directed at improving educational achievement for students. It sets out clear goals in each title that emphasize better performance in our schools and, in so doing, provides a standard for which States and localities should strive. The bill permits use of funds to achieve these objectives and authorizes, in each title, use of funds as incentives for superior teaching and school performance in educating children with special needs. Removal of Federal fiscal limitations will encourage integrated educational services for children based on their needs rather than separation of services for accounting purposes. The bill properly focuses on learning rather than prescribed procedures or means.

The following paragraphs describe each of the major elements of the bill and provide additional information as to the basis for our proposals.

The purpose of title I of the bill is to provide financial assistance to States and local educational agencies to improve the educational achievement of special populations, including the educationally deprived, the handicapped, children in schools undergoing desegregation, neglected or delinquent children, migratory children, and adults lacking basic skills.

Under title I the funds would be allotted to the States on the basis of data that broadly reflect the distribution of these populations. Under section 103 of the bill most of the funds (87 per cent each year) would be allotted to the States for allocation among local educational agencies. Seventy-five per cent of these funds would be allotted to the States on the same basis as funds are allotted to local educational agencies under title I of ESEA, and 25 per cent would be allotted on the basis of school-age population. The remaining funds (13 per cent) would be allotted to the States on the same basis as funds are allotted under subparts of title I of ESEA that provide assistance for the institutionalized handicapped, neglected and delinquent students, and migratory children and the Adult Education Act.

Under section 104 the State would allocate the combined poverty based and population based allotment to local educational agencies (except for the 2 year hold harmless provision described below) using data that are consistent with meeting the needs of the eligible children. The State would also decide how to direct the funds provided for migratory neglected and delinquent and other eligible children and adults.

To give the States and local educational agencies an opportunity to adjust to changes in funding resulting from the application of the formula, the bill also provides hold harmless provisions. In FY 1982 each State's share of the funds allotted would be based on the State's FY 1981 share under the antecedent programs of title I of the bill. Similarly, each local educational agency would receive in FY 1982 an amount based on its FY 1981 share of the funds allotted under title I of ESEA. In FY 1983 the States would receive no less than 75 per cent of the amounts awarded under this title in FY 1982. Each local educational agency would likewise receive in FY 1983 no less than 75 per cent of the amount it was entitled to receive in FY 1982. In subsequent fiscal years the States would only be held harmless with respect to those funds allotted on the basis of the number of low-income children.

Section 105 of the bill describes the activities for which Federal funds would be used under title I. Subsection (a) provides that

any local educational agency receiving assistance under section 104(a) shall use the funds to meet the special educational needs of educationally deprived children, handicapped children, and children in schools undergoing desegregation. The local agency would choose which needs to address with the assistance provided under this title, and how to meet these needs. The local educational agency would not be required to allocate the funds received among the eligible children along the same lines or in the same proportions as the Federal allotment to the States or the State allocation to the local agencies. Subsection (d) provides that the remaining funds allotted to the States under this title be used to meet the needs of the other eligible children and adults. As under the antecedent programs, the State could meet these needs directly and through grants to and contracts with local educational agencies and other public and private nonprofit agencies and organizations.

Title II of the Act consolidates programs that are designed to encourage academic excellence through more effective instructional and management practices for elementary and secondary education, improve student achievement, increase opportunities for educational services for students with special needs, and strengthen State oversight and management functions.

The programs consolidated include, for example, grants to improve local educational practice under title IV-C, ESEA; the program to acquire instructional materials and resources under title IV-B, ESEA; the Basic Skills program under title II, ESEA; the Women's Educational Equity program under title IX-C, ESEA; and particular demonstration, technical assistance, and personnel development programs focused on groups with special needs under sections 621, 623, 624, 625, 631, 632, and 634 of the Education of the Handicapped Act, sections 608 (a) and (b) and 611 of the Emergency School Aid Act, and part B of title V of the Economic Opportunity Act. Title II also consolidates many small categorical programs that emphasize particular curriculum areas or problems.

All of these programs address important and worthy educational objectives. As categorical programs, however, each has generated its own separate requirements and procedures. To participate in these programs, local educational agencies and States must maintain these activities separate from their regular instructional and administrative efforts. This has exacerbated the problem of curriculum fragmentation and has undermined any attempt to institutionalize reforms as a regular part of the elementary and secondary school curriculum.

States would receive title II funds under a formula based on school-age population, subject to a provision that no State would receive less than 0.6 per cent of the title II funds. A hold harmless provision for FY 1982 would provide each State with an amount based on the share received by the State and awardees within the State in FY 1981 under the antecedent programs. In FY 1983 each State would receive an amount equal to 75 per cent of the amount received by the State in FY 1982.

Under section 205, each State would have discretion to carry out Title II activities directly or through subgrants or contracts. Subgrants could be made to any public agency or nonprofit private organization or institution, including community-based organizations. The Act would not constrain the manner in which the State awarded subgrants. For example, it could do so by formula or through competitive processes. Title II provides flexibility to school administrators to marshal financial and other resources in a manner that responds best to their particular needs and opportunities in improving the

quality of their schools. The activities authorized by section 204 encompass all of the activities authorized under the antecedent programs.

Title III contains general provisions for the Act. Under section 301, a State must prepare an annual plan describing the intended use of payments under the Act. For the purposes of this plan, the State may require from local educational agencies and other subgrantees such information as the State deems necessary. Section 302 requires a State report on activities supported under the Act at least once every two years. Both the plan and the report must be made public within the State, and there must be an opportunity for public comment during the development and implementation of the plan. There is no general requirement for plans for local educational agencies or other subgrantees under the Act. However, section 304 requires a one-time plan for FY 1982 of local educational agencies assisted under title I of the Act on how they will make the transition from separate categorical programs to the consolidated grant. These provisions replace detailed requirements for categorical State and local plans and provisions for Federal review and approval or disapproval of State plans contained in the antecedent statutes.

One major enforcement measure provided for in the bill is the audit provision. Section 303 requires the State to provide for the audit of its expenditures at least once every two years. The State would repay any funds found not to have been spent in accordance with Federal law or the Secretary would offset the

amount against any other amount the State is or may become eligible to receive. The bill would also require the State to conduct or arrange for the audit of the expenditures of local educational agencies. The State would be authorized to reallocate to other local educational agencies any amount allocated under section 104(a) found not to have been spent in accordance with Federal law, for the purposes for which the funds were allotted to the State. The emphasis on State and local audits conforms to current audit policies of the Office of Management and Budget and the General Accounting Office, under which Federal auditors would not duplicate these audits but rather would build upon them.

Title III also includes provisions confirming the Federal Government's ultimate responsibility to see that the law is complied with and that funds are used only for the intended beneficiaries and purposes of the law, and not for general aid or tax relief for the States. In addition to the provisions for State and local audits, the Act recognizes the applicability to programs under the Act of provisions of the Intergovernmental Cooperation Act of 1968 and makes applicable provisions of the General Education Provisions Act concerning audits by the Secretary and the Comptroller General and the Secretary's authority to raise and resolve issues related to possible violations of the law. With the elimination of detailed and technical Federal requirements for administration of the program, we expect that the need for use of Federal sanctions will be greatly reduced.

With respect to requirements for serving

private school children and nondiscrimination provisions of law, the Act preserves the ultimate enforcement responsibility of the Federal Government but also encourages the States to take a more direct role in securing compliance. The requirements for serving private school children in section 305 follow those contained in titles I and IV of the Elementary and Secondary Education Act. If a local educational agency or State is unable or unwilling to provide equitable services to private school children, the Act provides for a by-pass by the Secretary, but in the case of a local educational agency that is unable or unwilling to provide these services, only after the State has had a reasonable period of time to institute its own by-pass.

Under section 307, whenever the Secretary determines that there has been a failure to comply with title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, or title IX of the Education Amendments of 1972 in any program or activity assisted under the Act, he must provide the chief executive officer of the State an opportunity, not to exceed 60 days, to secure compliance before proceeding with other actions authorized by law.

I urge the Congress to give the draft bill its prompt and favorable consideration.

We are advised by the Office of Management and Budget that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

T. H. BELL.

ELEMENTARY AND SECONDARY EDUCATION CONSOLIDATION ACT—ANTECEDENT PROGRAMS

	[Dollar amounts in millions]				[Dollar amounts in millions]		
	1981 continuing resolution	1981 revised request	1982 revised request		1981 continuing resolution	1981 revised request	1982 revised request
TITLE I: FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS							
Grants for disadvantaged (Elementary and Secondary Education Act, title I):				Education for the handicapped (Education for the Handicapped Act):			
Basic grants to local educational agencies (sec. 111).....	\$2,824.9	\$2,118.7	-----	Severely handicapped (pt. C, sec. 621 and 624).....	5.0	3.8	-----
Concentration grants (sec. 117).....	142.1	106.6	-----	Early childhood education (pt. C, sec. 623).....	18.8	13.8	-----
State agency migrant grants (sec. 143, 144).....	288.0	216.0	-----	Regional vocational, adult, and postsecondary programs (pt. C, sec. 625).....	2.2	1.2	-----
State agency handicapped grants (sec. 146).....	165.0	123.8	-----	Innovation and development.....	7.8	2.8	-----
State agency neglected and delinquent grants (sec. 151, 153).....	37.8	28.3	-----	Regional resource centers (pt. C, sec. 621).....	9.8	7.3	-----
Emergency school aid (Emergency School Aid Act):				Special education personnel development (pt. D, sec. 631, 632, 634).....	58.0	43.5	-----
Basic grants to local educational agencies (sec. 606a).....	107.8	80.9	-----	Career education incentives (Public Law 95-207, sec. 4).....	14.8	9.9	-----
Special programs and projects (sec. 608a).....	75.1	56.3	-----	Community schools (Elementary and Secondary Education Act, title VIII, sec. 803, 810, and 812).....	10.0	3.1	-----
Magnet schools, pairing and neutral site schools (sec. 608(a)(1), (2) and (3)).....	30.0	22.5	-----	Consumers' education (Elementary and Secondary Education Act, title III-E).....	3.6	2.7	-----
Education for the handicapped (Education for the Handicapped Act):				Law-related education (Elementary and Secondary Education Act, title III-G).....	1.0	.7	-----
State grant program (pt. B, sec. 611).....	922.0	691.5	-----	Basic skills improvement (Elementary and Secondary Education Act, title II):			
Preschool incentive grants (pt. B, sec. 619).....	25.0	18.7	-----	State grants programs.....	13.4	11.4	-----
Adult education (Adult Education Act): Grants to States (sec. 304).....	120.0	90.0	-----	Discretionary programs.....	18.1	12.6	-----
Subtotal, title I (ESEA).....	4,737.7	3,553.3	3,790.1	Follow Through (Headstart-Follow Through Act).....	35.2	28.2	-----
TITLE II: FINANCIAL ASSISTANCE FOR IMPROVEMENT OF SCHOOL RESOURCES AND PERFORMANCE							
Grants for disadvantaged (Elementary and Secondary Education Act, title I):				Gifted and talented (Elementary and Secondary Education Act, title IX-A).....	5.4	3.8	-----
State administration (sec. 194).....	47.0	35.3	-----	Alcohol and drug abuse education (Alcohol and Drug Abuse Education Act).....	3.0	2.2	-----
Evaluation (sec. 183).....	8.0	5.4	-----	Arts in education (Elementary and Secondary Education Act, title III-C).....	3.5	2.6	-----
Improving local educational practice (Elementary and Secondary Education Act, title IV-C).....	91.4	50.0	-----	Metric education (Elementary and Secondary Education Act, title III-B).....	1.7	1.3	-----
Strengthening State educational management (Elementary and Secondary Education Act, title V-B).....	51.0	38.3	-----	Ethnic heritage studies (Elementary and Secondary Education Act, title IX-E).....	3.0	2.2	-----
Emergency school aid (Emergency School Aid Act):				Cities in schools (Elementary and Secondary Education Act, title III-A, sec. 03(d)(1)).....	3.0	2.3	-----
Special programs and projects (sec. 608a).....	8.5	6.4	-----	PUSH for Excellence, (Elementary and Secondary Education Act, title III-A, sec. 303(d)(1)).....	1.0	.7	-----
Grants to nonprofit organizations (sec. 608b).....	7.5	5.6	-----	Teacher corps (Higher Education Act, title V-A).....	29.0	21.5	-----
Educational television and radio (sec. 611).....	6.4	4.8	-----	Teacher centers (Higher Education Act, sec. 532).....	13.0	9.8	-----
Training and advisory services (Civil Rights Act, title IV).....	45.7	34.3	-----	Precollege science teacher training (National Science Foundation Act of 1950).....	2.5	1.9	-----
Women's educational equity (Elementary and Secondary Education Act, title IX-C).....	10.0	7.5	-----	Subtotal, title II (ESEA).....	769.3	505.1	565.1
School libraries and instructional resources (Elementary and Secondary Education Act, title IV-B).....	171.0	128.2	-----	Total, Elementary and Secondary Education Consolidation Act.....	5,447.0	4,058.4	4,355.2

ADDITIONAL COSPONSORS

S. 170

At the request of Mr. PACKWOOD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 170, a bill to amend the Internal Revenue

Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 396

At the request of Mr. DANFORTH, the Senator from Montana (Mr. MELCHER),

the Senator from New Mexico (Mr. SCHMITT), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 517

At the request of Mr. BENTSEN, the Senator from Nevada (Mr. LAXALT) 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. 643

At the request of Mr. JEPSEN, the Senator from Hawaii (Mr. INOUE), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 643, a bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income.

S. 777

At the request of Mr. TOWER, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

S. 839

At the request of Mr. DOLE, the Senator from Iowa (Mr. JEPSEN), and the Senator from Kansas (Mrs. KASSEBAUM) were added as cosponsors of S. 839, a bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

S. 869

At the request of Mr. CRANSTON, his name was added as a cosponsor of S. 869, a bill to place restrictions on military assistance and sales to El Salvador.

S. 905

At the request of Mr. PRESSLER, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 905, a bill to require the inspection of imported meat and meat food products, to require the grading of meat and meat food products, to require the Secretary of Agriculture to establish a labeling system for meat and meat food products, and for other purposes.

SENATE JOINT RESOLUTION 51

At the request of Mr. DOLE, the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. BURDICK), the Senator from Rhode Island (Mr. CHAFEE), the Senator from New York (Mr. D'AMATO), the Senator from New Mexico (Mr. DOMENICI), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUBLESTON), the Senator from Hawaii (Mr. INOUE), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Montana (Mr. MELCHER), the Senator from Rhode Island (Mr. PELL), the Senator from Delaware (Mr. ROTH), the Senator from South Dakota (Mr. PRESSLER), the Senator from Arkansas (Mr.

PRYOR), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS), the Senator from South Carolina (Mr. THURMOND), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Joint Resolution 51, a joint resolution authorizing and requesting the President to issue a proclamation observing the 35th anniversary of CARE (the Cooperative for American Relief Everywhere, Inc.), and designating May 10 to 16, 1981, as "CARE Week."

SENATE JOINT RESOLUTION 62

At the request of Mr. DOLE, the Senator from North Dakota (Mr. ANDREWS), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. COCHRAN), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of Senate Joint Resolution 62, a joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 66

At the request of Mr. PRYOR, the Senator from California (Mr. CRANSTON) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Joint Resolution 66, a joint resolution designating May 6, 1981, as "National Nursing Home Residents Day."

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. DOLE, the Senator from Maryland (Mr. SARBANES) and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of Senate Concurrent Resolution 4, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the "International Year of Disabled Persons (1981)."

SENATE CONCURRENT RESOLUTION 19—ORIGINAL CONCURRENT RESOLUTION REPORTED DURING THE RECESS SETTING RECOMMENDED BUDGET LEVELS

Under the Authority of the Order of the Senate of April 29, 1981, Mr. DOMENICI, from the Committee on the Budget, reported the following original concurrent resolution on May 1, 1981, during the recess of the Senate:

S. CON. RES. 19

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, and October 1, 1983:

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

Fiscal year 1982: \$650,300,000,000;
Fiscal year 1983: \$709,100,000,000;
Fiscal year 1984: \$770,700,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:

Fiscal year 1982: \$51,300,000,000;
Fiscal year 1983: \$97,100,000,000;
Fiscal year 1984: \$144,800,000,000;

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

Fiscal year 1982: \$775,100,000,000;

Fiscal year 1983: \$812,600,000,000;

Fiscal year 1984: \$865,000,000,000;

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

Fiscal year 1982: \$699,100,000,000;

Fiscal year 1983: \$730,500,000,000;

Fiscal year 1984: \$770,700,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: \$48,800,000,000;

Fiscal year 1983: \$21,400,000,000;

Fiscal year 1984: \$0;

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

Fiscal year 1982: \$1,091,200,000,000;

Fiscal year 1983: \$1,154,300,000,000;

Fiscal year 1984: \$1,197,600,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1982: \$91,400,000,000;

Fiscal year 1983: \$63,100,000,000;

Fiscal year 1984: \$43,300,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1981, October 1, 1982, and October 1, 1983, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, \$225,400,000,000;

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

Fiscal year 1983:

(A) New budget authority, \$254,300,000,000;

(B) Outlays, \$221,100,000,000.

Fiscal year 1984:

(A) New budget authority, \$289,200,000,000;

(B) Outlays, \$250,300,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, \$16,800,000,000;

(B) Outlays, \$11,100,000,000.

Fiscal year 1983:

(A) New budget authority, \$16,100,000,000;

(B) Outlays, \$11,500,000,000.

Fiscal year 1984:

(A) New budget authority, \$17,200,000,000;

(B) Outlays, \$12,000,000,000.

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

Fiscal year 1982:

(A) New budget authority, \$7,200,000,000;

(B) Outlays, \$7,000,000,000.

Fiscal year 1983:

(A) New budget authority, \$7,700,000,000;

(B) Outlays, \$7,300,000,000.

Fiscal year 1984:

(A) New budget authority, \$7,200,000,000;

(B) Outlays, \$7,200,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, \$4,400,000,000;

(B) Outlays, \$6,900,000,000.

Fiscal year 1983:

(A) New budget authority, \$3,800,000,000;

(B) Outlays, \$6,500,000,000.

Fiscal year 1984:

(A) New budget authority, \$2,800,000,000;

(B) Outlays, \$4,900,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, \$8,400,000,000;

(B) Outlays, \$12,800,000,000.

Fiscal year 1983:

(A) New budget authority, \$10,700,000,000;

(B) Outlays, \$11,800,000,000.

Fiscal year 1984:

(A) New budget authority, \$10,800,000,000;

- (B) Outlays, \$10,900,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, \$5,400,000,000;
(B) Outlays, \$4,600,000,000.
Fiscal year 1983:
(A) New budget authority, \$6,400,000,000;
(B) Outlays, \$4,700,000,000.
Fiscal year 1984:
(A) New budget authority, \$5,400,000,000;
(B) Outlays, \$4,900,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, \$8,300,000,000;
(B) Outlays, \$4,800,000,000.
Fiscal year 1983:
(A) New budget authority, \$5,200,000,000;
(B) Outlays, \$4,200,000,000.
Fiscal year 1984:
(A) New budget authority, \$5,800,000,000;
(B) Outlays, \$3,800,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, \$21,700,000,000;
(B) Outlays, \$21,000,000,000.
Fiscal year 1983:
(A) New budget authority \$20,800,000,000;
(B) Outlays, \$20,100,000,000.
Fiscal year 1984:
(A) New budget authority, \$21,300,000,000;
(B) Outlays, \$20,100,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, \$7,000,000,000;
(B) Outlays, \$9,200,000,000.
Fiscal year 1983:
(A) New budget authority, \$7,500,000,000;
(B) Outlays, \$7,800,000,000.
Fiscal year 1984:
(A) New budget authority, \$7,800,000,000;
(B) Outlays, \$7,600,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, \$26,800,000,000;
(B) Outlays, \$27,400,000,000.
Fiscal year 1983:
(A) New budget authority, \$26,900,000,000;
(B) Outlays, \$26,600,000,000.
Fiscal year 1984:
(A) New budget authority, \$26,100,000,000;
(B) Outlays, \$26,100,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, \$83,600,000,000;
(B) Outlays, \$73,400,000,000.
Fiscal year 1983:
(A) New budget authority, \$90,800,000,000;
(B) Outlays, \$80,900,000,000.
Fiscal year 1984:
(A) New budget authority, \$99,600,000,000;
(B) Outlays, \$88,900,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, \$263,900,000,000;
(B) Outlays, \$237,300,000,000.
Fiscal year 1983:
(A) New budget authority, \$286,800,000,000;
(B) Outlays, \$253,000,000,000.
Fiscal year 1984:
(A) New budget authority, \$307,500,000,000;
(B) Outlays, \$270,300,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, \$24,500,000,000;
(B) Outlays, \$23,900,000,000.
Fiscal year 1983:
(A) New budget authority, \$25,500,000,000;
(B) Outlays, \$25,100,000,000.
Fiscal year 1984:
(A) New budget authority, \$26,500,000,000;
(B) Outlays, \$26,000,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, \$4,300,000,000;
(B) Outlays, \$4,500,000,000.
Fiscal year 1983:
(A) New budget authority, \$4,500,000,000;
(B) Outlays, \$4,500,000,000.
Fiscal year 1984:
(A) New budget authority, \$4,700,000,000;
(B) Outlays, \$5,000,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, \$5,000,000,000;
(B) Outlays, \$4,800,000,000.
Fiscal year 1983:
(A) New budget authority, \$5,200,000,000;
(B) Outlays, \$5,000,000,000.
Fiscal year 1984:
(A) New budget authority, \$5,300,000,000;
(B) Outlays, \$5,300,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, \$6,400,000,000;
(B) Outlays, \$6,400,000,000.
Fiscal year 1983:
(A) New budget authority, \$6,500,000,000;
(B) Outlays, \$6,500,000,000.
Fiscal year 1984:
(A) New Budget authority, \$6,900,000,000;
(B) Outlays, \$6,800,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, \$89,500,000,000;
(B) Outlays, \$89,500,000,000.
Fiscal year 1983:
(A) New budget authority, \$93,700,000,000;
(B) Outlays, \$93,700,000,000.
Fiscal year 1984:
(A) New budget authority, \$94,600,000,000;
(B) Outlays, \$94,600,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, \$0;
(B) Outlays, \$0.
Fiscal year 1983:
(A) New budget authority, -\$20,400,000,000;
(B) Outlays, -\$20,400,000,000.
Fiscal year 1984:
(A) New budget authority, -\$27,800,000,000;
(B) Outlays, -\$27,800,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, -\$33,500,000,000;
(B) Outlays, -\$33,500,000,000.
Fiscal year 1983:
(A) New budget authority, -\$39,400,000,000;
(B) Outlays, -\$39,400,000,000.
Fiscal year 1984:
(A) New budget authority, -\$45,900,000,000;
(B) Outlays, -\$45,900,000,000.
REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1981
SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:
(a) Section 1 of H. Con. Res. 448 is revised as follows:
(1) The recommended level of Federal revenues is \$599,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is \$8,600,000,000.
(2) The appropriate level of total new budget authority is \$716,000,000,000.
(3) The appropriate level of total budget outlays is \$662,700,000,000.
(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is \$62,800,000,000.
(5) The appropriate level of the public debt is \$999,800,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is \$91,100,000,000.
(b) Section 2 of H. Con. Res. 448 is revised as follows:
(1) National Defense (050):
(A) New budget authority \$181,000,000,000;
(B) Outlays, \$162,900,000,000.
(2) International Affairs (150):
(A) New budget authority, \$23,300,000,000;
(B) Outlays, \$11,000,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, \$6,500,000,000;
(B) Outlays, \$6,200,000,000.
(4) Energy (270):
(A) New budget authority, \$7,000,000,000;
(B) Outlays, \$9,800,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, \$10,400,000,000;
(B) Outlays, \$13,600,000,000.
(6) Agriculture (350):
(A) New budget authority, \$5,600,000,000;
(B) Outlays, \$2,700,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, \$6,600,000,000;
(B) Outlays, \$3,400,000,000.
(8) Transportation (400):
(A) New budget authority, \$25,000,000,000;
(B) Outlays, \$23,900,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, \$8,000,000,000;
(B) Outlays, \$11,300,000,000.
(10) Education, Training, Employment, and Social Services (500):
(A) New budget authority, \$30,800,000,000;
(B) Outlays, \$31,800,000,000.
(11) Health (550):
(A) New budget authority, \$71,800,000,000;
(B) Outlays, \$66,400,000,000.
(12) Income Security (600):
(A) New budget authority, \$250,200,000,000;
(B) Outlays, \$229,700,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, \$23,300,000,000;
(B) Outlays, \$22,800,000,000.
(14) Administration of Justice (750):
(A) New budget authority, \$4,400,000,000;
(B) Outlays, \$4,700,000,000.
(15) General Government (800):
(A) New budget authority, \$5,300,000,000;
(B) Outlays, \$5,000,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, -\$28,800,000,000;
(B) Outlays, \$6,800,000,000.
(17) Interest (900):
(A) New budget authority, \$79,500,000,000;
(B) Outlays, \$79,500,000,000.
(18) Allowances (920):
(A) New budget authority, \$0;
(B) Outlays, \$0.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, -\$28,800,000,000;
(B) Outlays, -\$28,800,000,000.
RECONCILIATION
SEC. 3. (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 \$52,825,000,000, and outlays by \$36,945,000,000, in fiscal year 1982; to reduce budget authority by \$59,228,000,000, and outlays by \$47,694,000,000, in fiscal year 1983; and to reduce budget authority by \$68,074,000,000, and outlays by \$56,937,000,000, in fiscal year 1984.
(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; by \$1,800,000,000 in outlays for fiscal year 1983; and by \$1,100,000,000 in outlays for fiscal year 1984.

(c) Not later than May 31, 1981, the committees named in subsections (c) (1) through (c) (29) 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) (29) 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; to reduce budget authority by \$659,000,000 and outlays by \$618,000,000 in fiscal year 1983; and to reduce budget authority by \$794,000,000 and outlays by \$795,000,000 in fiscal year 1984; 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: \$645,000,000 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; \$4,011,000,000 in budget authority and \$3,961,000,000 in outlays for fiscal year 1983; and \$4,613,000,000 in budget authority and \$4,517,000,000 in outlays for fiscal year 1984.

(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; to reduce budget authority by \$899,000,000 and outlays by \$899,000,000 in fiscal year 1983; and to reduce budget authority by \$511,000,000 and outlays by \$511,000,000 in fiscal year 1984.

(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: \$6,146,000,000 in budget authority and \$133,000,000 in outlays for fiscal year 1981; \$15,460,000 in budget authority and \$958,000,000 in outlays for fiscal year 1982; \$18,412,000,000 in budget authority and \$2,274,000,000 in outlays for fiscal year 1983; and \$21,303,000,000 in budget authority and \$3,882,000,000 in outlays for fiscal year 1984.

(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; to reduce budget authority by \$300,000,000 and outlays

by \$300,000,000 in fiscal year 1983; and to reduce budget authority by \$450,000,000 and outlays by \$450,000,000 in fiscal year 1984; 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: \$1,558,000,000 in budget authority and \$884,000,000 in outlays for fiscal year 1982; \$1,598,000,000 in budget authority and \$1,328,000,000 in outlays for fiscal year 1983; and \$1,465,000,000 in budget authority and \$1,337,000,000 in outlays for fiscal year 1984.

(5) The Senate Committee on Energy and Natural Resources 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: \$2,071,000,000 in budget authority and \$106,000,000 in outlays for fiscal year 1981; \$3,714,000,000 in budget authority and \$3,404,000,000 in outlays for fiscal year 1982; \$3,660,000,000 in budget authority and \$3,628,000,000 in outlays for fiscal year 1983; and \$3,604,000,000 in budget authority and \$3,711,000,000 in outlays for fiscal year 1984.

(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; to reduce outlays by \$900,000,000 in fiscal year 1983; and to reduce outlays by \$1,365,000,000 in fiscal year 1984; 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; \$3,035,000,000 in budget authority and \$1,872,000,000 in outlays for fiscal year 1983; and \$3,500,000,000 in budget authority and \$2,826,000,000 in outlays for fiscal year 1984.

(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; to reduce budget authority by \$4,494,000,000 and outlays by \$10,870,000,000 in fiscal year 1983; and to reduce budget authority by \$4,618,000,000 and outlays by \$11,761,000,000 in fiscal year 1984; 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; \$114,000,000 in budget authority and \$132,000,000 in outlays for fiscal year 1983; and \$149,000,000 in budget authority and \$177,000,000 in outlays for fiscal year 1984.

(8) The Senate Committee on Foreign Relations 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: \$1,050,000,000 in

budget authority and \$301,000,000 in outlays for fiscal year 1982; \$600,000,000 in budget authority and \$367,000,000 in outlays for fiscal year 1983; and \$435,000,000 in budget authority and \$531,000,000 in outlays for fiscal year 1984.

(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; to reduce outlays by \$414,000,000 in fiscal year 1983; and to reduce outlays by \$357,000,000 in fiscal year 1984; 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; \$6,360,000,000 in budget authority and \$6,388,000,000 in outlays for fiscal year 1983; and \$7,462,000,000 in budget authority and \$7,440,000,000 in outlays for fiscal year 1984.

(10) The Senate Committee on the Judiciary 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: \$116,000,000 in budget authority, and \$13,000,000 in outlays for fiscal year 1982; \$133,000,000 in budget authority and \$31,000,000 in outlays for fiscal year 1983; and \$144,000,000 in budget authority and \$124,000,000 in outlays for fiscal year 1984.

(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; to reduce budget authority by \$1,601,000,000 and outlays by \$1,495,000,000 in fiscal year 1983; and to reduce budget authority by \$2,702,000,000 and outlays by \$2,551,000,000 in fiscal year 1984; 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: \$2,388,000,000 in budget authority and \$414,000,000 in outlays for fiscal year 1981; \$10,303,000,000 in budget authority and \$7,928,000,000 in outlays for fiscal year 1982; \$12,363,000,000 in budget authority and \$10,913,000,000 in outlays for fiscal year 1983; and \$15,224,000,000 in budget authority and \$13,525,000,000 in outlays for fiscal year 1984.

(12) The Senate Committee on Small Business 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: \$97,000,000 in budget authority and \$67,000,000 in outlays for fiscal year 1981; \$526,000,000 in budget authority and \$390,000,000 in outlays for fiscal year 1982; \$564,000,000 in budget authority and \$541,000,000 in outlays for fiscal year 1983; and \$554,000,000 in budget authority and \$533,000,000 in outlays for fiscal year 1984.

(13) (A) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in sec-

tion 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by \$14,000,000 and outlays by \$14,000,000 in fiscal year 1981; to reduce budget authority by \$32,000,000 and outlays by \$32,000,000 in fiscal year 1982; to reduce budget authority by \$28,000,000 and outlays by \$28,000,000 in fiscal year 1983; and to reduce budget authority by \$24,000,000 and outlays by \$24,000,000 in fiscal year 1984; and

(B) the Senate Committee on Veterans' 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: \$414,000,000 in budget authority and \$375,000,000 in outlays for fiscal year 1982; \$397,000,000 in budget authority and \$404,000,000 in outlays for fiscal year 1983; and \$522,000,000 in budget authority and \$520,000,000 in outlays for fiscal year 1984.

HOUSE COMMITTEES

(14)(A) The House Committee on Agriculture 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 \$183,000,000 in fiscal year 1981; to reduce budget authority by \$232,000,000 and outlays by \$693,000,000 in fiscal year 1982; to reduce budget authority by \$400,000,000 and outlays by \$362,000,000 in fiscal year 1983; and to reduce budget authority by \$520,000,000 and outlays by \$525,000,000 in fiscal year 1984; and

(B) the House Committee on Agriculture shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$645,000,000 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; \$4,011,000,000 in budget authority and \$3,961,000,000 in outlays for fiscal year 1983; and \$4,613,000,000 in budget authority and \$4,517,000,000 in outlays for fiscal year 1984.

(15) The House 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; to reduce budget authority by \$899,000,000 and outlays by \$899,000,000 in fiscal year 1983; and to reduce budget authority by \$511,000,000 and outlays by \$511,000,000 in fiscal year 1984.

(16) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$7,146,000,000 in budget authority and \$143,000,000 in outlays for fiscal year 1981; \$14,139,000,000 in budget authority and \$808,000,000 in outlays for fiscal year 1982; \$16,534,000,000 in budget authority and \$1,669,000,000 in outlays for fiscal year 1983; and \$18,789,000,000 in budget authority and \$2,632,000,000 in outlays for fiscal year 1984.

(17) The House Committee on the District of Columbia shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$39,000,000 in budget authority and \$40,000,000 in outlays for fiscal year 1982; \$56,000,000 in budget authority and \$64,000,000 in outlays for fiscal year

1983; and \$72,000,000 in budget authority and \$69,000,000 in outlays for fiscal year 1984.

(18)(A) The House Committee on Education and Labor 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 \$808,000,000 and outlays by \$725,000,000 in fiscal year 1982; to reduce budget authority by \$1,681,000,000 and outlays by \$1,532,000,000 in fiscal year 1983; and to reduce budget authority by \$2,785,000,000 and outlays by \$2,590,000,000 in fiscal year 1984; and

(B) the House Committee on Education and Labor shall also report changes in laws and within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$2,282,000,000 in budget authority and \$372,000,000 in outlays for fiscal year 1981; \$8,578,000,000 in budget authority and \$6,733,000,000 in outlays for fiscal year 1982; \$10,035,000,000 in budget authority and \$8,968,000,000 in outlays for fiscal year 1983; and \$12,324,000,000 in budget authority and \$10,872,000,000 in outlays for fiscal year 1984.

(19)(A) The House Committee on Energy and Commerce 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 \$176,000,000 and outlays by \$110,000,000 in fiscal year 1981; to reduce budget authority by \$695,000,000 and outlays by \$1,011,000,000 in fiscal year 1982; to reduce budget authority by \$903,000,000 and outlays by \$1,537,000,000 in fiscal year 1983; and to reduce budget authority by \$1,164,000,000 and outlays by \$2,056,000,000 in fiscal year 1984; and

(B) the House Committee on Energy and Commerce shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$764,000,000 in budget authority and \$19,000,000 in outlays in fiscal year 1981; \$4,885,000,000 in budget authority and \$4,088,000,000 in outlays for fiscal year 1982; \$5,251,000,000 in budget authority and \$4,846,000,000 in outlays for fiscal year 1983; and \$5,297,000,000 in budget authority and \$5,101,000,000 in outlays for fiscal year 1984.

(20) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of the committee sufficient to reduce 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; \$600,000,000 in budget authority and \$367,000,000 in outlays for fiscal year 1983; and \$435,000,000 in budget authority and \$531,000,000 in outlays for fiscal year 1984.

(21) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$331,000,000 in budget authority and \$84,000,000 in outlays for fiscal year 1981; \$815,000,000 in budget authority and \$369,000,000 in outlays for fiscal year 1982; \$796,000,000 in budget authority and \$564,000,000 in outlays for fiscal year 1983; and \$774,000,000 in budget authority and \$654,000,000 in outlays for fiscal year 1984.

(22) The House Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce 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;

\$133,000,000 in budget authority and \$81,000,000 in outlays for fiscal year 1983; and \$144,000,000 in budget authority and \$124,000,000 in outlays for fiscal year 1984.

(23)(A) The House Committee on Merchant Marine and Fisheries 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 \$39,000,000 in fiscal year 1981; to reduce budget authority by \$242,000,000 and outlays by \$242,000,000 in fiscal year 1982; to reduce budget authority by \$479,000,000 and outlays by \$479,000,000 in fiscal year 1983; and to reduce budget authority by \$641,000,000 and outlays by \$641,000,000 in fiscal year 1984; and

(B) the House Committee on Merchant Marine and Fisheries shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$147,000,000 in budget authority and \$15,000,000 in outlays for fiscal year 1982; \$60,000,000 in budget authority and \$32,000,000 in outlays for fiscal year 1983; and \$71,000,000 in budget authority and \$60,000,000 in outlays for fiscal year 1984.

(24)(A) The House Committee on Post Office and Civil Service 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; to reduce outlays by \$414,000,000 in fiscal year 1983; and to reduce outlays by \$357,000,000 in fiscal year 1984; and

(B) the House Committee on Post Office and Civil Service shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$4,737,000,000 in budget authority and \$4,650,000,000 in outlays for fiscal year 1982; \$6,304,000,000 in budget authority and \$6,324,000,000 in outlays for fiscal year 1983; and \$7,390,000,000 in budget authority and \$7,371,000,000 in outlays for fiscal year 1984.

(25)(A) The House Committee on Public Works 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 outlays by \$185,000,000 in fiscal year 1982; to reduce outlays by \$900,000,000 in fiscal year 1983; and to reduce outlays by \$1,365,000,000 in fiscal year 1984; and

(B) the House Committee on Public Works and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to reduce 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; \$6,448,000,000 in budget authority and \$1,033,000,000 in outlays for fiscal year 1982; \$5,122,000,000 in budget authority and \$2,697,000,000 in outlays for fiscal year 1983; and \$6,241,000,000 in budget authority and \$4,381,000,000 in outlays for fiscal year 1984.

(26) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$82,000,000 in budget authority and \$35,000,000 in outlays for fiscal year 1981; \$78,000,000 in budget authority and \$39,000,000 in outlays for fiscal year 1982;

\$90,000,000 in budget authority and \$59,000,000 in outlays for fiscal year 1983; and \$102,000,000 in budget authority and \$83,000,000 in outlays for fiscal year 1984.

(27) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$97,000,000 in budget authority and \$67,000,000 in outlays for fiscal year 1981; \$526,000,000 in budget authority and \$390,000,000 in outlays for fiscal year 1982; \$564,000,000 in budget authority and \$541,000,000 in outlays for fiscal year 1983; and \$554,000,000 in budget authority and \$533,000,000 in outlays for fiscal year 1984.

(28) (A) The House Committee on Veterans' 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 budget authority by \$14,000,000 and outlays by \$14,000,000 in fiscal year 1981; to reduce budget authority by \$32,000,000 and outlays by \$32,000,000 in fiscal year 1982; to reduce budget authority by \$28,000,000 and outlays by \$28,000,000 in fiscal year 1983; and to reduce budget authority by \$24,000,000 and outlays by \$24,000,000 in fiscal year 1984; and

(B) The House Committee on Veterans' Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$414,000,000 in budget authority and \$375,000,000 in outlays for fiscal year 1982; \$397,000,000 in budget authority and \$404,000,000 in outlays for fiscal year 1983; and \$522,000,000 in budget authority and \$520,000,000 in outlays for fiscal year 1984.

(29) (A) The House Committee on Ways and Means 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 \$36,000,000 and outlays by \$195,000,000 in fiscal year 1981; to reduce budget authority by \$3,659,000,000 and outlays by \$8,383,000,000 in fiscal year 1982; to reduce budget authority by \$3,591,000,000 and outlays by \$9,373,000,000 in fiscal year 1983; and to reduce budget authority by \$3,454,000,000 and outlays by \$9,745,000,000 in fiscal year 1984; and

(B) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: \$978,000,000 in budget authority and \$994,000,000 in outlays for fiscal year 1982; \$1,294,000,000 in budget authority and \$1,312,000,000 in outlays for fiscal year 1983; and \$1,647,000,000 in budget authority and \$1,675,000,000 in outlays for fiscal year 1984.

Sec. 4. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expedient action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in section 3(c)(1) through (c)(13) of this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as the resolution is agreed to in the Senate; and

It is the further sense of the Senate that Senate committees should report the legislation required by section 3(c) of this resolu-

tion as agreed to in the Senate, except to the extent that the amounts referred to may be modified in conference with the House of Representatives, by May 31, 1981.

Sec. 5. The Senate Committee on Governmental Affairs should report changes in laws within the jurisdiction of that committee which would reduce the costs to the Government which result from waste, fraud, and abuse. Savings in appropriations and expenditures from trust funds from such statutory changes are estimated to be \$700,000,000 in budget authority and \$1,300,000,000 in outlays in fiscal year 1982; \$1,000,000,000 in budget authority and \$2,000,000,000 in outlays in fiscal year 1983; and \$1,500,000,000 in budget authority and \$3,000,000,000 in outlays in fiscal year 1984.

FEDERAL CREDIT ACTIVITY

Sec. 6. There is established a Congressional Federal Credit Budget for fiscal year 1982:

(a) The appropriate levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, \$51,452,000,000.

(2) New primary loan guarantee commitments, \$85,626,000,000.

(3) New secondary loan guarantee commitments, \$70,942,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity for fiscal year 1982 as set forth in subsection (a) of this section, the appropriate levels of new direct loan obligations, new gross loan guarantee commitments, and new secondary loan guarantee commitments for each functional category is as follows:

(1) National Defense (050):

(A) New direct loan obligations, \$0.

(B) Gross new loan guarantee commitments, \$30,000,000, of which \$0 shall be secondary loan guarantee commitments.

(2) International Affairs (150):

(A) New direct loan obligations, \$11,183,000,000.

(B) Gross new loan guarantee commitments, \$11,043,000,000, of which \$0 shall be secondary loan guarantee commitments.

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

(A) New direct loan obligations, \$144,000,000.

(B) Gross new loan guarantee commitments, \$0, of which \$0 shall be secondary loan guarantee commitments.

(4) Energy (270):

(A) New direct loan obligations, \$4,504,000,000.

(B) Gross new loan guarantee commitments, \$6,502,000,000, of which \$0 shall be secondary loan guarantee commitments.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, \$24,000,000.

(B) Gross new loan guarantee commitments, \$0, of which \$0 shall be secondary loan guarantee commitments.

(6) Agriculture (350):

(A) New direct loan obligations, \$8,878,000,000.

(B) Gross new loan guarantee commitments, \$3,597,000,000, of which \$0 shall be secondary loan guarantee commitments.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, \$13,689,000,000.

(B) Gross new loan commitments, \$121,175,000,000, of which \$69,542,000,000 shall be secondary loan guarantee commitments.

(8) Transportation (400):

(A) New direct loan obligations \$475,000,000.

(B) Gross new loan guarantee commitments, \$1,504,000,000, of which \$0 shall be secondary loan guarantee commitments.

(9) Community and Regional Development (450):

(A) New direct loan obligations, \$841,000,000.

(B) Gross new loan guarantee commitments, \$1,280,000,000, of which \$0 shall be secondary loan guarantee commitments.

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

(A) New direct loan obligations, \$1,424,000,000.

(B) Gross new loan guarantee commitments, \$6,197,000,000, of which \$500,000,000 shall be secondary loan guarantee commitments.

(11) Health (550):

(A) New direct loan obligations, \$93,000,000.

(B) Gross new loan guarantee commitments, \$175,000,000, of which \$0 shall be secondary loan guarantee commitments.

(12) Income Security (600):

(A) New direct loan obligations, \$2,959,000,000.

(B) Gross new loan guarantee commitments, \$17,446,000,000, of which \$0 shall be secondary loan guarantee commitments.

(13) Veterans' Benefits and Services (700):

(A) New direct loan obligations, \$648,000,000.

(B) Gross new loan guarantee commitments, \$7,383,000,000, of which \$0 shall be secondary loan guarantee commitments.

(14) Administration of Justice (750):

(A) New direct loan obligations, \$0.

(B) Gross new loan guarantee commitments, \$0, of which \$0 shall be secondary loan guarantee commitments.

(15) General Government (800):

(A) New direct loan obligations, \$31,000,000.

(B) Gross new loan guarantee commitments, \$31,000,000, of which \$0 shall be secondary loan guarantee commitments.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, \$145,000,000.

(B) Gross new loan guarantee commitments, \$756,000,000, of which \$0 shall be secondary loan guarantee commitments.

(17) Interest (900):

(A) New direct loan obligations, \$0.

(B) Gross new loan guarantee commitments, \$0, of which \$0 shall be secondary loan guarantee commitments.

(18) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, \$0.

(B) Gross new loan guarantee commitments, \$0, of which \$0 shall be secondary loan guarantee commitments.

(19) Off-Budget Agencies:

(A) New direct loan obligations, \$6,414,000,000.

(B) Gross new loan guarantee commitments, \$5,145,000,000, of which \$0 shall be secondary loan guarantee commitments.

(c) It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1982 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to \$16,400,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to \$6,531,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

Sec. 7. It shall not be in order in the House or the Senate during fiscal years 1981 and 1982 to consider any bill, resolution, or amendment authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

MISCELLANEOUS PROVISIONS

Sec. 8. No bill or resolution providing new budget authority for fiscal year 1982 or pro-

viding new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution or both.

Sec. 9. (a) It is the sense of the Congress that due to the extreme rate of inflation in the United States economy, the possible cost-of-living effects of Federal regulations and legislation shall be carefully monitored as part of a program of fiscal restraint. Cost-of-living effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the regulations promulgated in the remainder of fiscal year 1981 and for fiscal year 1982. This policy will require the President to keep an accounting for fiscal year 1981 of all new regulations which have a significant, measurable cost to the economy. Cost-saving modification need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety.

(b) It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation score-keeping" report which shall contain an estimate of the positive or negative cost-of-living effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether—

- (1) it is judged to have no significant positive or negative impact on cost of living;
- (2) it is judged to have a positive or negative cost-of-living impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index; or
- (3) it is judged likely to have a significant positive or negative impact on cost of living, but the amount cannot be determined immediately.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Tuesday, May 5, 1981, at 10 a.m. in room 301 of the Russell Senate Office Building to continue hearing testimony on Senate Resolution 20, which provides for television and radio coverage of the proceedings of the Senate.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, the Committee on Rules and Administration will hold a hearing on Thursday, May 7, 1981, at 10 a.m. in room 301 Russell Senate Office Building to examine the impact of election night media projections of election results prior to the closing of polls in some States. The committee will hear testimony on this issue from Members of Congress, State election officials, representatives of the broadcast industry, and other witnesses. The committee will also consider various legisla-

tive proposals (S. 55, S. 56, S. 57, and S. 58) providing for uniform poll closing times nationwide, prohibiting the release of election results until all polls are closed, and changing election day to Sunday in 1982, 1984, 1986, and 1988.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate from Monday, May 4, through Friday, May 8, for the purpose of marking up the farm bill.

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

SUBCOMMITTEE ON THE SEPARATION OF POWERS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on the Separation of Powers of the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 5, to hold a hearing on S. 823, a bill to provide for payment of losses incurred as a result of the ban on the use of the chemical TRIS in apparel, fabric, yarn, or fiber.

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

SUBCOMMITTEE ON TOXIC SUBSTANCES AND ENVIRONMENTAL OVERSIGHT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances and Environmental Oversight of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, May 5, to consider four authorizations bills—Environment Research and Development, TSCA, Noise, and CEQ.

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

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be allowed to meet during the session of the Senate on Wednesday, May 13 and Thursday, May 14 to hold oversight hearings on home health care operators.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold hearings on international tourism promotion.

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

ADDITIONAL STATEMENTS

THE HELSINKI PROCESS AND MADRID-SOVIET HYPOCRISY AND OBSTRUCTION

● Mr. HEINZ. Mr. President, the Madrid review session of the Conference on Security and Cooperation in Europe—the

Helsinki accords—will shortly reconvene for what we hope will be its concluding set of meetings. The May 5 opening date will mark the seventh month the conference has been in session at Madrid.

As a newly appointed member of the U.S. Commission on Security and Cooperation in Europe, I think some observations on the Helsinki process, its past and future, are appropriate before the next session begins.

The United States and other Western delegations have maintained throughout the negotiations that any agreement at Madrid must be balanced; that is, it must provide for equal progress in all the major areas covered by the Final Act. I fully support this position. If the United States is to agree to language promoting the security goals of basket I, then the agreement must also contain language which will give a comparable degree of support to the economic and scientific cooperation goals of basket II; to the human contacts and other provisions of basket III; and in particular to the goals of principle VII—the basic statement on human rights in the Helsinki document.

Thus far at Madrid, there has been extensive discussion of the possibility of holding a meeting under CSCE auspices to discuss security issues. I believe that such a meeting could be useful if the agenda is carefully drawn and if the criteria developed by the United States and its NATO allies are accepted.

At the same time, such a meeting must require balance in other areas of the Final Act. Meetings of experts on human rights and human contacts, as proposed by the United States and some other Western countries would constitute an important element of that balance.

The Western nations have consistently insisted on this kind of balance throughout the history of the Helsinki process. Much of the original impetus for the first conference, which many of us in the United States viewed with some trepidation, came from the Soviet Union as an effort to achieve certain security goals including Western acceptance of post-World War II European borders, an issue of only historical consequence to some but one of great symbolism and real significance to the Russians.

From the beginning, however, the Western states have insisted on a balanced approach and have consistently and effectively, though not always successfully fought to focus the world's attention at Helsinki, then Belgrade, and now Madrid, on our agenda as well. And our agenda has been a human rights and a human contacts agenda; one intended to bring to the attention of the peoples of Eastern Europe the rights and liberties usually guaranteed them in their own constitutions but denied them in fact, and to make clear this denial and suppression in the starkest terms.

Through these periodic review fora, the Eastern European nations quite properly have been held to an exacting standard, and the hypocrisy of their words in the face of their actions has been made clear to all the world. In doing so the West has laid bare the fundamental difference we have with the Communist bloc, a difference that transcends eco-

conomic and political incompatibilities but is rooted in the way we perceive the individual and his role in society. The Helsinki process has made this difference clear and has helped to distinguish the different paths that face a new nation on the road to development.

The Helsinki process has also dramatized the success and failure of these different paths. The Western approach, reflecting a faith and confidence in the ingenuity, persistence, and determination of the individual, has produced relatively free and prosperous economies compared to the closed and ossified economies of Eastern Europe. It is noteworthy, and ironic, that those Marxist economies that have made the most progress, Yugoslavia and more recently Hungary, have been the least orthodox and most innovative in their approach.

In short, there are lessons in these different models of development, and the Helsinki process has played an essential role in teaching them.

Still the most significant issues through the process, however, is the Soviet Union itself, its presence, and its policies lurking behind its surrogates. It has not been a benign presence, and its policies have not been benevolent. In fact, the Soviets have consistently violated both the letter and the spirit of the commitments made originally in Helsinki in all three of the Final Act's baskets.

Although I do not expect it, the Soviets could facilitate the negotiation of a meaningful document at Madrid by bringing their practices into line with their promises.

At Helsinki, the Soviets promised to "refrain from the threat or use of force against the territorial integrity or political independence of any state."

Since Helsinki, they have launched a full-scale invasion and occupation of Afghanistan, and used their military forces to threaten the peace and stability of central Europe itself.

At Helsinki, the Soviet Union promised to "promote the effective exercise of civil, political, economic, social, cultural and other rights and freedoms which derive from the inherent dignity of the human person" and they confirmed "the right of the individual to know and act upon his rights and duties in this field."

Since Helsinki, they have continued to arrest persons for crimes such as publishing ideas without prior government approval or practicing a religion, and they have imprisoned persons such as the courageous Helsinki monitors who sought to "know and act upon their rights."

Soviet fulfillment of its previous agreements is the first step in building security and cooperation in Europe and the rest of the world. Such fulfillment, however, would hardly be consistent with the Soviet Union's past record.

SOVIET PROPAGANDA AND SECURITY ISSUES AT MADRID

Since the beginning of the Helsinki process, the Soviets have tried to use its security dimension as a forum to spread propaganda for furthering security in Europe. Such ideas are intended to make the Soviet Union appear peace-loving and cooperative. But in reality, they are

empty gestures. These propagandistic efforts culminated recently in the proposal for a conference on military détente and disarmament in Europe to take place after the Madrid meeting. This idea was originally announced at a Warsaw Pact Foreign Ministers' meeting in December 1979 and was subsequently proposed by Poland at the Madrid review meeting in November 1980.

An examination of these proposals—by the same country which invaded and continues to occupy Afghanistan and which today stands poised on the borders of Poland—underlines their emptiness and hypocrisy. Foremost among the Soviet ideas is a nonaggression pact to consist of a treaty signed by all the Helsinki signatories on the non-first-use of either conventional or nuclear weapons in solving disputes. The use of Soviet troops and armaments in Afghanistan clearly undermines the sincerity of Soviet support for this pact.

Another proposal calls for freezing the membership of both NATO and the Warsaw Pact, a measure clearly intended to undermine expected Spanish entry into NATO while having no effect whatsoever on the Warsaw Pact which has no prospects of new members—at least voluntary ones—in sight. A third idea—intended to affect constituencies in Western Europe concerned over U.S. medium-range missiles placement—stipulates that no nuclear weapons of any kind should be placed on the territory of any country which does not at present possess such weapons.

At Madrid, the United States and its NATO allies have supported the French idea for a post-Madrid Conference on Disarmament in Europe (CDE). This proposed conference, to be closely linked to the Helsinki process, would consider new confidence-building measures (CBM's) which build upon those already in the Final Act, such as prior notification of major troop maneuvers and movements and invitations of military observers to witness those maneuvers. By concentrating on confidence-building measures which promote the growth of confidence and security at basic levels of military activity, the United States and its Western allies hope to make a real contribution to furthering transparency of military actions and, thereby, diminish distrust and tension of Europe.

The French Conference proposal has four basic principles. First and foremost, all confidence-building measures adopted during this proposed conference must be applicable to all of Europe, from the Atlantic Ocean to the Ural Mountains, thus including all of the European part of the Soviet Union. This would mark a significant improvement over what is now in the Helsinki Final Act, the prior notification of major military maneuvers over 25,000 troops, which is applicable only to the 250 kilometers of Soviet territory bordering other European participating states. The other three criteria in the French mandate are that these new measures must be militarily significant, verifiable and politically obligatory.

As part of the so-called peace initiative launched at the 26th Party Congress

in February, Chairman Brezhnev indicated that the Soviet Union would consider expanding the zone of applicability to the Urals if corresponding measures were taken by the West, particularly by the United States and Canada. In the intervening weeks, the Soviets have steadfastly refused to elaborate on just what they mean by these "commensurate" or "corresponding" measures by the West.

The United States and Canada have made it clear to the Soviets that they will not consider any part of the territory of North America to be subject to Final Act CBM provisions since these apply specifically only to military activities on the European continent.

Soviet reluctance to explain their concept of corresponding Western obligations calls into question the seriousness of Brezhnev's latest peace proposals. Unless the Soviets are willing to come forward with concrete explanations on this key issue, their latest "concession" will have to be dismissed as the same kind of propaganda that has made up the history of Soviet security proposals in the Helsinki process.

At the Madrid meeting itself, the Soviet delegation keeps referring to the "peace-loving action" of the Soviet Union undertaken at the 26th Party Congress. Yet, as so often with Soviet rhetoric, these initiatives have resulted in no action, only words. Action would entail the withdrawal of Soviet troops from Afghanistan. It would mean the withdrawal of thousands of Warsaw Pact troops now encircling and threatening Poland. It would mean, as stated explicitly in the Helsinki Final Act, the prior notification of both large- and small-scale maneuvers, such as the un-noticed and lengthy Warsaw Pact maneuvers just ending in Poland. These actions are not happening. The presence of thousands of Warsaw Pact troops around Poland, the holding of prolonged maneuvers inside that country and the continuing war in Afghanistan clearly shows that the latest Soviet peace initiatives, like their predecessors, are nothing more than empty propaganda gestures.

HUMAN RIGHTS AND BASKET III

The Soviet record of compliance with the humanitarian provisions of the Helsinki Final Act is dismal. The Soviet Government has continually and blatantly disregarded the pledge contained in principle VII of basket I—to "respect human rights and fundamental freedoms." Its adherence to the provisions of basket III—to facilitate family reunification, emigration and travel, to improve working conditions for journalists, and to ease restrictions on the flow of information—has been equally poor. The rate of emigration has declined significantly; jamming of Western radio broadcasts which had been discontinued since the initial negotiations on the Final Act have been renewed; Western correspondents have been subjected to all forms of intimidation; and the litany of political prisoners grows longer every day.

Despite the confirmation contained in the Final Act that organizations and individuals have a "relevant and positive

role to play in contributing" to the goals of the Helsinki Agreements, efforts by Soviet citizens to monitor their Government's compliance with the Final Act have met with brutal repression. At present, there are 51 imprisoned Helsinki monitors in the Soviet Union. Many of these brave men and women are well-known in the West: Uri Orlov, the founder and leader of the Moscow Group; Anatoly Shcharansky, the Jewish activist and founding member of the Moscow Group; Mykola Rudenko, the leader of the Ukrainian Group; and Viktoras Petkus, a founding member of the Helsinki Group in Lithuania. Others, while equally courageous, have escaped the spotlight of Western attention but not, unfortunately, the wrath of Soviet officials. Most recently, on April 2nd, 27-year-old Tatiana Osipova, a member of the Moscow Helsinki Monitoring Group, was sentenced to 5 years in a labor camp to be followed by another 5 years in internal exile. The only crime Ms. Osipova and her colleagues committed was to take seriously the guarantee contained in the Helsinki Agreement that persons have the "right to know and act upon their rights."

Another recent repressive action was the arrest of March 17 of Russian worker Anatoly Marchenko, a prominent human rights activist and the author of "My Testimony," the first expose of the post-Stalinist labor camps. Marchenko—who suffers from a chronic bleeding ulcer—has already spent 14 years in Soviet camps. Tragically, Marchenko is but the latest victim in the Soviet drive against supporters of workers' rights in the Soviet Union. Other such advocates recently imprisoned include Mikhail Kukobaka, Evgeny Buzinnikov, Viktor Nekipelov, Vadim Konovalikhin, Roman Kosterin, Gennady Bogoliubov and Vasily Razlutsky. On January 6 of this year, Ukrainian engineer Aleksei Nitkin was declared "insane" and is now incarcerated in the same psychiatric hospital as Ukrainian miner and free trade unionist Vladimir Klebanov.

At the now-recessed Madrid meeting of the Conference on Security and Cooperation in Europe, the U.S. delegation—joined by nearly all other Western nations—strongly condemned the Soviet Union for these and other human rights abuses. The American delegation repeatedly stressed the importance of human rights to the development and maintenance of genuine cooperation and security in Europe. The Soviet delegation was put on notice that the United States expected—and, indeed would insist upon—progress in the human rights and humanitarian field, in addition to the military security and economic areas.

Mr. President, I think we all understand that this kind of progress is not going to happen simply because we would like it to occur. Indeed, more often than not our efforts in this direction appear to run up against a brick wall. There are, however, small victories that make the effort worthwhile, and there may well be larger successes we will never know about in terms of preventing even worse actions from taking place. Even without victories, however, the effort is

worth the time and cost. It is worth it because once again we are showing the difference between a free society and a repressed one and we are making that difference clear to the entire world. Like tossing a pebble into a pool of water, we are making ripples that will touch millions of people all over the world. In doing so we set an example that may produce change and may save lives, and that is worth any cost and any effort. ●

PISTOLS AND POLITICS

Mr. KENNEDY. Mr. President, last week the Washington Star carried an important series of articles by Mary Thornton and Phil Galley on the handgun control issue and the activities of the gun lobby.

The series, entitled, "Pistols and Politics," is an excellent analysis of the issue now before the Congress, and I ask that it be printed in the RECORD.

The articles follow:

[From the Washington Star, Apr. 27, 1981]

PISTOL CONTROL ENEMIES DRAW BEAD ON CONGRESS

(By Phil Galley and Mary Thornton)

Every 50 minutes an American is killed by a pistol. On Feb. 5, 12-year-old Kevin Anderson of Chicago took his place in this statistical category.

He was killed while walking home from school, when he happened into the line of fire during a street shooting over a \$30 gambling debt.

In Washington, 9-year-old Derrick Johnson's time came on April 11. Frederick Wilder, age 4, found his father's loaded pistol under a pillow. He shot Johnson in the head while their parents ate a fish dinner in another room.

You will rarely hear these names—or the names of most of the other 10,000 Americans killed by pistols each year—mentioned in debate over pistol controls.

It was not Kevin Anderson's death but the assassination attempt against President Reagan that moved Rep. Henry J. Hyde, a Republican from Chicago, to soften his longstanding opposition to any form of legislation to control pistols.

And Derrick Johnson's death did not light up the switchboards of the various groups promoting pistol controls, or bring in a flood of financial contributions from sickened Americans, the way John Lennon's murder did.

From 1963, when President John F. Kennedy was assassinated with a rifle, through 1980 more than 388,000 Americans of all ages were killed by gunfire, including 170,000 murders, an equal number of suicides and 48,000 accidental shootings.

They were, for the most part, the nobodies. It took the assassinations of Robert F. Kennedy and Dr. Martin Luther King Jr. to persuade Congress to pass the 1968 Gun Control Act, a measure that critics say is riddled with loopholes that mock the word "control" in its name.

That small step did nothing to slow the proliferation of pistols in this country: An estimated 55 million are in circulation, and the number increases at the rate of 2.5 million each year.

What the act did do was to galvanize and mobilize the so-called gun lobby—the organized support for unlicensed and unlimited distribution of pistols. The pistol lobby has helped snuff out every control proposal to come before Congress since 1968.

Led by the high-powered, 1.8 million member National Rifle Association, the pistol lobby spends millions of dollars to oppose

congressmen and senators who fall its purity test, to provide legal assistance to persons charged with gun law violations and to hold the line against what it considers the slightest infringement on the rights of gun owners.

When it comes to watching Congress, the pistol lobby's eye is on the sparrow.

In 1975, for example, it successfully opposed a proposed federal regulation that would have required a simple safety warning on certain ammunition boxes. More recently, the NRA helped stamp out an anti-terrorism measure in Congress that would have required the manufacturers of explosives to put color-coded chips called taggants into their products to make it easier for authorities to trace the source of bombs. The NRA charged that taggants had not been proved safe.

The pistol lobby has now drawn a bead on the 1968 Gun Control Act itself, and on the law's chief enforcer—the Treasury Department's Bureau of Alcohol, Tobacco and Firearms. An NRA-backed bill sponsored by Sen. James McClure, R-Idaho, and Rep. Harold Volkmer, D-Mo., would weaken the act and clamp new restrictions on the enforcement powers of BATF, which the NRA accuses of harassing "law-abiding" citizens.

The attempt on Reagan's life on March 30 has done nothing to soften the president's longstanding opposition to pistol control laws. Reagan remains a member in good standing of the NRA and subscribes to its position that such laws would be ignored by criminals.

On Capitol Hill, the attack on Reagan has touched off a new round of debate on the issue of pistol controls. Despite an intensive effort by the pistol lobby to keep the incident from spooking its congressional allies, the shock of John W. Hinckley's alleged attempt to commit the ultimate "Saturday Night Special" crime may have caused some hair-line cracks in the ranks of pistol control opponents.

Senate Judiciary Committee Chairman Strom Thurmond, for example, now says he will consider legislation to close a major loophole in the 1968 law—a ban on the importation of parts that are used to assemble cheap pistols in this country. Hinckley's .22-caliber revolver, which he purchased for \$47 at Rocky's Pawn Shop in Dallas, was assembled in a Miami gun factory from parts made in West Germany.

Another sign comes from Sen. James Abdnor, R-S.D., who defeated liberal Democrat George McGovern with the strong backing of the NRA. Abdnor said he still believes pistol control laws would be "a waste of time," but the ease with which Hinckley bought his pistol and explosive "Devastator" bullets has left him wondering if maybe there should be a waiting period for purchasing a pistol.

Also, Abdnor, who co-sponsored the McClure-Volkmer bill last year, appears to be wavering on how far Congress should go in tampering with the gun laws already on the book.

The Senator, who has not yet decided whether to co-sponsor the same bill this year, said in a recent interview that the McClure-Volkmer proposal might "go too far the other way, now that we're looking at it sensibly. . . . I'm mixed up on how far we should go, but law enforcement is big with me right now."

Abdnor wants tough mandatory sentencing for all crimes involving the use of firearms—a sentiment embraced by Sen. Edward M. Kennedy, D-Mass., and Rep. Peter Rodino, D-N.J., in the pistol control bill they introduced April 9.

"They ought to be put in the slammer so far back they have to feed them with a slingshot," said Abdnor of criminals who, according to the NRA, have given pistols a bad name.

Congress, which thought it worthwhile to require a health warning on a pack of cigarettes, in the past has been unwilling even to require a "Keep Away from Children" warning on a box of "Devastator" cartridges. One "Devastator" bullet similar to those fired at President Reagan exploded under an FBI microscope.

Asked why Americans need explosive bullets for their pistols, James J. Featherstone, director of legal affairs for the NRA's Institute of Legislative Action, replied: "Self defense."

He added, "There is no such thing as a good bullet or a bad bullet. A gun has no soul. It is not morally good or bad."

Perhaps the same argument can be made for the variety of weapons and deadly gadgets that are advertised in the many gun magazines on the market. Their ad pages offer a \$300 combat knife called "The Force," a \$29 kit that allows you to convert your semi-automatic Uzi machine pistol into full automatic, brass knuckles sold as paperweights, blow guns that provide "silent, powerful, accurate hits like a rifle bullet," pistol silencers, Nazi bayonets, and books on "manhunting."

There are even walking cane guns described as a "popular companion of the gentlemen and ladies of the 1890s." The ad says, "Happily, federal law exempts this blackpowder firearm from the 1968 Gun Control Act (but be sure and check with local ordinances before carrying it loaded)."

They are all part of the American arsenal and according to the NRA, the Second Amendment to the U.S. Constitution protects the rights of citizens to own them. And the people who order the blow guns, machine pistols and cane guns are part of the grass-roots constituency that can be rallied like the original "Minutemen" when the NRA raises the danger flag.

It would be a mistake, however, to assume the pistol lobby is dominated by crackpots, superpatriots and extremists. Rather, it is a loose union of hunters, indoor and outdoor shooting sportsmen, firearms and ammunition makers, conservationists and sporting goods businessmen.

According to the National Shooting Sports Foundation Inc., an association of arms makers dealing primarily in matters of trade and technical manufacturing questions, in 1978 more than 16 million hunters contributed more than \$281 million in state hunting license fees and excise taxes on sporting arms and ammunition to state game and fish budgets.

It says that dollars from hunting and fishing licenses together provide 62 percent of the annual income of these state agencies. Excise taxes on firearms and ammunition are used exclusively for wildlife restoration. And the money from duck stamps is used by the U.S. Fish and Wildlife Service for acquisition of wetlands for wildlife.

This is one reason the NRA can count on the support of some wildlife and conservation groups, as well as state game and fish agencies, in opposing pistol controls, though it is not clear how requiring the registration of pistols, or a waiting period before purchase, would cost the conservationists anything.

Although the real battle is over pistols, not sporting firearms, the NRA has managed to portray the issue as an assault on the rights of all gun owners, arguing that the restrictions on "handguns" would be only the first domino to fall.

"They (NRA) cast every issue on an impossible basis," said Richard Davis, a former assistant Treasury secretary for enforcement who was vilified by the gun lobby in 1978 for proposing a regulation to make it easier to trace firearms used in crimes. "They want to debate every proposal as a gun confiscation issue, or whether it will stop crime."

The NRA contends that pistol controls would only deprive citizens of a means of self defense while doing nothing to keep guns out of criminal hands. With so many pistols already in circulation, the pistol lobby contends, criminals would have little trouble stealing and illegally buying weapons for years to come.

Whatever effect pistol controls would have on crime, they could save lives, groups promoting controls argue. They cite these FBI statistics: 77 percent of the people murdered were not the victims of coincidental felonious assaults; 52 percent were killed by a family member or acquaintance in so-called crimes of passion.

Public opinion polls for years have found that a majority of Americans favor stronger laws governing the sale of pistols. Yet, the debate and the statistics rolls on: a pistol sold on the average of every 13 seconds, 29 pistol deaths on an average day. Every year police seize 250,000 firearms, most of them pistols, from the people they arrest. For every pistol picked up by authorities, four are manufactured in this country.

In a Chicago bar a few weeks ago three persons settled a dispute that had begun with a snowball fight earlier in the day. All three whipped out pistols, and when the exchange of gunfire ended, bartender James Kimbrough, 50, lay dead. He had been pouring one of the gunmen a drink.

[From the Washington Star, Apr. 28, 1981]

PRO-PISTOL CANDIDATES BAG BIG CONTRIBUTION

(By Mary Thornton and Phil Galley)

Early in his presidential campaign, Sen. Edward M. Kennedy scheduled a meeting with a group of autoworkers in a small union hall in Iowa.

He planned to talk about unemployment and inflation—his main two campaign issues—and expected a receptive audience.

But instead, the workers immediately attacked him on his proposals to ban the Saturday night special. As it turned out, they had just received letters from the National Rifle Association that led them to believe Kennedy wanted to confiscate their hunting rifles.

"It almost appeared that they were willing to risk losing their jobs as long as they could hold on to their guns," Kennedy said.

The issue was one that haunted him throughout the campaign, but especially in the early primaries in Iowa, New Hampshire and Maine as the NRA continued mailing letters, took out full-page ads in local newspapers and distributed bumper stickers and leaflets reading, "If Kennedy Wins, You Lose."

For Charles Grassley, the Republican who took a U.S. Senate seat away from John Culver, the Iowa experience with the NRA was quite different.

Grassley, a staunch conservative who is opposed to any form of pistol regulation, found himself the recipient of tens of thousands of dollars in assistance from the pistol lobby.

Records on the file at the Federal Election Commission show that the NRA spent \$56,950 on the Grassley campaign in direct contributions and independent expenditures on his behalf. That doesn't count individual contributions by NRA members or the cost of letters the organization sent to members urging them to vote for Grassley.

It also does not include the \$7,756 from the Gun Owners of America or the \$1,500 contribution from the pistol manufacturers.

Grassley says he doesn't know for sure whether it was the pistol lobby that made the difference for him in the election, but he says it had a major impact.

"I could tell when those letters hit as I was campaigning on Main Street, Iowa, in those very small towns," he said. "Because, within a day or two, I began running into

people on the street who would say, 'Oh, you're the one we got a letter about from the NRA.'"

He adds that at about the same time he began to spot NRA-supplied bumper stickers saying, "Sportsmen For Grassley."

Among the special interest groups that abound in Washington—from the anti-abortion forces to the tobacco industry—few cause more anxiety on Capitol Hill than the pistol lobby, a loose coalition of sporting groups, wildlife organizations, and manufacturers of guns and ammunition, led by the NRA.

Most of the groups, in fact, are more interested in rifles and other sporting weapons than in pistols, but the two issues have been inseparable. The argument put forth by the lobby is that any effort to regulate pistols will eventually lead to the confiscation of all firearms.

The pistol lobby has been stunningly successful over the past 13 years at fighting off any attempt to strengthen the Gun Control Act of 1968, which was enacted after the assassinations of Robert F. Kennedy and Martin Luther King Jr.

The efforts of the lobby have not been hurt by the fact that a number of members of Congress have been heavily involved in the gun owners' groups.

Both Rep. John Dingell, D-Mich., and Rep. John Ashbrook, R-Ohio, are on the board of directors of the NRA. And the Gun Owners of America lists six senators and 29 representatives as members of its "Congressional Board of Advisers."

The spearhead of the pistol lobby is the NRA. Operating on a \$30 million annual budget out of an eight-story marble and granite office building near the heart of downtown Washington, the organization—using computers and sophisticated direct mail techniques—has been able to immediately mobilize its 1.8 million members on virtually any gun-related issue.

The NRA is supported by the dues and contributions of members and gun clubs as well as the firearms and ammunition manufacturers who advertise extensively in the NRA magazines.

James Featherstone, general counsel for the NRA and director of legal affairs for the NRA's Institute for Legislative Action, estimates that his organization spent more than \$800,000 in last November's presidential and congressional campaigns, in addition to the \$1 million in printing and mailing costs for letters to members urging them to support NRA-backed candidates in key races.

There is no way of knowing for sure how much was spent on the campaign by the pistol lobby. In addition to the NRA, there are other pro-pistol groups like the Gun Owners of America, the Citizens Committee for the Right to Keep and Bear Arms and the Second Amendment Foundation as well as the hunting, sport-shooting and conservation groups that are involved in the pistol control issue.

Then too, there are the pistol and ammunition manufacturers. But their political contributions are difficult to track because virtually all these companies are owned by large conglomerates. For example, records at the Federal Election Commission indicate that Colt Industries' political action committee spent \$94,175 in the last election and Olin Corp.'s PAC contributed \$34,526, largely to candidates opposed to pistol controls.

A study by the National Catholic Reporter of campaign contributions by the pistol lobby's most active organizations—the NRA, the Citizens Committee, Gun Owners of America and Colt Industries—found that those groups successfully backed 29 senators and 288 representatives in the 1980 elections.

By contrast, Handgun Control Inc. spent only \$6,300 for campaign contributions last year. And the other major lobbying group

for pistol control, the National Coalition to Ban Handguns, made no contributions.

Ronald Reagan was the beneficiary of \$46,290 in independent expenditures from the NRA and \$114,213 from the Gun Owners of America.

On the other hand, Federal Election Commission records indicate that the NRA spent more than \$205,000 on negative advertising in trying to defeat Kennedy's presidential bid.

Sen. James Abdnor of South Dakota, who defeated liberal Democrat George McGovern, was aided by \$24,111 in contributions and independent expenditures by the NRA and an additional \$5,678 from the Gun Owners of America.

Other new conservative senators who were supported by the pistol lobby include Steven Symms, R-Idaho (\$8,000 from the Gun Owners of America and \$5,000 from the NRA); Alfonse D'Amato, R-N.Y. (\$16,259 from the NRA and \$6,000 from the Gun Owners of America); and Paula Hawkins, R-Fla. (\$2,000 from the NRA and \$6,000 from the Gun Owners of America).

Featherstone notes that the legislative institute, the NRA's lobbying arm that came into existence about five years ago, has an annual lobbying budget of \$4 million.

John Snyder, chief lobbyist for the 300,000-member Citizens Committee for the Right to Keep and Bear Arms, says that his organization spends Washington and grass-roots lobbying efforts.

Featherstone suggests that if these efforts had been going on in 1968, there would not be any pistol control laws on the books now.

There are plenty of examples to indicate that he's probably right.

Jimmy Carter said in his 1976 campaign that he favored strong controls on pistols. He backed down when his advisers said there was no way he could get such a bill through Congress.

Also, the pistol lobby won a major victory when Robert Strauss, President Carter's special trade envoy, approved lowering the U.S. tariff on imported gun parts from 21 percent to 8.2 percent.

That drew a protest from Nelson T. Shields, head of Handgun Control Inc. who insisted the lower tariff would make it even more profitable for U.S. manufacturers to produce the cheap, concealable pistols used frequently in crime.

But Shields recalls that the only response from Strauss' attorney, Richard Rivers, was: "Health and safety matters are not our concern. We're concerned with trade."

As it turned out, the pistol used in the recent shooting of President Reagan was made of cheap imported parts.

In 1975 Kennedy attempted to push through an amendment that would have authorized the Consumer Product Safety Commission to require the ammunition industry to put the following warning on boxes of bullets: "Keep Out Of The Hands Of Children" and "Do Not Store In A Warm Place." The issue was opposed by the pistol lobby and defeated 11-75 in a Senate dominated by Democrats.

As a rule, legislation to place tighter restrictions on pistols has rarely made it out of committee. One prime example was a 1976 bill that would have prohibited manufacture of a large percentage of the Saturday night specials. The House Judiciary Committee approved the bill on a Friday.

But the NRA roared into action with phone calls, letters and advertising, and by the end of the following week, the committee voted to recommit the bill and then killed it, with four members changing their votes.

This year the pistol lobby is backing a bill sponsored by Sen. James McClure, R-Idaho, and Rep. Harold Volkmer, D-Mo., which would weaken the 1968 Gun Control Act and place new restrictions on the en-

forcement powers of the Bureau of Alcohol, Tobacco and Firearms.

Volkmer was the largest beneficiary of the pistol lobby's money in the House of Representatives. FEC records indicate the NRA gave him \$5,650 in contributions and then made independent expenditures of \$26,536 to boost his campaign in Missouri.

But Volkmer insists that the Volkmer-McClure bill is not related to that campaign support.

"The NRA had nothing to do with it," he said. "They do help me. I won't deny that. But the NRA didn't write that bill, we wrote that bill. Now, after we'd written it, they came in, looked it over, had suggestions, we discussed it. . . . We made some changes."

Volkmer added that he was opposed to pistol control long before he came to Congress.

Volkmer said he does not expect his bill to get anywhere this year because of the huge amount of economic legislation that Congress will have to deal with. But the pistol lobby is already gearing up to support his effort.

Meanwhile, Kennedy and Rep. Peter Rodino, D-N.J., filed a bill this month that would ban the Saturday night special and generally tighten pistol laws, including a provision for a 21-day waiting period and a background check for anyone attempting to purchase a pistol.

The pistol lobby is attacking the bill on the grounds that waiting periods and bans on Saturday night specials wouldn't deter criminals, who would just pay a little more for their guns from underground sources.

"Gun control laws have not even the remotest relationship to crime," Featherstone says. "They're totally irrelevant."

[From the Washington Star, Apr. 29, 1981]

BELEAGUERED BUREAU AT TREASURY BECOMES THE TARGET OF THE PRO-PISTOL LOBBY
(By Phil Galley and Mary Thornton)

Children visiting the Bureau of Alcohol, Tobacco and Firearms gun museum in Washington are given a card making them honorary junior agents and urging them to obey all laws.

This souvenir strikes most people as innocent enough. But not the Gun Owners of America, which alerted its membership to the hidden dangers of such child's play.

"There's no doubt in my mind," wrote GOA Executive Director Larry Pratt in a fundraising letter to members, "that BATF is encouraging them (the children) to spy on their parents and neighbors."

The letter went on: "Tomorrow while you're at work these kids could be sneaking around your property. You can expect them to be peeping in the windows of your house or car to find out more about your hunting rifle or gun collection. Then, for the impressionable youngster, the most important part of all—sending a SECRET report to the government."

It is not known how much money this perceived threat to the rights of gun owners brought in for the GOA's national advertising campaign against the BATF, but the episode is indicative of how various pistol groups regard the federal agency responsible for enforcing the nation's firearms laws.

Back when BATF's "revenooers" were chasing the makers and runners of illegal spirits they rarely stirred the wrath of their congressional watchdogs. There was no moonshine lobby.

But with moonshining down to a trickle, the agency increasingly has been turning its enforcement attention to violations of the nation's firearms laws. As a result, it has found itself in the pillory before Congress and on the hit list of groups such as the

National Rifle Association for allegedly running roughshod over the civil liberties of gun owners and traders.

The threat comes from both ends of Pennsylvania Avenue. In Congress, Sen. James McClure, R-Idaho, and Rep. Harold Volkmer, D-Mo., have introduced legislation to curb what they see as "abuses" of BATF's enforcement powers. And inside the White House, President Reagan's budget slashers are considering sharp cuts in the agency's funding and manpower.

Budget Director David Stockman's office has proposed trimming the bureau's manpower from 3,600 employees to 3,200—a chop that some officials say would cripple the agency's firearms unit. The White House proposal also would transfer some of BATF enforcement functions to other agencies.

Treasury Secretary Donald Regan told Congress after the assassination attempt on the president that the administration is reviewing its plans for BATF. The agency still is awaiting the final word on its fate.

Whatever the White House decides to do about the bureau, its critics on Capitol Hill and in the pistol lobby are not likely to rest until the agency has been shackled.

What BATF's detractors have in mind is embodied in the McClure-Volkmer bill—a controversial measure that would, among other things, exempt gun collectors from the requirement of obtaining a federal license in order to sell from their collections, restrict BATF inspections of gun dealers' records, require proof that a violation was "willful" and limit the bureau's power to confiscate guns.

The hearing rooms of the House and Senate have provided the stage for the pistol lobby's ongoing campaign to paint BATF as a bureaucracy trampling the rights of citizens who collect, trade and sell firearms.

Dozens of alleged victims of BATF abuses have been invited to tell their stories to congressional hearings in recent years, and no case has become as celebrated as that of Paul and Billie Hayes, a New Mexico couple who ran a gun shop for 20 years before BATF charged them with illegally selling guns in 1978.

Sen. Dennis DeConcini, D-Ariz., a member of the Senate Appropriations subcommittee that investigated alleged BATF abuses in 1979, at the time suggested that "BATF is an agency that needs to be saved from itself."

He said the testimony before his panel "indicates that BATF has moved against honest citizens and criminals with equal vigor simply because (it) has taken the view that individuals who are interested in firearms are either criminal or close to it."

Then the subcommittee heard from the Hayes couple, whose case was presented as an example of how BATF harasses law-abiding citizens in the business of selling firearms.

They were charged with illegally selling weapons to a non-resident of their state. Their stock of firearms was confiscated, and Hayes claims he suffered a heart attack as a result of the trauma.

A jury took seven minutes to acquit the Hayes of all charges against them, which the senators took as an indictment of BATF.

"When you have people not investigating something serious, you're bound to have these kinds of violations (of civil rights)," said James J. Featherstone, general counsel to the NRA and a former assistant Treasury secretary for enforcement.

BATF gave a different account of its role in the Hayes case.

Bureau officials testified that their agents were contacted in early 1978 by the Valencia County sheriff after the arrest of Jose Sosa, an illegal alien, for cattle rustling. The man told authorities in a deposition that when he first tried to buy the .22-caliber revolver, Hayes told him he could not sell a firearm

to an illegal alien and suggested that his employer, Max Perea, could purchase the gun for him.

"Perea then signed the paper and he, Sosa, paid Hayes the money and Hayes gave him the gun," BATF said in a statement to the subcommittee. This is called a "straw man" purchase.

BATF also said it had received reports from local law enforcement officers alleging that the Hayes store was a "fence" for stolen firearms. The bureau cited a secretly taped conversation between one of its undercover agents and Mrs. Hayes as corroboration. "She told (the agent) that they sometimes bought 'stolen' guns that were not recorded in their books," the BATF statement said. "She said they sold the 'stolen' guns to their friends and didn't have to log them in the record."

On six different occasions, BATF said, its undercover agents made illegal "straw man" purchases of firearms from Hayes before raiding the store.

"The NRA tried to put them across as Ma and Pa Kettel, but they sound to me more like Ma and Pa Barker," said Sam Fields, executive director of the National Coalition to Ban Handguns, which vigorously challenged the NRA's account of the Hayes case.

The Hayes case is only one of the dozens of gun cases receiving financial and legal support from the NRA's newly established Firearms Civil Rights Legal Defense Fund.

Earlier this year the National Law Journal reported that as the NRA shifts its attention to the courtroom it has raised "some serious questions about what sort of people really violate firearm regulations."

The report added, "Indeed, the taped statements and prosecution testimony in various NRA cases include offers to sell guns to Mexican bandits, New York street gangs and the white Rhodesian army; there are boasts of owning illegal weapons and descriptions of funneling guns to illegal Mexican aliens."

David Hardy, an NRA consultant and lawyer who offers legal assistance to persons charged with firearms violations, said an effort is made to aid cases that raise important questions and highlight what he calls the BATF practice of picking on honest citizens for technical violations instead of concentrating on criminals.

Last year, for example, Hardy said only 10 percent of the cases brought by BATF involved convicted felons—a number disputed by G. R. Dickerson, head of BATF. Dickerson, himself a member of the NRA, said the record shows that 54 percent of the cases his agency recommended for prosecution in 1980 involved felons with prior records.

Dickerson said the bureau in recent years has been concentrating its enforcement powers on such groups as motorcycle gangs, "hate groups" and organized crime. He also has placed strict curbs on the use of the "straw man" technique in investigations.

As a result, BATF conducted only 103 investigations of firearms licensees in 1980, compared with 340 the year before. It issued licenses to nearly 180,000 firearms dealers, revoked only 10 licenses, and investigated less than 3 percent of the more than 36,000 new applicants last year.

These statistics, say BATF officials, hardly read like harassment.

Both former and present BATF officials concede that there have been some abuses in the agency's enforcement activities, but they insist that a series of corrective actions in recent years have made the bureau as responsible as any other federal law enforcement agency.

"You have to remember," said Richard Davis, a former assistant Treasury secretary for enforcement, "that BATF is the only law enforcement agency with a powerful lobby

group investigating it. What is not pointed out in these criticisms is that BATF does not prosecute, it only investigates. It was local law enforcement people who asked BATF to investigate Hayes, it was a local grand jury that indicted and it was the local U.S. attorney who prosecuted.

Davis, now an attorney in Washington and New York, said in a recent interview that many of the bureau's past mistakes stemmed in part from gray areas in the 1968 Gun Control Act. "And these ambiguities in the law were built in by the Congress in compromising with groups like the NRA," he said. "They decided to leave it vague and let it work itself out."

Davis contended that every time Treasury proposed regulations to clarify parts of the law, "the NRA opposed it as an usurpation of legislative authority."

The former Treasury official, who took office in the early 1977, learned what a magnum-force lobby he was up against when he proposed modifying existing reporting requirements on sales of firearms to make it easier for the government to trace weapons used in crimes.

He was called a "liar" by Rep. John Ashbrook, R-Ohio, in a congressional hearing, a "troll" by newspaper columnist Patrick Buchanan and attacked as both a Nazi and a Communist by members of the various anti-gun control groups.

There were even unkind things said about him in many of the 350,000 letters that inundated his office between March and June to protest the proposal. Some called him anti-Semitic and reminded him that "the holocaust started with gun control" in Germany. Some of the mail contained used scraps of toilet paper.

"It is a tactic of the NRA—and you see it in how they deal with Congress as well as how they deal with me—not to engage in a civil dialogue, but to make it an unpleasant matter," Davis said. "They try to make your life miserable."

When the gun lobby had finished with him, Davis was summoned to Capitol Hill to be taught a lesson. Congress asked him how much it would cost to implement his proposal, he replied about \$4.2 million and lawmakers then voted to cut the BATF budget by that amount.

Davis said it was a classic case of NRA distortion. Under the Davis-BATF proposal, gun retailers—not the BATF—would keep the records containing the names and addresses of individual buyers, and thus the names of individual pistol owners would not be in government files. But by having the names of the retailers in its computers, BATF would be able to more easily trace firearms used in crimes.

The proposed changes, Davis told a House subcommittee, would "involve only what Congress has authorized and what the public has a right to expect—that we seek ways to enforce our current laws more effectively."

NRA computers spun out thousands of mailgrams to association members warning that the proposed regulations would "establish a computerized national registration system," and would "set the groundwork for the stated goal of President Carter and the Justice Department: registration of all private firearms."

Neal Knox, the NRA's chief lobbyist, told reporters at the time that the issue provided the NRA an opportunity to fire a warning shot over the head of the Carter administration.

"It never hurts to further Mr. Carter's education," Knox said then. "We intend to make sure that Mr. Rich Davis is well aware of the NRA."

It was the last time the Carter administration raised the issue of gun control with the Congress.

[From the Washington Star, Apr. 30, 1981]
U.S. PISTOL LAWS AMONG LOOSEST IN THE WORLD

(By Mary Thornton and Phil Galley)

While pistols killed nearly 10,728 Americans in 1979, there were only 52 pistol deaths in Canada that year, 58 in Israel, 42 in West Germany, 48 in Japan, 34 in Switzerland, 21 in Sweden and eight in Britain, according to figures compiled by Handgun Control Inc.

In New York City alone, FBI statistics show there were 1,814 murders last year, 56 percent of them committed by pistols. Ten policemen were killed on duty.

In London, another large port city with similar racial and economic tensions, there were 179 homicides, the vast majority of them committed by knives and bludgeons. In the past three years, only one British policeman has been killed on duty.

The large U.S. pistol lobby—which argues that the Constitution guarantees Americans the right to carry any firearm they choose—contends that the abnormally high U.S. homicide rate is due to cultural differences with other countries, not differences in pistol laws.

But they cannot deny that the United States has the most lax pistol control laws of any major industrialized country in the world.

There are between 55 million and 60 million pistols in circulation in the United States, with 2.5 million being added to that number every year. Including rifles and shotguns, there are believed to be as many as 200 million firearms in the country.

In Britain, on the other hand, almost no licenses are granted for private ownership of pistols or rifles. Except in unusual circumstances, even the police do not carry firearms. And although the British, like Americans, have had major crime problems, few of those crimes involve pistols.

Members of the pistol lobby, led by the 1.8 million-member National Rifle Association, argue that the tough pistol control laws that have been enacted in certain parts of the United States—notably Massachusetts, New York City and the District of Columbia—have been a failure.

Indeed, studies of the effectiveness of those laws have come up with mixed findings. But proponents of pistol control argue that it is almost impossible for any local controls to be effective as long as residents can easily go to a nearby jurisdiction, buy their pistols illegally and bring them home.

The federal Gun Control Act of 1968, enacted by Congress following the assassinations of Robert F. Kennedy and Martin Luther King Jr., is so weak and full of loopholes and ambiguities that it is considered a joke by most law enforcement agencies.

Although Americans are bound by a hodgepodge of 25,000 local firearms regulations, the federal law allows anyone over 21 without a record of crime, drug addiction or mental illness to own anything from a Saturday night special to a fully working machine gun—except that the machine gun would have to be registered and taxed.

Under federal law, almost anyone without a record for criminal activity, drug addiction or mental illness can become a federally licensed firearms dealer—as long as he can pay the required \$10 fee.

Federal law enforcement sources say it is so easy to become a legal firearms dealer that motorcycle gangs have been appointing "armorers," members without criminal records who become "dealers" and procure weapons for the gangs at wholesale prices.

Observers in other countries marvel not only at the ease with which Americans can obtain pistols, but also at the widespread desire to own weapons.

Japan, for instance, has one of the toughest pistol control systems in the world. Private ownership is virtually outlawed except for occasional cases of antique gun collectors and a small group of target shooters who participate in major competitions. The Japanese authorities even control ownership of any sword longer than 15 centimeters.

In Canada, the country most often compared with the United States, strict pistol control laws have been in effect for 50 years. Ownership of pistols is largely restricted to members of the armed forces and police. In rare cases, ownership is allowed for protection of life and for shooting clubs, collectors and other limited circumstances.

In 1978, Canada—a country where sport hunting is at least as popular as it is in the United States—enacted a law requiring registration of all rifles and shotguns. Persons who want to own such a weapon must go through a waiting period, averaging five to six weeks, while police check out their backgrounds for any criminal behavior or mental illness. There are also mandatory additional sentences for crimes involving firearms.

Toronto Police Chief John Ackroyd, a strong proponent of firearms control, says he doesn't believe limitations on pistol ownership are the "be-all and end-all . . . But it's one small cog in the wheel of trying to reduce crime in the community."

He adds that strong firearms laws probably won't have much effect unless there are heavy penalties for violation and for crimes involving firearms.

Ackroyd said he fears that Canada, which tends to follow the U.S. lead in many areas, will have a tendency to weaken its laws.

"You've been enacting legislation down there for the last 15 years that helps the criminal. We tend to follow. We tend to copy your laws," he said.

One issue that both sides of the pistol issue seem to agree on is that it is time to provide heavy mandatory additional penalties for any crime committed with a pistol.

A pistol control bill recently introduced in Congress by Sen. Edward M. Kennedy, D-Mass., and Rep. Peter Rodino, D-N.J., would provide an extra two years for the first offense and five years for the second.

William Nickerson, who until recently served in the Treasury Department as deputy assistant secretary for enforcement, with oversight over the federal firearms laws, says he would like to see a mandatory 10-year additional sentence for anyone committing a felony with a firearm.

"When you're talking about someone who plans to rob a bank, or even a gas station, they're not planning on getting caught in the first place, and I don't think the threat of an extra year or so is going to mean anything," he said.

Nickerson also warns that to be effective, any mandatory sentencing involving firearms used in crime would have to be nationwide, rather than state by state.

And James Featherstone, general counsel for the NRA, agrees that long, mandatory sentences would be a deterrent to crime with a firearm.

The first state to enact a mandatory prison sentence—of at least one year—for any person convicted of carrying an unlicensed pistol was Massachusetts in 1975.

Reviews on how the laws working are mixed.

Judges have seemed reluctant to imprison otherwise innocent people for breaking the pistol law.

But on the other hand, a study of Boston crime rates by the Northeastern University Center for Applied Social Research has found that the number of murders committed with pistols dropped dramatically after the law was enacted.

The study, conducted by Glenn L. Pierce and William Bowers, found that in the first two years following the new Massachusetts

law, homicides committed with pistols dropped 55 percent in Boston and 23 percent in other similar sized cities.

At the same time, assaults with other weapons—knives, blunt instruments and others—increased, but the report made the point that those weapons generally are much less deadly.

Pierce concluded from the study that the decrease in homicides probably occurred not among long-term criminals but among people who get involved in a crime on the spur of the moment and normally law-abiding citizens who get involved in violent arguments that end in homicide.

He said he believes that there may be as much violence as ever in this portion of the population, but that the other weapons available are not as lethal.

"People may have been doing the same things they always did," he said, "but when they got in trouble, they didn't have a gun."

The toughest pistol control law in the country is the one enacted by the District of Columbia in 1977, which bans any new pistols in the city and requires residents who owned pistols before the law went into effect to register them every year.

A three-year study of the law by the U.S. Conference of Mayors found that pistol homicides in D.C. dropped 26.2 percent during the study while pistol murders nationwide dropped by 6.5 percent during the same period.

Crime experts say that homicide rates tend to be cyclical and vary according to a number of factors, many of them unknown.

Critics of the D.C. law charge that anyone who really wants a pistol can get one simply by driving to Virginia and buying it illegally.

It is possible in Virginia to obtain a local driver's license in a single day—without any proof of residence—and then to buy firearms in certain counties on the same day. Dealers aren't required to conduct any background check or even to verify that the identification or the address is correct.

The eight-month-old New York City law provides a mandatory minimum one-year prison term for most defendants who have prior felony convictions and are convicted of carrying unlicensed, loaded pistols.

But Mayor Edward Koch said recently that the law is not working because of a huge backlog that has already built up in the courts. And he has charged that judges are not going as far as they should in enforcing the new law.

Opponents of such laws insist that it is criminals, not pistols, who are the problem.

Lafe Pfeifer, a member of the NRA board of directors, points to Switzerland, a country where every male between the age of 18 and 60 is automatically a member of the militia and keeps weapons in his home. The crime rate there is very low.

"Your problem in Washington isn't so much the guns as it is the fact that they let the criminals out on the street, no matter what they've done," he said.

Sen. Charles Grassley, R-Iowa, said "You're assuming that if you have gun control, you're going to have less killing. I don't think that's been proved . . . Besides, only 55 percent of the people get killed with guns. What are you going to do about the other 45 percent? Outlaw sticks?"

Rep. Harold Volkmer, D-Mo., coauthor with Sen. James A. McClure, R-Idaho, of an NRA-backed bill that critics say would weaken the current law and destroy federal enforcement powers, asks what the pistol control advocates would do about the pistols already in circulation. The problem, he says, is not the pistols.

"Nothing could be further from the truth. . . . The problem is that a lot of people love violence in this country. If you don't believe me, watch your television . . . You've got money makers in New York and Hollywood

that love violence, who make money by violence. Until we stop glorifying violence, I don't think you stop violence.

"And remember this country has during its lifetime been a country of confrontation . . . violent confrontation. You don't change that overnight."

PISTOL LOBBY FACTIONS FEUD WITHIN NRA

(By Mary Thornton and Phil Galley)

Four years ago at the national convention in Cincinnati, a well-organized band of hard-line rebels threw out the National Rifle Association leadership in one of the most far-reaching shakeups in the organization's 110-year history.

The emotional issue that triggered the "Cincinnati revolt" was one that the NRA has been identified with for years—pistol control.

The old leaders, accused of being a bunch of environmentalists and bird watchers who had become soft on pistol control, learned that the issue could be as hazardous for them as it could for the members of Congress on the NRA's political hit list.

As NRA members gather in Denver this weekend for their 1981 national convention, another internal shootout is certain in the continuing Byzantine feud that appears to have much to do with how the NRA is perceived—as primarily the steel-hard gun lobby or as an organization of outdoorsmen.

While the fight is basically over the organization's bylaws and methods of choosing leadership, it also brings out the intense and sometimes vicious internal politics that have made the NRA a divided house.

On one side is a faction called the Federation of the NRA, the hard-liners who led their own members in the organization's executive hierarchy. This group believes the NRA's primary concern should be opposing any government infringement on what it contends is everyone's constitutional right to bear arms.

On the other side is a faction known as the Patriots, the group toppled from power four years ago. They also oppose pistol control. But they believe that in addition to lobbying against that issue, the NRA should retain its original purpose of being a family-oriented organization that promotes marksmanship, safety, hunting and conservation.

"We have a very, very effective, beautiful operation called the Institute for Legislative Action (the NRA's lobbying arm)," said Lafe Pfeifer of Dallas, a member of the Patriots. "They're pros at what they do. If we have an NRA board (of directors) composed entirely of political activists, what is the ILA going to do? We're not just a political lobby."

Pfeifer is typical of the type person the Federation wants to keep out of power. His life revolves around family and outdoor activity—largely marksmanship, firearm safety training and hunting. "I've hunted all my life," he said. "But if I kill a deer, every scrap of that deer is going to be eaten."

He joined the NRA in 1942 as a Boy Scout and since then has been involved with Scouts, the 4-H Club, and a number of NRA marksmanship and safety programs for both young people and adults. He is currently on the NRA board of directors.

He is a conservationist, a breed the Federation has singled out for special criticism. "I'm a member of the Texas Game Warden's Association," he says. "I believe in game laws, in limits, in taking game legally. . . . Is that a bad thing to say? Yes, I believe in conservation."

But he adds quickly that he would never support pistol control. "It's not the guns," he said. "It's like saying that flies cause garbage or that water causes tidal waves. I think they should punish those who would misuse firearms, but leave me alone."

Members of the Federation, who are wide-

ly represented in the NRA leadership, declined to be interviewed. Weldon Clark of Baltimore, an officer of the Federation, refused to answer questions about the internal fight and added that other Federation members also would refuse.

Because of that, the Federation side of the dispute has been put together for this story from the group's articles, editorials and political advertisements in gun-related publications.

Joseph Tartaro, the editor of *Gun Week*, a weekly publication widely favored by members of the hard-line Federation said, "What's involved is not ideological differences perhaps so much as organization differences."

"In any large group, you tend to have people who feel management should be directed by their group. What is probably involved is the politics of the membership" he said.

Tartaro said the major difference between the two factions is that the Patriots would "invest more authority in the hands of the board (of directors) and the committees appointed by the board. The Federation favors more member input."

Members of the Patriots say the fighting between the two factions has gone on unabated since the 1977 Cincinnati convention.

Last year, Pfeifer said, the two sides had agreed to "a period of healing, a time of, 'Hey, fellas, let's just sit back and let it work.'"

But he adds, "We hadn't even left the airport before the tom-toms began beating and the effigies began to be burned."

The two sides had promised they would not publicly field slates of candidates for this year's convention, allowing the candidates instead to be chosen by the NRA nominating committee and an internal petition process. But Pfeifer says the Federation quickly broke its pledge and began to advertise its own list of candidates.

And at that point, the California Rifle and Pistol Association proposed the series of by-law changes that will be the focus of the battle this weekend in Denver.

Probably the largest argument will be over the method of selecting the executive vice president, the person who actually runs the NRA with its multi-million dollar budget.

Of the 1.8 million members of the NRA, only about 275,000 are life members eligible to attend the conventions and to vote in NRA elections.

Until the 1977 convention, the executive vice president was chosen by the board of directors, who are elected by a mail-in vote. But since that year's revolt, the office has been filled by a vote of the members at the convention. The Patriots would like to see a return to election by the board.

The problem, says Michael Opsitnik, a Patriot and an officer of the California Rifle and Pistol Association, is that the largest number of members ever to show up at a convention was 1,248 last year—less than half of 1 percent of the eligible voters.

"The way they've set it up, they can take over a \$50 million organization with 625 votes," Opsitnik complains. "The Federation says this is election by the members. We say . . . if they call this election by the members, they must have studied politics in Russia."

A second bylaw change being sought by the Patriots involves the selection of candidates for the board of directors.

Until the 1977 convention, candidates were chosen by a nominating committee. Since the 1977 rule changes, they can be chosen either by the committee, which reviews resumes and does thorough background checks on its candidates, or by individual petition with at least 250 signatures of voting NRA members.

The Patriots are seeking a new rule this year that would require an indication on the mailed ballot as to whether a candidate was chosen by the nominating committee, by petition or both.

Pfeifer said he believes there have been abuses in the petition system with petition papers coming in that have been altered or copied.

He also says that there are suddenly Federation candidates turning up under the petition process who have "no past, no history. They just suddenly appear."

He also doubts the accuracy of some of the biographical information being circulated by the petition candidates: "At no time is there any verifications of credentials by the petition process. You can publish any biography you damn well please."

Hard-line Federation leaders are attempting to make the Denver convention a referendum on the leadership of Harlon B. Carter, NRA executive vice president, and Neal Knox, head of the Institute for Legislative Action—two of the new officials installed after the 1977 purge.

To the NRA members, it seems a serious fight between widely differing factions but those outside the organization say that regardless of which side wins, the fight for pistol control won't be easier.

Sam Fields, executive director of the National Coalition to Ban Handguns, calls it "an internal personality fight. Ego. They want control of a \$40 million organization. It's strictly a power move by different groups. Old people, new people, but not a dime's worth of difference between them."

FOOD STAMP PROGRAM

● Mr. LEAHY. Mr. President, today I provide additional information on the food stamp program which I hope will lead to a more informed and substantive debate on the food stamp program in Congress this year. The following paper, "Food Stamps: Program at a Crossroads," was written by Robert J. Fersh, who currently is a staff member of the Committee on Agriculture, Nutrition, and Forestry. A shorter version of this paper appears in the spring 1981 issue of *Public Welfare*, the journal of the American Public Welfare Association.

In this paper, Mr. Fersh provides an excellent summary of the food stamp program's history and explains what factors have contributed to the program's growth in participation and cost in recent years. The paper also addresses some of the issues involved in administering this complicated program and analyzes the implications of some of the major reform proposals now before the Congress.

The paper follows:

FOOD STAMPS: PROGRAM AT A CROSSROADS

(By Robert J. Fersh)

With the advent of the Reagan Presidency and the 97th Congress, the Food Stamp Program will unquestionably be a center of controversy. Its recent significant growth in participation and cost has been the subject of heated Congressional debate over the past two years. It is thought to be high on the list of social programs which the Reagan Administration will attempt to prune, and incoming Senate Agriculture Committee Chairman Jesse Helms has openly expressed his intention to make major reductions in food stamp costs one of his top priorities.¹ Since the program is scheduled to expire on September 30, 1981, it must be reauthorized before that time if benefits to millions of

low-income Americans are to continue. Given the frenetic pace of change in the Food Stamp Program in recent years and the likelihood of major legislative changes in 1981, it seems important to take stock of where the program stands and examine how it got there.

RECENT PROGRAM HISTORY

In recent years, the Food Stamp Program has not suffered from lack of controversy or Congressional attention. Since 1971, no less than six authorizing bills have been enacted which significantly affected the design and operation of the program.² Other minor amendments have been added through the authorizing and appropriations processes of Congress.

Since the 1974-1975 recession, the Food Stamp Program has drawn nearly uninterrupted scrutiny from Congress. At that time, a confluence of factors—geographic expansion of the program, conversion of participants from the Food Distribution Program to food stamps, sharply rising unemployment—led to a major growth in participation. As a result, the visibility of the program increased, bringing with it a proportionate increase in public criticism. Open criticism of the program by cabinet-level officials of the Ford Administration³ focused even greater attention on the program.

By the fall of 1975, several major food stamp reform bills were introduced in Congress and hearings on the program began in earnest. Congress was feeling the pressure and seemed determined to take action on the program in 1976, a full year before the authorization for the program would expire and the time when Congress ordinarily would have reexamined the program. Not to be outdone, the Ford Administration decided to shortcut the Congressional process and issued comprehensive regulations early in 1976.⁴ The regulations were intended to significantly lower food stamp benefits and tighten eligibility guidelines. In a lawsuit on behalf of program participants, over half of the States, and many labor unions, public interest, religious and civil rights groups, USDA was enjoined from implementing the regulations.⁵

Although both Agriculture Committees of Congress diligently pursued food stamp reform in 1976, no food stamp legislation with a major impact on benefit levels or eligibility emerged. While there are undoubtedly many reasons why no such bill was enacted in 1976, one contributing factor was the easing of the food stamp "crisis." As recovery from the economic recession proceeded, the food stamp rolls steadily declined. The urgency of enacting curbs to program participation subsided as total participation declined from the high of 19.3 million in May 1975 to 17.4 million in July 1976. (This pattern continued through 1978. By mid-1978 the unemployment rate dropped to 6.0 percent and participation fell below 16 million persons.)

Under a somewhat different political atmosphere, food stamp reform was achieved in 1977 when Congress enacted, largely intact, a bill proposed by the Carter Administration. Essentially, this bill was designed as a trade-off between enhancing program accessibility and tightening program eligibility and administration, with a bottom line of modest additional cost. The law eliminated the purchase requirement (EPR),⁶ which heretofore had been viewed as a major impediment to program participation by many of the neediest Americans. To pay for the expected increase in participation, benefits were lowered mainly by reducing net income eligibility guidelines, raising the benefit reduction rate from an average of about 25 percent to 30 percent, and capping the allowable deduction for high shelter costs. The new standard deductions, in combina-

Footnotes at end of article.

tion with the 30 percent benefit reduction rate, resulted in a significant loss of benefits for certain working people, residents of colder States and participants with high medical costs.

One final feature of the 1977 Act, perhaps above all, is responsible for the repeated Congressional battles over the Food Stamp Program in the past two years. Fearful that elimination of the purchase requirement would result in higher than anticipated costs, the Congress placed spending limits on the program for fiscal years 1978-1981. These "caps," as they were called, were based roughly upon Congressional Budget Office (CBO) projections of program costs. When these "caps" proved to be inadequate to meet program needs in FY 1979 and FY 1980, it was necessary for Congress not only to enact additional appropriations for the programs, but also to pass substantive legislation authorizing the additional spending. In 1979 and 1980, when Congress acted to lift the "caps," it also reexamined many other aspects of the program and enacted a series of amendments aimed at tightening program eligibility and management.

The need for Congress to enact both authorizing and appropriation bills, and the complications created by the Congressional budget process, nearly brought the Food Stamp Program to a complete halt in June 1980. Only emergency legislation at the eleventh hour averted a directive by the Secretary of Agriculture to the States to suspend program benefits. This drama served to further focus public attention on the program and evoked much discussion of the basic worth of the program to the society.

THE CURRENT PROGRAM Cost

Perhaps no aspect of the program has drawn more attention than its cost. Without question, food stamp costs have risen at a meteoric pace in recent years. As recently as FY 1978, the annual cost of the program was about \$5.5 billion. In FY 1981, costs are projected to be nearly double that amount. What accounts for this increase?

While there are a variety of factors, a major factor has been a deterioration in economic conditions since 1978. Food stamp costs are essentially determined by two factors—participation and benefit levels. To the extent unemployment and prices go up, Food Stamp Program participation and benefits levels also rise. USDA currently estimates that each additional percentage point in the unemployment rate increases average annual participation by 1.0-1.3 million people at a cost of about \$600 million. It appears that among social programs, the responsiveness of the Food Stamp Program to the unemployment rate may be second only to unemployment insurance programs. It is thus not difficult to see how the rise in the unemployment rate since 1978 (an increase from 5.8 percent in the fourth quarter of calendar 1978 to 7.7 percent in the third quarter of calendar 1980) could have had a significant impact on program participation and costs.⁷

Food price inflation in the past few years has reached unprecedented levels. Since food stamp benefits are adjusted to keep pace with the cost of a special marketbasket of foods (which constitutes the Thrift Food Plan), the rate of food price inflation has a direct effect on program costs. The current rule of thumb utilized by USDA is that each 1 percent rise in food costs results in \$148 million in additional costs a year; that is to say, that if all other things are equal, food stamp costs will rise \$1.5 billion in a given year if the average food price inflation in that year is 10 percent higher than the year before. Since increases in the cost of the

Thrift Food Plan have averaged nearly 10 percent a year since FY 1978, there is no question that food price inflation has had a major impact on overall program costs.

According to CBO, food price inflation above and beyond what it had anticipated in 1977 accounted for an additional cost of \$760 million in FY 1979. Without this factor, the program cost would have been below the FY 1979 ceiling established in the 1977 legislation. (Actual FY 1979 costs were \$6.884 billion; the FY 1979 "cap" was \$6.159 billion.) In FY 1980, USDA has estimated that economic factors account for about two-thirds of the difference between actual costs and 1977 projections.⁸ The same appears to be true for FY 1981. These economic factors would have caused the Food Stamp Program costs to substantially exceed the statutory caps established for FY 1980 and FY 1981 even if there had been no elimination of the purchase requirement.

Without question, the increase in participation as a result of the 1977 Act has added to program costs. It appears that the 1977 Act resulted in an increase in participation of about 4.0 million people,⁹ which is about 1.6 million more persons than USDA had anticipated. While the cost of paying benefits to the additional 1.6 million persons is significant (about \$760 million in FY 1981), it accounts for a relatively small proportion of the costs by which the original FY 1980 food stamp cap was exceeded and the original FY 1981 cap is expected to be exceeded.

One of the main reasons why the 1977 Act resulted in a larger than anticipated participation increase was the fact that fewer persons than expected were removed from the program due to the tightening provisions of the Act. USDA had estimated that 1.3 million persons would lose eligibility; in actuality, about 500,000-700,000 persons left the program.¹⁰ This miscalculation may have occurred, in part, because food stamp participants have experienced a decline in real incomes in recent years. According to an internal USDA study, incomes of food stamp recipients rose only 17 percent in the period September 1976 to November 1979, while the cost of living went up 32 percent. Since fewer participants' incomes rose to the levels anticipated in 1977, there were fewer than expected participants in the higher income ranges when the tightening provisions of the 1977 Act were implemented. In addition, for those remaining on the program, benefits were higher than was anticipated, causing additional program costs.

One reason why food stamp household incomes have lagged behind inflation may be tied to the fact that about one-third of all food stamp households also receive Aid to Families with Dependent Children (AFDC). AFDC is not indexed for inflation in most States and in fact, a recent study found that AFDC recipients experienced a 19 percent reduction in average real benefit levels in the 1970's.¹¹ There is anecdotal evidence that this trend is continuing, or perhaps even worsening.¹² Because food stamp benefits are indexed for inflation, the program cushioned some of this impact. However, the net effect is that the Food Stamp Program is providing an increasing proportion of the benefits paid to welfare recipients and food stamp costs are reflecting this.¹³

In summary, food stamp costs have risen dramatically in the past few years, and are expected to nearly double between FY 1978 and FY 1981. The majority of the increase appears to be attributable to economic factors. There is reason to believe that an easing of the higher rates of unemployment and inflation would lead to a stabilization, if not a decrease in program costs. To put the current rate of growth in perspective, it is interesting to note that it is not unprecedented. In the two year period from FY 1974 to FY

1976, program costs almost exactly doubled. Yet, in response to economic recovery, total FY 1977 and FY 1978 program costs were less than those in FY 1976.

Participation

As of September 1980, food stamp participation stood at an all-time high of about 22 million persons, representing nearly 8 million households nationwide. These figures include nearly 2 million persons in the Commonwealth of Puerto Rico who participate in the program. To understand how participation reached this level, it is helpful to briefly review the program's history.

The modern Food Stamp Program started out as a pilot project in June 1961, serving 6 project areas (which ordinarily correspond to counties) in six different States. During that month, about 50,000 persons participated. Throughout the 1960's, the program expanded and by 1969, 1489 project areas were in the program, serving about 3 million people. In 1971, uniform eligibility requirements were implemented in the program for the first time and by the end of FY 1971, 2027 project areas were in the program serving 10.5 million persons.

It should also be noted that during this time period, many poor families continued to receive commodity assistance from the Commodity Distribution Program which had been established in the 1930's. Between FY 1961 and FY 1971, participation in this program fluctuated between 3.5 and 7.4 million persons, although participation was generally declining. By FY 1973, Commodity Distribution participation stood at 3.3 million persons while food stamps reached 12.1 million persons. (See Table 1 for side-by-side comparison of food stamp and commodity distribution participation.)

TABLE 1.—Peak Participation
[millions of persons]

Fiscal year:	Commodity distribution program	Food stamp Program
1962.....	7.4	0.2
1964.....	6.1	.4
1966.....	4.8	1.2
1968.....	3.5	2.4
1970.....	4.1	6.5
1972.....	3.6	11.6
1974.....	2.4	13.7
1976.....	0.1	19.0
1978.....	0.1	17.1
1980.....	0.1	22.1

Source: USDA, Food and Nutrition Service, Program Reporting Section.

In 1974, several factors contributed to the start of the steepest growth in the Food Stamp Program's history. For the first time, the Food Stamp Program was extended to all political subdivisions nationwide, including Puerto Rico. In doing so, food stamps supplanted the Commodity Distribution Program, picking up most of its remaining participants. Between FY 1973 and FY 1975, Commodity Distribution participation dropped by over 2 million persons.

However, the most dramatic increases in participation appear to be attributable to the rapid rise in the unemployment rate which occurred in 1974 and 1975. In June 1974, food stamp participation stood at 13.5 million persons. Eleven months later in May 1975, participation hit a peak of 19.3 million persons. The unemployment rates corresponding to these two periods were approximately 5.1 percent and 8.9 percent, respectively.

Following the high point in May 1975, food stamp participation generally declined and stood at 15.5 million persons in November 1978. In December 1978 and January 1979, the food stamp purchase requirement was eliminated and participation began to rise. The

Footnotes at end of article.

combination of EPR, the rise in the unemployment rate in the spring of 1980 and other lesser factors (such as increased public familiarity with the program) appear to account for the growth of the program to its current level of 22 million persons.

One other possible factor contributing to the recent growth in participation could be the effect of inflation on low-income households. Some families, who have been eligible to participate all along, may be finding it necessary to come into the program due to the erosion of their food purchasing power caused by high rates of inflation. The inflation may be causing enough of a pinch on their budgets that they are seeking assistance which they had heretofore done without. One indication that this might be true comes from the military. In the past 18 months there have been a spate of press articles¹⁴ about the increased use of food stamps by low-paid members of the armed forces who no longer can stretch their salaries to meet their families' needs. It could well be that civilians with comparable wages are also joining the program in significant numbers.

One interesting and unforeseen side effect of EPR was that it did not bring as many new people into the program as the participation statistics make it appear. Much of the early and rapid growth in participation after implementation of EPR (1.5 million persons in January 1979 alone) is thought to be due to an increase in the percentage of persons already certified for food stamps actually participating in the program. According to USDA, about 10 percent of those certified to participate in 1978 failed in each month to purchase their stamps.¹⁵ This may have been due to a variety of reasons, including the lack of sufficient cash to make the purchase. After EPR, however, no cash was required and nearly all certified households acquired the benefits to which they were entitled. USDA estimates that about one-fourth (or about one million persons) of the increase in participation due to EPR may have been attributable to this factor.¹⁶

The current participation peak of about 22 million persons is thus nearly 3 million persons more than the peak of 19.3 million in May 1975. EPR unquestionably was a significant factor contributing to this increase. Yet, EPR has brought into the program only persons who would have been eligible for the program all along. In fact, in 1977 and again in 1980, Congress enacted laws which actually tightened income eligibility guidelines. USDA has estimated that the combined effect of these laws was to eliminate 1.5 million participants from the program and reduce the pool of persons potentially eligible for the program by over 6 million.

EPR had the most dramatic effect upon participation of elderly persons and those residing in predominantly rural areas. Estimates place the increase in participation among the elderly due to EPR at 42 percent, compared to 26 percent for non-elderly households. In the smallest, most rural project areas, participation increased about 55 percent between November 1978 and November 1979, compared to an 11 percent increase in the most urban project areas. In absolute numbers, about 42 percent of the overall November–November participation increase took place in the smallest, most rural project areas, while about 20 percent of the absolute increase occurred in the largest, most urban areas.¹⁷

It appears that EPR has been successful in achieving what its proponents sought. The program has become more accessible to low-income persons, with the largest increases in participation occurring amongst those who historically have had a relatively low rate of program participation.

Income levels and assets

According to the best available data, the recent large increases in participation have had no significant effect on the income distribution of participants. It appears that EPR brought on new participants whose incomes, on the whole, were similar to those on the program before.¹⁸ The most recent USDA survey data indicates that the average gross income of a food stamp household (including cash government transfer payments) is \$3900 a year. Over half of all food stamp households have gross annual incomes less than \$3600; nearly three-fourths have gross annual incomes of \$4800 or less; and less than 2 percent have gross incomes over \$9000 a year, and these are mainly large households.¹⁹ About 87 percent of all households have gross annual incomes below the poverty line and about 6 million Americans with incomes below the poverty line do not get food stamps.²⁰

In terms of assets, USDA survey data indicates that 60 percent of all food stamp households have no liquid assets. About 29 percent of all households own their own homes (compared to 67 percent of the rest of the population). Approximately two-thirds of all households own no car or other vehicle.²¹ The 1980 amendments tightened the assets test for households without two or more elderly members. The limit on liquid assets allowable to these households was reduced from \$1750 to \$1500. As might be expected from the overall assets data, the estimated savings from this provision was relatively small.

Benefit levels

Food stamp benefit levels are based upon the Thrifty Food Plan, the least costly of four food plans developed by USDA. If a household has zero net income after the appropriate income deductions have been applied, the household qualifies for food stamps in the full amount of the Thrifty Food Plan for that family size. For instance, as of January 1, 1981, a household of four with zero net income will qualify for \$233 a month in food stamps. For the vast majority of food stamp households who have net income above zero, benefits are equal to the amount by which the Thrifty Food Plan amount for their family size exceeds 30 percent of their net income. In 1981, a household of four with a net income of \$300 would receive \$143 (\$233 - \$90 = \$143) in monthly food stamp benefits.

The level of food stamp benefits has not been a primary target of those who wish to reduce the size and cost of the program. In FY 1981, the maximum food stamp benefit paid to a four-person household will be about 65 cents per person per meal. The average benefit is expected to be about 44 cents per person per meal. The average participating household of three members will receive about \$111 a month in benefits.

The Food Stamp Program is aimed at increasing the food purchasing power of low-income Americans. The tie-in to the Thrifty Food Plan does insure that some relationship between benefit levels and minimal nutritional standards is maintained, but it is difficult to argue that the Food Stamp Program has been designed to allow food stamp participants the wherewithal to purchase nutritionally adequate diets. Data from the 1977–78 USDA Nationwide Food Consumption Survey indicate that only about 14–18 percent of households spending at the Thrifty Food Plan level received a diet which met 100 percent of the Recommended Daily Allowances (RDA's) for the basic nutrients, as recommended by the National Academy of Sciences.

The Agricultural Research Service of USDA described the Economy Food Plan (a precursor to the Thrifty Food Plan which cost the

same amount) as a diet "for temporary use when funds are low." ARS also stated:

"Studies show the few families spending at the level of the Economy Plan select foods that provide nutritionally adequate diets. The cost of this plan is not a reasonable measure of basic money needs for a good diet. The public assistance agency that recognizes the limitations of its clientele and is interested in their nutritional well-being will recommend a money allowance for food considerably higher than the cost level of the Economy Plan. Many welfare agencies base their food cost standards on the USDA Low-Cost Food Plan which costs about 25 percent more than the Economy Plan."²²

In addition, the adequacy of the Thrifty Food Plan's cost as a basis for benefits is further undermined if participants live in areas where food prices are relatively high (as many inner-city recipients undoubtedly do) or where the State charges a sales tax on food. Eighteen States reduce food stamp purchasing power by up to 6 percent by levying a sales tax on all food purchases.

Thus, food stamp benefit levels are not often characterized as overly generous. The achievement of a minimally nutritious diet will ordinarily require food stamp recipients to supplement their food purchases by spending a higher proportion of their limited incomes on food and/or participation in other nutrition programs.

Miscellaneous household characteristics

To complete the profile of the Food Stamp Program presented thus far, several additional sets of statistics may be found to be of interest. All of the following information is based upon recent Food Stamp Household Characteristics Survey, including preliminary data from the November 1979 survey.

Age

Slightly over half (52.5 percent) of all food stamp participants are children under the age of 18. About 12.3 percent of all participants are elderly (60 or older) or disabled. Thus, these two categories comprise about two-thirds of all participants.

Of the remaining 35 percent of participants, about 28 percent (or four-fifths) are parents. Nearly half of these are single parents (13.5 percent of all participants), the overwhelmingly majority of whom are women. The remaining parents (14.7 percent of all participants) are those in two-parent households.

Work status

Unless exempt, food stamp recipients are required to register and search for work.²³ Exemptions from work requirements may be granted on the basis of age, disability, responsibility for care of children or incapacitated adults. In addition, households with a member already working a minimum of thirty hours a week may be exempted from work requirements.

At the outset, 36 percent of household heads are exempt from work requirements because they are either too young or too old or disabled. About 11 percent of all household heads are working full time. Once other exemptions are factored in, only about 14 percent of all household heads are "employable," and subject to work requirements. Some of these households have members working part-time.

Other

Two other statistics normally of interest pertain to the participation of college students and strikers. As of October 1980, USDA estimated that about two-tenths of one percent of all food stamps participants were full-time students in college or post-secondary training. The Food Stamp Amendments of 1980 eliminated about three-quarters of the students who formerly participated in the program.

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The best available data indicates that strikers have historically comprised less than one percent of the program. It is possible that the assets test may serve as an effective screen to greater participation by strikers. Their participation is also conditioned upon satisfaction of work requirements.

PROGRAM MANAGEMENT

The last part of this article will address some of the issues entailed in administering this very large, complicated and costly program. Direct responsibility for administration of this program lies with State and local welfare departments. However, unlike AFDC, the Food Stamp Program has a requirement for uniform national program standards, including all eligibility and benefit guidelines. Program rules and regulations are issued by USDA, and, by and large, do not and cannot afford the same degree of administrative flexibility to the States as is provided in AFDC. Almost by definition, this uniform national program cannot be as responsive as other programs to the wide divergences in conditions and administrative styles which exist across and within the various States.

One indication of how well the Food Stamp Program is administered is provided by quality control (QC) data compiled by the States under Federal supervision. QC data is derived from detailed reviews of a statistically valid sample of cases in each State. State reviewers take actual food stamp cases and subject them to a far more rigorous review for possible error in eligibility and benefit level determination than is conducted by the State when actual eligibility and benefit level determinations are made. From these QC reviews, it is possible to project what USDA calls the "cumulative allotment error rate" (or dollar error rate). The dollar error rate is the percentage of total benefit dollars which were issued in error. It includes benefits issued to ineligible persons, overpayments and underpayments. To calculate the net overpaying rate, the percentage of underpayments should be subtracted from the sum of overpayments and ineligible.

The latest QC data available is from the six month period from October 1979 to March 1980. Nationwide, the dollar error rate was 12.6 percent, reflecting 5.0 percent in payments to ineligible, 5.2 percent overpayments and 2.4 percent underpayments. The net overpayment rate was 7.8 percent. If this error rate were maintained for the remaining six months of FY 1980, the total dollar value of errors in administration in FY 1980 would have been nearly \$700 million more than would have been spent if the program had been administered perfectly.

This appears to be a relatively high percentage of error in administration. AFDC, which is perhaps the welfare program most comparable to food stamps, had a nationwide dollar error rate of 10.4 percent during the April to September 1979 period. However, before too severe blame is assigned to Federal, State and local administrators, a number of factors should be taken into consideration.

Since 1977, the Food Stamp Program has been through a most turbulent period. Three major food stamp bills have been enacted (with a fourth on the way). Few other social programs have undergone such frequent and widespread changes. Implementation of the 1977 Act alone required the rewriting of most of the major regulations governing the program. Many new regulations on new subjects also had to be developed.

The dozens of revised regulations involved development of new policies on hundreds of different issues. The translation of policies from the law, to regulations, to operating manuals and instructions in every State is an arduous and complicated chore. To then train thousands of workers nationwide within a short lead time about the intricacies of the

hundreds of policy issues they must address under rushed circumstances day to day is a monumental task.

Even if regulations issued by USDA were perfectly expressed, it would be difficult to get the message out nationwide and assure uniform and accurate administration nationwide. But regulations obviously are not and cannot be perfect. Inevitably, mistakes are made and ambiguities exist.²⁴ Even the most highly trained and astute caseworker is likely to misapply some aspect of program policy or miscalculate a benefit allotment. This is especially true when one considers that the Food Stamp Program is not a program which requires a few simple facts about people's lives and then provides or denies benefits. There are many complex determinations that must be made and the level of benefits provided turns on a great number of variables. Because of the nature of the program, its clientele tend to have more volatile life circumstances than other welfare programs. The simple fact that the Food Stamp Program has a greater percentage of participants with earnings that AFDC or Supplemental Security Income (SSI) tends to make it more difficult to administer than other programs. A great many factors—such as earnings, family size, shelter costs—must be monitored month to month for many people in the Food Stamp Program than in the other programs.

Add to these factors the fact that the Food Stamp Program has experienced very rapid growth in the past two years. In some States, participation has more than doubled, straining the capacity of staff whose numbers have not kept pace with caseload growth. Since front-line welfare work is often high-pressure and many States pay workers relatively low salaries, staff turnover is often a problem. The constant need to train new people and deploy inexperienced staff must contribute to higher error rates.

These are just a sampling of the many factors which make Food Stamp Program administration difficult. (There are other important factors which could be added to the list, such as court orders which include difficult to administer relief, such as retroactive benefits, for class action plaintiffs.) There have been a convergence of these factors on the Food Stamp Program in recent years. Yet, despite the magnitude of the error rate found in the October 1979–March 1980 QC sampling period, there is a silver lining to that statistic.

The dollar error rate achieved in the October 1979–March 1980 period, the first period measured after implementation of the 1977 Act, is lower than the error rate found in the two preceding periods during which QC data were compiled. The decline in the error rate, despite the adverse background conditions, is probably primarily due to the major program simplifications mandated by the 1977 Act. The standard deductions in particular removed a major source of program error by supplanting a variety of itemized deductions for work-related medical and other expenses.

So, on the positive side, there is reason to believe that error rates may be on the way down. The large caseload growth experienced during FY 1980 has leveled off. The simpler program mandated by the 1977 Act should lead to lower errors over time as food stamp workers gain greater familiarity with detailed program requirements. However, progress in lowering error rates is dependent upon the cooperation of Congress. In 1979, Congress eroded the standard deduction concept by instituting special medical deductions for elderly and disabled participants. In 1980, a separate dependent care deduction was added, effective in FY 1982, replacing the one that is currently merged with the shelter deduction. And now, there are

Footnotes at end of article.

several legislative proposals that are candidates for serious consideration in the 97th Congress and could have a significant adverse effect on program administration.

Among these are proposals to count in-kind benefits as income, complicate assets tests, recoup food stamp benefits through the tax system and restore the purchase requirement. Each of these has been strenuously opposed by State and local food stamp administrators in recent years. To the extent proposals involve detailed valuation of in-kind benefits and assets, the potential for administrative error increases greatly. State and local administrators lack the staff to do highly individualized and subjective calculations which may entail frequent adjustments in participants' benefits. And, even if the calculations required are individualized, a proposal can pose a significant administrative headache. One particular legislative proposal to count school lunch benefits against food stamps was debated in the 96th Congress. It would have required food stamp agencies to change the benefit levels going to several million households nationwide nearly every month according to a formula. Particularly in States without sophisticated computer systems, it would have entailed a major new workload.

A proposal to recoup food stamp benefits through the tax system was debated exhaustively in the House Committee on Agriculture during the 96th Congress. One of the major reasons the Committee voted this proposal down was the vocal and near unanimous opposition to this proposal on administrative grounds by State and local food stamp administrators. It would have involved tremendous new monitoring and recordkeeping chores for food stamp agencies for what appeared to be little, if any, payoff. This proposal, which passed in a House floor vote but was later dropped in the House-Senate conference, is expected to reappear in the 1981 food stamp debate.

The full or partial reintroduction of the food stamp purchase requirement would unquestionably complicate program management. It would add considerably to administrative costs by restoring a layer of cash transactions to the program. This would require a renegotiation of issuance contracts with thousands of issuance agents to cover the increased transaction and security costs of handling cash.

There is a substantial possibility that certain issuance points (such as banks) would not be willing to resume the more complicated cash transactions they had performed in the past. Costs of printing, shipping, storing, securing, redeeming and destroying coupons would rise to reflect an increase of 40 percent or more in the amount of coupons which would be needed. (Prior to EPR, about 40 percent of coupons issued were to cover the purchase requirement.) The increased number of food stamps in circulation would likely result in an increase in the black-marketing of food stamps. Since recipients will receive a greater proportion of their income in stamps, they will have a greater incentive to trade some of them in for cash.

Restoration of the purchase requirement would necessitate increased monitoring of issuance points. A number of improper practices, ranging from outright fraud to failure to make timely deposits of cash, spurred the Food Stamp Vendor Accountability Act of 1976. The existence of vendor fraud likely contributed to the passage of EPR in 1977, which eliminated the problem.

From a broader perspective, restoration of the purchase requirement would appear to be a step backward in administration of the welfare system. Many welfare analysts already bemoan the duplicative administrative structures of the AFDC and Food Stamp Programs, which serve millions of the same people. Restoring the purchase requirement

would add to the current overall administrative costs. Given the likely effect that it would have on food stamp participation, restoration of the purchase requirement would raise significantly the ratio of administrative costs to benefit costs, which already is a sore point in the public's perception of these programs.

No discussion of the Food Stamp Program management would be complete without some mention of fraud and abuse. Like many other social programs, and perhaps more so than most, the Food Stamp Program is plagued by stories of fraud and abuse. But like street crime or income tax cheating, there are no good statistics on the rate of fraud and abuse. Whatever reported statistics there are (and these have been very low) only express the misuses of the program which have been detected. How much occurs in addition is hard to say.

It is important, though, to understand what constitutes fraud and abuse. The error rate, for instance, does not measure fraud and abuse, although some of the errors the quality control system detects in eligibility and benefit determinations may well have been caused by fraudulent behavior. However, most of the errors are more likely due to innocent mistakes—a miscalculation by a worker, a failure to promptly report a change in family composition by a client.

The buying of expensive or "junk" food items in a supermarket also does not constitute fraud or abuse. Although such buying habits are, understandably, an irritant to the public, they are not proscribed by the law. Certainly instances of imprudent spending by food stamp recipients hurt the program's image. However, the available evidence is that food stamp recipients buy more nutrients per dollar than other food shoppers.²⁵

In a program of the magnitude of food stamps, some misuse of the program is inevitable. A central chore for both politicians and program managers is to design the program in such a way that fraud and mismanagement are minimized. At some point, however, the marginal cost of curtailing these evils will exceed the benefit. At this point, either a certain amount of waste will have to be tolerated or the program will have to be closed down because the level of waste is unacceptably high. Another possible solution, that of making massive cuts in benefits, does not really address the fraud issue. Massive benefit reductions will certainly penalize innocent people; there is no guarantee that the incidence of fraud will be reduced whatsoever.

In the past few years there has been a great deal of legislative and regulatory activity to tighten management and combat fraud. Many proposals of USDA, developed in conjunction with their Office of Inspector General, are being put into effect. In addition, Congress has added other administrative tools and incentives to address perceived problems.

Among the various legislative proposals enacted in the past 2 years are: a requirement that persons disqualified due to fraud agree to repay benefits fraudulently received before reentering the program; an incentive to States to prosecute fraud by allowing them to retain 50 percent of all funds recovered through prosecution; a requirement that all applicants furnish social security numbers to facilitate verification of their income; expanded authority for States to verify information provided by applicants; authorization for computer matching of information provided by clients with records of other programs such as unemployment insurance and social security; authority for the Secretary of USDA to require photo-identification cards; a system of fiscal sanctions and incentives to spur improved performance by States in program administration; author-

ity for States to utilize retrospective accounting and monthly reporting; and a higher rate of Federal matching funds for States which computerize operations to improve management and lower error rates.

These provisions build on the administrative improvements of the 1977 Act, most notably the standard deductions and the elimination of the purchase requirement. The 1980 Act addressed another area of perceived abuse by eliminating most college students from the program. The combined effect of the 1977, 1979, and 1980 amendments could have a dramatic positive effect on program administration. However, such improvements do not occur overnight and cannot occur without sufficient staff and resources to make them effective. A period of relative calm in the program would maximize the effectiveness of the measures Congress has already enacted.

Conclusion

In many respects, the Food Stamp Program is at a crossroads in 1981. After several years of rapid growth in participation and cost, it has become a central issue in the national debate over spending priorities. The changing of the guard in the White House and in the Senate will probably place the program in an even more defensive posture than in recent years. The potential for significant changes in eligibility limits, benefit levels and program management is very large. Such changes could not only have a dramatic effect on this program, but could reverberate throughout the welfare system.

FOOTNOTES

¹ Ward Sinclair, "Ascendancy of Helms Puts Food Stamp Program Under the Gun," *The Washington Post*, (November 12, 1980), p. 3.

² P.L. 91-671, January 11, 1971; P.L. 93-85, August 10, 1973; P.L. 94-339, July 5, 1976; P.L. 95-113, September 29, 1977; P.L. 96-58, August 14, 1979; P.L. 96-249, May 26, 1980.

³ In an August 12, 1975 speech before the 32nd Annual Junior Achievers Conference in Bloomington, Indiana, Secretary of the Treasury William E. Simon described the Food Stamp Program as "a well-known haven for the chislers and rip-off artists." (Press release, Department of Treasury, August 12, 1975, p. 5.) This statement was picked up by the national press. See Rachelle Patterson, "Controversy taints food stamp program," *Boston Sunday Globe*, (September 14, 1975), p. 50.

⁴ Proposed regulations were issued February 27, 1976 and final regulations were issued May 7, 1976 (41 Federal Register 18781).

⁵ *Trump v. Butz*, U.S. District Court, D.C., Civ. No. 760933 (1976).

⁶ Until the 1977 Act, almost all participants were required to pay a part of their incomes for a set allotment of stamps. The amount of stamps they received was equal to their cash payment plus a "bonus." Once EPR was implemented, the household received only the "bonus."

⁷ The rule of thumb showing the interaction between the unemployment rate and participation, and the rule of thumb in the next paragraph showing the relationship between food price inflation and cost reflect the best USDA estimate of the current interaction of these factors. While unemployment and inflation have always affected participation and cost, the current rules of thumb show a somewhat larger impact from these factors than was true in the past.

⁸ Correspondence with the Office of Policy, Planning and Evaluation, Food and Nutrition Service, USDA, January 1981.

⁹ *Ibid.*

¹⁰ U.S. Department of Agriculture, Food and Nutrition Service, "Elimination of the Purchase Requirement in the Food Stamp Program, Effect on Participation and Cost," October 1979, pp. 28-29.

¹¹ Richard A. Kasten and John E. Todd, *Transfer Recipients and the Poor During the 1970's*, Prepared for Second Research Conference of the Association of Public Policy Analysis and Management, October 24 and 25, 1980, p. 11.

¹² Not only were many States falling to give regular cost of living increases, several have implemented or will implement shortly reductions in their AFDC benefit levels. In Oregon, the State reduced AFDC benefits 21 percent on October 1, 1980. By redefining part of the remaining AFDC grant as energy assistance (which is not counted as income for food stamp purposes), the State was able to offset most of this AFDC benefit decrease (about 71 percent of it) with a food stamp increase. The net result was that recipients' income went down only 6 percent, with food stamps providing a much larger percentage of the recipients' income than before.

Other States reducing AFDC benefits are: Connecticut, where the maximum benefit for a family of four was \$517 in July 1979 and \$477 in July 1980; Virginia, where the maximum benefit for a family of four was \$335 in July 1979 and \$305 in July 1980; South Dakota, where a 5 percent benefit reduction was implemented January 1, 1981; and Utah, which reduced the percentage of the standard of need it pays from 75 percent to 72.5 percent on October 1, 1980, with a further decrease possible in the spring of 1981. In addition, there are other States contemplating decreases.

¹³ One of the ironies of the automatic cost of living increase in the Food Stamp Program is that it appears to be a deterrent to AFDC benefit increases. As Kasten and Todd point out (p. 12), each AFDC increase results in a higher percentage of overall AFDC-food stamp costs being borne by the State. For example, in New York the Federal government pays 50 percent of AFDC benefit costs and 100 percent of food stamp costs. If the State raises its AFDC payment level by \$20, the cost would be shared equally by the Federal and State/local government. However, a \$20 AFDC increase results in roughly a 30 percent (or \$6) food stamp benefit decrease since AFDC benefits count as income for food stamp purposes. The net product of the AFDC increase is as follows: State/local costs are up \$10, Federal costs are up \$4, the recipients' overall benefits are up \$14 and the State bears a higher percentage of total AFDC-food stamp costs than before the increase.

¹⁴ For instance, Seth Effron, "Servicemen in State Get Food Stamps," *Wichita Eagle and Beacon*, (June 12, 1980), p. 1A; Hal Spencer (The Associated Press), "Thousands in service are using food stamps," *Flint Journal*, (Michigan, October 1, 1980). The following sentence appeared in the Spencer article: "Department of Defense and Navy spokesmen in Washington readily concede that a growing number of servicemen and women, probably numbering in the thousands, must rely on food stamps to supplement government-paid incomes battered by inflation." Also, Julie Hendrix, "Hungry Airmen encouraged to take food stamps," *Mesa Tribune*, (Arizona, October 22, 1980); Willene Anderson, "Many military families must rely on food stamps," *News Tribune* (Tacoma, Washington, August 31, 1980).

¹⁵ "Elimination of the Purchase Requirement," p. 25.

¹⁶ *Ibid.*, p. 27.

¹⁷ U.S. Department of Agriculture, Food and Nutrition Service, "Effects of the 1977 Food Stamp Act," Second Annual Report to the Congress, January 1981, pp. iii, 18, 19.

¹⁸ *Ibid.*, p. iv.

¹⁹ Correspondence with the Office of Policy, Planning and Evaluation, Food and Nutrition Service, USDA, January 1981.

²⁰ *Ibid.*

²¹ *Ibid.*

²² U.S.D.A. Agricultural Research Service, "Sample Menus and Food Lists for One Week Based on U.S.D.A. Economy Food Plan," page 1 (November 1976).

²³ Job search, which was mandated by the 1977 Act, had not been implemented at the time of this writing, but was expected to be in effect by the spring of 1981.

²⁴ Both Congress and the courts have recognized that some percentage of errors in the administration of welfare programs is unavoidable. This fact was acknowledged by the courts in a major AFDC case, *Maryland v. Mathews*, 415 F. Supp. 1206, U.S. District Court, D.C., 1976. In the 1980 Food Stamp Amendments (P.L. 96-249) Congress acknowledged the inevitability of errors in food stamp administration by providing enhanced Federal funding to States with dollar error rates below certain levels. A State can qualify for a 65 percent Federal share of its administrative costs for a fiscal year if its dollar error rate is below 5 percent and 60 percent Federal match if it is below 8 percent or the national average, whichever is lower. Otherwise, States qualify for a 50 percent Federal match for administrative costs.

²⁵ Donald West, "Food Expenditures by Food Stamp Participants and Nonparticipants," reprinted from *National Food Review*, NFR-3, June 1978, pp. 26-27, 46-48.

AN ESTIMATE OF THE FISCAL IMPACT OF PRESIDENT REAGAN'S BUDGET PROPOSALS

● Mr. LEVIN. Mr. President, the University of Michigan Institute for Social Research recently completed its own fiscal impact analysis of the administration's budget proposal. This analysis arrives at conclusions dramatically different from those reached in the regional analysis released by the administration. The institute for social research analysis considered both the regional as well as the State impact of the budget cuts.

The most alarming conclusion is that losses in spending for capital improvements, community development, and social service programs are far greater in low-growth States that need this very assistance than in other States. These older, industrial States are faced with major new investments in bridges, sewers, roads, and community development projects and with growing educational and social services to relatively high concentrations of disadvantaged groups. By substantially reducing levels of support for capital spending and social services in those States that have the least ability to replace these funds from their own resources, the administration's budget seems likely to make the disparities between low- and high-growth States even more pronounced.

Mr. President, I ask that this fiscal analysis prepared by the Institute for Social Research of the University of Michigan be inserted in the RECORD.

The analysis follows:

INTERGOVERNMENTAL FISCAL ANALYSIS PROJECT: AN ESTIMATE OF THE FISCAL IMPACT OF PRESIDENT REAGAN'S BUDGET PROPOSALS

This paper presents preliminary estimates of the fiscal impact of President Reagan's budget proposals for fiscal 1981 and 1982. A number of such estimates already have appeared, including a recent analysis produced by the Office of Management and Budget. This analysis differs from others in relying on a multi-year record of past federal spend-

ing in states and regions. In brief, our method measures the annual federal government expenditure for account or function X, in state Y, for the period 1978-1980, computes that expenditure as a fraction of total national program or functional spending for the same period, and then applies that fraction to functional or program sums proposed in various budget proposals. The result is an estimate of future spending built directly on each state's past receipts from federal programs. Since state-level federal spending, in total or by function, is known to be relatively stable for short-run periods,¹ and since we use a three-year average rather than a single year, these estimates should be more accurate than calculations produced by other known methods.

This analysis also relies on a different approach to analyzing budget reductions than other recent studies. Rather than attempting to allocate changes in outlays for a single year, this report focuses on changes in budget authority, loan obligations and loan commitments. Since many of the policy changes proposed by the Reagan budget will affect spending levels for several years, it seems more sensible to focus on resources available as a result of Administration proposals than to estimate actual expenditures. The figures in this report, therefore, do not represent estimates of the level of spending or outlays in a given year, but rather changes in the amount of funds available for expenditure.

Our analysis makes clear that the impact of President Reagan's budget reductions will be most severe in states that recently have been experiencing the slowest rates of economic growth. Since these states are concentrated in the Northeast and Midwest, the impact of the Reagan reduction will be disproportionately concentrated in those regions. In states composing the American Ruhr—New York, New Jersey, Pennsylvania, Ohio, Michigan, Indiana and Illinois—where population and job losses in recent years have created serious economic hardship, the reductions proposed by President Reagan will be particularly severe. To some extent the severity of Reagan's reductions in these states arises from proposed cuts in programs for which the location of expenditures is an important policy consideration, that is, grants to state and local governments for the provision of services or the construction and maintenance of capital infrastructure such as streets and sewers. Reductions in such programs, together with reductions in programs that are regionally neutral in intent but biased in impact, concentrate President Reagan's reductions in a few states, rather than spreading those cuts evenly across the country.

This clear imbalance in the distribution of budget reductions is likely to be accentuated by the inability of governments in slower-growing states to continue or replace the activities currently financed with federal funds. Governments in growing states, by contrast, are less likely to be affected by these reductions, both because they now receive fewer dollars from these programs and because they generally are under less financial pressure than governments in slower-growing states. Their potential loss is smaller and their ability to replace loss is greater. In short, the Reagan budget proposals will have their most substantial impacts on those states which are least able to cope with them. It is a program of focused inequity.

FEDERAL SPENDING AND ECONOMIC GROWTH

Table 1 presents estimates of the differences in eventual expenditures between the Administration's budget revisions and the

¹ See Anton, Cawley and Kramer, *Moving Money*. (Cambridge, Mass.: Oelgeschlager, Gunn & Hain, Inc., 1980), pp. 10-11.

January budget proposed by the Carter Administration. Estimates of likely changes in both total federal spending and spending for the several budget functions which the Administration proposes to change substantially are provided for groups of states that experienced varying levels of economic growth between 1972 and 1977.² The results are quite striking. Of the \$53.6 billion in net reductions from the January budget, approximately \$18.4 billion, or 34 percent, will affect the ten states with the slowest rates of economic growth over the mid-seventies. By contrast, only about \$8 billion, or 14 percent of the total, will result in reduced federal spending in states which experience the fastest rates of economic growth over the same period.

As might be expected, not all changes affect each group of states in the same fashion. The slowest growth states appear to gain substantial benefits from increased defense spending, amounting to approximately 31 percent of the total increase proposed by the Administration over both years. In similar fashion, the states with the highest rates of economic growth would be most severely affected by the Administration's proposed reductions in the levels of lending and loan guarantees and commerce and housing credit. The two groups of states with the highest rates of economic growth would appear to lose approximately \$8.9 billion or 45 percent of the reductions in lending and guarantees proposed by the Administration for 1981 and 1982. These states have experienced relatively high rates of growth in population, housing construction and other economic activity, leading to high levels of support from various mortgage insurance programs operated by the Federal Housing Administration. The President's proposed reductions in these programs can be expected to impact most severely in the high growth states.

By contrast, the slower growing states are the most severely affected by proposed reductions in education and income security programs. Of the \$2.4 billion in proposed reductions in income security programs for which we can account, over 60 percent will be concentrated in the two groups of states with the slowest rates of economic growth. These states receive substantial funds from the Section 8 housing and child nutrition programs, for example, and might be expected to be disproportionately affected by proposed reductions from these programs. Similarly, the Administration's reductions in funding for a variety of education programs would be most severely felt in the slower growing states. Of the \$13 billion in reductions proposed over two years, our estimates indicate that over 50 percent would be translated into reduced spending in states with lower levels of economic growth.

THE REGIONAL IMPACT

This concentration of reductions in slower growing states means that the impact of the Administration's budget will be most severely felt in the Northeast and Midwest, since slower growing states are concentrated in these areas. Table 2 presents estimates of the likely regional impact of the Administration's budget. These figures suggest that the Administration's budget will have its most severe impact on the Middle Atlantic and East North Central regions, which contain the slowest growing states with the most severely pressed governments—Michigan, New York, Pennsylvania, Indiana, Ohio, New Jersey and Illinois. Of the \$53.6 billion in 1981 and 1982 reductions in obligations, or

² The index of economic growth used here to classify states combines changes in value added by manufacturing, wholesale and retail sales, and selected service receipts, weighted by the fraction of employment in each of these four sectors.

commitments, approximately \$19.7 billion, or over 36 percent, will translate into reduced spending or lending in these two regions. By contrast, the Mountain and Pacific states such as California, Arizona, Idaho, Utah, Montana and Washington account for only 18.5 percent of the proposed reductions. The three southern regions, which include the states of the old Confederacy but exclude the District of Columbia (which is not counted in any figures in this report) are affected by approximately 34 percent of the Administration's proposed reductions for 1981 and 1982.

In short, while the regional consequences of the Administration's reductions are not as pronounced as some have argued, the impact of these proposed changes will be most severely felt in those regions that have experienced the most persistent economic decline and whose governments have experienced the most substantial difficulties in balancing their budgets. Precise—or even imprecise—estimates of the net economic impact of President Reagan's budget on the economies of these states are difficult to gen-

erate, but it seems likely that proposed reductions in federal spending will exacerbate problems of economic decline and budgetary strain now plaguing these states.

Many observers have argued that the geographic impact of much of the budget is, and should be, ignored in making spending decisions. Decisions about defense spending, it has been argued, should be made on the basis of strategic and efficiency criteria—how to get the most effective package of forces and equipment for the least money—than on the geographic impact of these choices. In similar fashion, income security programs or programs designed to assist particular target groups such as the elderly or Indians should direct resources to the areas where the poor or the target population live, rather than being explicitly concerned with geography. Particular states or regions have claims on these programs only to the extent that target groups live in them.

While there is merit in these arguments, there are portions of the budget for which location is an appropriate policy concern.

The last two columns in Table 3 display average scores for each group of states on standardized indices of tax effort and capacity for 1977. As these figures suggest, slower growing states are levying substantially higher taxes than faster growing ones and have substantially less "slack" capacity to levy additional taxes.

Reductions in grant programs thus seem likely to exacerbate existing disparities between rich and poor states in the level of services they provide citizens relative to the taxes they levy. Much prior research has noted that major new investments in infrastructure such as sewers, roads, or bridges are required in declining states, and that governments in these states are responsible for providing education and other social services to relatively high concentrations of disadvantaged groups. By reducing levels of support for capital spending and social services most substantially in those states which have the least ability to replace these funds from their own resources, the Administration's budget seems likely to exacerbate these disparities.

TABLE 1.—ESTIMATED DIFFERENCES IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS, FISCAL YEARS 1981 AND 1982 BY COMPOSITE ECONOMIC GROWTH INDEX QUINTILE (1972-77)

[In millions of dollars]

Quintile 1—Composite economic growth index	Function					Quintile 1—Composite economic growth index	Function						
	Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)		All other functions	Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
1981 budget:						1982 budget:							
1 (Low)	-4,932	1,770	-1,209	-1,151	-2,086	-2,255	1 (Low)	-13,477	7,110	-2,614	-3,383	-6,615	-7,975
2	-2,811	1,051	-993	-718	-1,028	-1,123	2	-8,768	4,138	-2,122	-1,966	-3,523	-5,294
3	-940	592	-714	-432	-601	-215	3	-6,193	2,343	-1,513	-1,152	-2,042	-3,829
4	-2,091	1,392	-1,462	-584	-585	-851	4	-6,689	5,322	-3,164	-1,750	-2,234	-4,863
5 (High)	-1,325	918	-949	-537	-604	-153	5 (High)	-6,370	3,599	-1,995	-1,995	-2,023	-4,580
National total	-12,099	5,723	-5,328	-3,423	-4,905	-4,166	National total	-41,496	22,513	11,408	-9,621	-16,438	26,541

¹ Quintiles are composed as follows:

- 1 (Slowest growing): Delaware, Illinois, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Pennsylvania, Rhode Island.
- 2 Alabama, Connecticut, Florida, Georgia, Indiana, Nebraska, North Carolina, Ohio, South Carolina, West Virginia.
- 3 Arkansas, Kentucky, Maine, New Hampshire, New Mexico, Tennessee, Vermont, Virginia, Wisconsin.
- 4 Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Oregon, South Dakota, Utah.
- 5 (Fastest growing): Alaska, Louisiana, Mississippi, Montana, Nevada, North Dakota, Oklahoma, Texas, Washington, Wyoming.

TABLE 2.—ESTIMATED DIFFERENCE IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS, FISCAL YEARS 1981 AND 1982, BY CENSUS DIVISION

	Estimated differences, Carter—Reagan (millions)						Estimated difference, Carter—Reagan (millions)						
	Fiscal year 1981			Fiscal year 1982			Fiscal year 1981			Fiscal year 1982			
	Total	Defense	All other	Total	Defense	All other	Total	Defense	All other	Total	Defense	All other	
New England	-57	965	-1,252	-610	2,811	-3,421	West south-central	-795	609	-1,404	-4,121	2,414	-6,535
Mid-Atlantic	-2,622	799	-3,421	-7,024	3,293	-10,317	Mountain	-1,054	200	-1,264	-3,898	746	-4,643
East north-central	-2,393	519	-2,912	-7,649	2,118	-9,767	Pacific	-1,273	1,355	-2,627	-3,69	5,185	-8,875
West north-central	-849	469	-1,318	-3,607	1,840	-5,447	The Nation	-12,099	5,723	-17,822	-41,496	22,513	-64,009
South Atlantic	-1,507	851	-2,358	-6,579	3,229	-9,808							
East south-central	-1,040	225	-1,265	-4,318	878	-5,196							

TABLE 3.—ESTIMATED PERCENTAGE DISTRIBUTION OF 1982 REDUCTIONS IN SUBFUNCTIONS CONTAINING MAJOR GRANT PROGRAMS AND TAX EFFORT AND CAPACITY, 1977, BY QUINTILE COMPOSITE ECONOMIC INDICATOR

Quintile, CEI ¹	Social services and education ²				Infrastructure and economic development ³				Average tax effort 1977 ⁴				Average tax capacity 1977			
	Total	Defense	All other	Total	Defense	All other	Total	Defense	All other	Total	Defense	All other	Total	Defense	All other	
1	34.8		38.3	108		101	5	14.4		12.3	84		114			
2	20.6		20.8	86		93	Total	100.0		100.0	100		100			
3	11.9		13.2	92		91	Proposed reductions fiscal year 1982 (millions)	\$3,863		\$10,019						
4	18.3		15.4	98		99										

¹ Quintiles are the same as table 1.
² Includes the following subfunctions: Elementary and secondary education (501), training and employment (504), and social services (506).
³ Includes the following subfunctions: Pollution control and abatement (304), ground transportation (401), community development (451), and area and regional development (452).

⁴ Source: Kent Halstead, Tax Wealth in Fifty States: 1977 Supplement (Washington, D.C., 1979), table 2.
⁴ Average, Nation.

APPENDIX TABLE 1.—ESTIMATED DIFFERENCES IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS FOR FISCAL YEAR 1981

Area	Division code	Region code	CEI index	Function (dollars in millions)					
				Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
Alabama	6	3	2	-354	62	-101	-78	-120	-116
Alaska	9	4	5	-35	28	-13	-8	-11	-37
Arizona	8	4	4	-268	72	-188	-55	-40	-50
Arkansas	7	3	3	-143	13	-41	-45	-49	-22
California	9	4	4	-860	1,097	-741	-321	-347	-541
Colorado	8	4	4	-245	54	-173	-42	-51	-38
Connecticut	1	1	2	-84	332	-7	-40	-95	-73
Delaware	5	3	3	-49	14	-7	-13	-15	-29
District of Columbia	5	3	-0	-292	119	-31	-23	-51	-507
Florida	5	3	2	-465	173	-234	-123	-131	-176
Georgia	5	3	2	-409	91	-135	-84	-135	-140
Hawaii	4	4	4	-54	41	-20	-15	-25	-27
Idaho	8	4	4	-65	4	-43	-14	-10	-5
Illinois	3	2	1	-801	87	-163	-166	-291	-212
Indiana	3	2	2	-207	103	-89	-59	-72	-58
Iowa	4	2	4	-168	27	-71	-36	-15	-70
Kansas	4	2	4	-96	58	-57	-31	-29	-36
Kentucky	6	3	3	-206	29	-76	-63	-88	-7
Louisiana	7	3	5	169	48	-88	-75	-98	312
Maine	1	1	3	-78	38	-21	-23	-27	-74
Maryland	5	3	1	-371	164	-123	-59	-115	-238
Massachusetts	1	1	1	-361	272	-62	-106	-213	-251
Michigan	3	2	1	-531	138	-142	-136	-132	-259
Minnesota	4	2	3	-320	80	-168	-57	-89	-86
Mississippi	6	3	5	-163	88	-68	-93	-48	-42
Missouri	4	2	1	-106	276	-113	-75	-97	-97
Montana	8	4	5	-90	5	-43	-17	-22	-14
Nebraska	4	2	2	-77	15	-43	-21	-24	-5
Nevada	8	4	5	-143	8	-98	-10	-22	-22
New Hampshire	1	1	3	-64	24	-17	-11	-26	-34
New Jersey	2	1	1	-464	135	-122	-103	-224	-149
New Mexico	8	4	3	-82	28	-42	-26	-39	-2
New York	2	1	1	-1504	443	-353	-305	-677	-612
North Carolina	5	3	2	-327	70	-94	-89	-128	-36
North Dakota	4	2	5	-29	10	-26	-13	-15	15
Ohio	3	2	2	-612	157	-154	-135	-209	-271
Oklahoma	7	3	5	-171	48	-82	-48	-96	7
Oregon	9	4	4	-151	12	-48	-38	-27	-50
Pennsylvania	2	1	1	-654	222	-112	-170	-275	-319
Rhode Island	1	1	1	-92	20	-13	-17	-48	-4
South Carolina	5	3	2	-212	42	-77	-55	-50	-72
South Dakota	4	2	4	-53	4	-33	-15	-28	-9
Tennessee	6	3	5	-318	46	-134	-70	-110	-51
Texas	7	3	3	-650	500	-378	-209	-222	-311
Utah	8	4	4	-131	25	-87	-19	-13	-38
Vermont	1	1	3	-46	10	-12	-11	-13	-0
Virginia	1	3	3	557	290	-131	-64	-104	516
Washington	9	4	5	-173	177	-123	-56	-64	-117
West Virginia	5	3	2	-232	7	-32	-33	-64	-119
Wisconsin	3	2	3	-241	34	-73	-62	-54	-66
Wyoming	8	4	5	-40	5	-31	-3	-5	0
New England	1	1	-0	-557	695	-159	-209	-422	-463
Mid-Atlantic	1	2	-0	-2,622	799	-587	-578	-1,176	-1,080
East north-central	2	3	-0	-2,393	519	-621	-559	-973	-973
West north-central	2	4	-0	-849	469	-512	-247	-297	-262
South Atlantic	3	5	-0	-1,507	851	-833	-521	-742	-262
East south-central	3	6	-0	-1,040	225	-379	-304	-367	-215
West south-central	3	7	-0	-795	609	-588	-377	-465	26
Mountain	4	8	-0	-1,064	200	-704	-190	-203	-167
Pacific	4	9	-0	-1,273	1,355	-946	-438	-474	-770
Northeast	-0	1	-0	-3,179	1,494	-746	-787	-1,598	-1,543
North-central	-0	2	-0	-3,241	989	-1,132	-806	-1,056	-1,235
South	-0	3	-0	-3,342	1,685	-1,801	-1,201	-1,574	-451
West	-0	4	-0	-2,337	1,554	-1,650	-628	-677	-937
The Nation	-0	-0	-0	-12,099	5,723	-5,328	-3,423	-4,905	-4,166

APPENDIX TABLE 2.—ESTIMATED DIFFERENCES IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS FOR FISCAL YEAR 1982

Area	Division code	Region code	CEI index	Function (dollars in millions)					
				Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
Alabama	6	3	2	-940	240	-217	-186	-362	-415
Alaska	9	4	5	-259	104	-25	-55	-36	-247
Arizona	8	4	4	-758	273	-419	-173	-154	-286
Arkansas	7	3	3	-677	46	-84	-113	-181	-345
California	9	4	4	-1,978	4,223	-1,639	-1,013	-1,325	-2,224
Colorado	8	4	4	-387	187	-376	-104	-157	-537
Connecticut	1	1	2	-700	1,391	-71	-120	-263	-238
Delaware	5	3	1	-109	55	-16	-31	-52	-65
District of Columbia	5	3	-0	-1,816	503	-38	-232	-175	-1,872
Florida	5	3	2	-1,606	623	-512	-355	-528	-834
Georgia	5	3	2	-1,428	344	-284	-221	-447	-819
Hawaii	9	4	4	-131	148	-42	-49	-87	-101
Idaho	8	4	4	-410	12	-89	-46	-44	-242
Illinois	3	2	1	-2,443	346	-348	-421	-899	-1,121
Indiana	3	2	2	-832	433	-190	-210	-313	-652
Iowa	4	2	4	-590	109	-140	-78	-102	-390
Kansas	4	2	4	-413	208	-112	-68	-112	-329
Kentucky	6	3	3	-1,025	100	-162	-181	-305	-657
Louisiana	7	3	5	-1,168	186	-180	-183	-341	-650
Maine	1	1	3	-187	157	-40	-65	-100	-138
Maryland	5	3	1	-994	645	-271	-178	-336	-853
Massachusetts	1	1	1	-680	1,043	-130	-316	-604	-673
Michigan	3	2	1	-1,669	555	-302	-395	-686	-842

Function (dollars in millions)

Area	Division code	Region code	CEI index	Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
Minnesota	4	2	3	-1,037	329	-366	-147	-273	-579
Mississippi	6	3	5	-684	364	-141	-196	-208	-504
Missouri	4	2	1	-359	1,093	-236	-204	-365	-648
Montana	8	4	5	-376	18	-84	-58	-64	-187
Nebraska	4	2	2	-422	52	-87	-46	-84	-258
Nevada	8	4	5	-387	30	-217	-37	-57	-106
New Hampshire	1	1	3	-125	99	-29	-31	-72	-91
New Jersey	2	1	1	-1,319	542	-268	-343	-689	-560
New Mexico	8	4	3	-447	107	-87	-82	-118	-268
New York	2	1	1	-3,773	1,817	-773	-966	-1,971	-1,890
North Carolina	5	3	2	-1,166	236	-199	-224	-427	-553
North Dakota	3	2	5	-340	35	-53	-32	-46	-245
Ohio	7	2	2	-1,852	640	-335	-374	-753	-1,030
Oklahoma	9	3	4	-949	189	-173	-133	-250	-584
Oregon	2	1	5	-634	47	-97	-119	-126	-339
Pennsylvania	1	1	1	-1,932	925	-246	-479	-890	-1,242
Rhode Island	1	1	1	-198	80	-23	-52	-123	-80
South Carolina	5	3	2	-644	152	-164	-133	-213	-286
South Dakota	4	2	4	-446	13	-66	-39	-76	-277
Tennessee	6	3	3	-1,488	3,229	-289	-172	-378	-822
Texas	7	3	5	-1,327	1,993	-795	-473	-772	-1,281
Utah	8	4	4	-342	102	-185	-61	-51	-148
Vermont	1	1	3	-121	41	-22	-30	-45	-65
Virginia	5	3	3	-55	1,147	-288	-173	-322	-419
Washington	9	4	5	-688	662	-264	-187	-231	-669
West Virginia	5	3	2	-577	28	-64	-96	-134	-310
Wisconsin	3	2	3	-852	145	-146	-158	-248	-444
Wyoming	8	4	5	-190	17	-62	-18	-17	-109
New England	1	1	-0	-610	2,811	-314	-614	-1,207	-1,285
Mid-Atlantic	1	2	-0	-7,024	3,293	-1,287	-1,788	-3,550	-3,692
East north-central	2	3	-0	-7,649	2,118	-1,320	-1,558	-2,899	-3,990
West north-central	2	4	-0	-3,607	1,840	-1,060	-613	-1,059	-2,715
South Atlantic	3	5	-0	-6,579	3,229	-1,779	-1,411	-2,458	-4,140
East south-central	3	6	-0	-4,318	878	-809	-735	-1,254	-2,397
West south-central	3	7	-0	-4,121	2,414	-1,232	-902	-1,543	-2,859
Mountain	4	8	-0	-3,898	746	-1,519	-579	-663	-1,882
Pacific	4	9	-0	-3,690	5,185	-2,067	-1,422	-1,805	-3,581
Northeast	-0	1	-0	-7,634	6,104	-1,602	-2,401	-4,757	-4,977
North-central	-0	2	-0	-11,256	3,957	-2,380	-2,171	-3,958	-6,705
South	-0	3	-0	-15,018	6,521	-3,840	-3,048	-5,255	-9,396
West	-0	4	-0	-7,588	5,930	-3,586	-2,001	-2,468	-5,463
The Nation	-0	-0	-0	-41,496	22,513	-11,408	-9,621	-16,438	-26,541

SUMMARY CONCLUSIONS

1. President Reagan's budget reductions will be twice as severe for states with declining economies as for the most rapidly-growing states (Table 1).
2. Because slow growth (or declining) states tend to be concentrated in the north-east-midwest area, there is a clear and severe regional bias to President Reagan's budgetary proposals (Table 2).
3. Although Defense spending will increase in low growth regions, the largest increases in defense expenditures will occur in high growth areas such as the Pacific or South Atlantic states (Table 2).
4. In low growth states, substantial increments in defense expenditures will be more than offset by very large reductions in spending for commerce and housing credit, education and training, and income security activities (Appendix Tables 1 and 2).
5. The net loss, compared to President Carter's proposals, will be very substantial for states suffering from low growth and high unemployment. Michigan will lose more than \$2 billion; New York's loss will exceed \$5 billion (Appendix Tables 1 and 2).
6. Losses to low growth states in capital infrastructure and social service programs will be proportionately more severe than total losses suffered by these states (Table 3).

THE DEATH OF JOSEPH T. POWER

Mr. KENNEDY. Mr. President, Joseph Power, president of the Operative Plasterers and Cement Masons International Association, who passed away last Monday after a long illness, was widely acknowledged to be one of the finest men in the American labor movement. His death is a serious loss to the members of his union and to all of America's working men and women.

Joe Power began his career as a plasterer in his hometown of Chicago and

quickly rose to a position of influence, local 15 of the plasterers union there.

In 1960 he was elected executive vice president of the International Association here in Washington and in 1970 became international president, a position he held until his death.

Throughout his long career, Joe Power displayed qualities of personal integrity and dedication which were a model for all of organized labor.

He was a warm, compassionate human being whose sincerity was evident in both his personal and professional relationships. He worked tirelessly on behalf of his union and regarded each and every one of its members as a part of this family.

Joe Power had a keen interest in and long association with international labor matters. He served as a public member of the State Department Foreign Service Board and was a member of the U.S. delegation to the 57th session of the International Labor Organization.

He was also deeply involved in community affairs serving on the board of directors of Joint Action Community Services and the Cooperative Housing Foundation.

The loss of Joe Power diminishes us all. I know the Members of this body join me in expressing our deepest sympathy to the Power family and to each member of the Operative Plasterers and Cement Masons International Association.

AMERICA'S SURVIVAL: AN ASSESSMENT BY A DISTINGUISHED ACADEMICIAN

● Mr. HELMS. Mr. President, this past week I received from a friend in Fayette-

ville, N.C., the text of an address delivered on April 2 by Dr. Frank L. Grubbs, chairman of the history and political science department at Meredith College in Raleigh.

My Fayetteville friend, Carl A. Barrington, Jr., was present for Dr. Grubb's address. He was impressed. Now that I have read the text of the address, I also am impressed.

As Carl Barrington said, in assessment of the Grubbs speech, too often we erroneously assume that the entire academic and intellectual community of America has been swept up in what Mr. Barrington calls "the liberal philosophy." The truth is, a large percentage of our teachers and professors are clearly aware that the very survival of America as a free nation is on the line.

In any event, Mr. President, I want to share with my colleagues, and others who read the CONGRESSIONAL RECORD, the impressive remarks by Dr. Grubbs. For that reason, I ask that the text of Dr. Grubb's address be printed in the RECORD.

The statement follows.
THE UNITED STATES IN THE WORLD TODAY:
PROBLEMS OF SURVIVAL
(By Frank L. Grubbs)

In his farewell address to the Nation, President Jimmy Carter declared, "For this generation, life is nuclear survival. . . ." Webster defines survival as the ability to stay alive and existent. In the annals of history, the human species had to learn survival in small groupings, then collectively as nation states. Today, our chief problem is survival as a nation in a world dangerously alive with nuclear threats. Every one of us in this audience tonight has a vital stake in the survival of the United States as an independent and sovereign people. Our freedoms, the welfare of our families, and life as we know it depends on the United States remaining an

independent self-determining state. And yet, we have existed as a sovereign people for one hundred and ninety-eight years since that day in 1783 when the Government of George III granted us our independence.

We have risen from a collection of thirteen struggling colonies to the wealthiest nation on this earth. But we need not delude ourselves into thinking that our star will not fall. History reveals that nations decline, fall, and often reemerge as sovereign powers in later centuries, as Russia, China, Egypt, Israel, and India have done so aptly. But this historic fact can be of little comfort for us when we realize that nations which once declined and reemerged as significant powers were never destroyed by nuclear weapons. (The two atomic devices which destroyed Nagasaki and Hiroshima did not destroy the Japanese nation.) We face the dire threat of total nuclear destruction with which no nations have had to contend in the past.

Nuclear war would destroy the entire American continent, either through blast or radioactive poison. Our destruction, however, can be accomplished almost as effectively as total war if we allow ourselves to become militarily dominated by a foreign power possessing such superior nuclear devices that we dare not attack the adversary for fear of absolute annihilation.

Let me clarify the point. For the first time in history it is possible for one nation to so dominate the earth that that nation could be supreme without firing a shot (or to be more modern a single missile). Not to just dominate the "known world" as ancient Rome did but to dominate the entire globe. The possibility exists if one nation manages to achieve a sudden breakthrough in nuclear weapons. Indeed, nuclear weapons allow a nation to predominate without having a large population or extraordinary wealth. Thus, it is perfectly possible for a nation like the Soviet Union to outdistance the United States in nuclear weapons' technology and dominate not only us but the world, even though the Soviets have a population of only 260 million people. To defy a nation with this kind of nuclear superiority would be to risk, not physical invasion, but the destruction by missiles of every population and military complex in our land. To retaliate in kind would be foolish since a nation capable of producing superior weapons would also be capable of developing superior defenses.

Therefore, the most immediate task for the American people is to maintain nuclear parity with the Soviets; something which we have failed to do these last four years while the Carter Administration believed in *Détente*. During these years, the Soviets built the world's largest nuclear missile submarine, developed a new MIRV warhead capable of delivering ten nuclear bombs at once, and more accurate ICBM's. (At present, the United States can deliver only five warheads simultaneously.) The point is often made by the American press, to justify less spending on developing our ICBM's, that they are more accurate than those of the Soviets. For example, a very accurate but smaller American missile fired at Johnson Hall would hit it directly. The "cruder" Russian ICBM fired at Johnson would hit Bob Martin's Exxon Station across the street, both would totally destroy a radius of some twenty miles. If we had to choose between the two missiles we would choose the Russian one would we not? Especially if we worked in Johnson Hall? This business of splitting hairs on the accuracy of American and Russian ICBM's is applicable only if the Russians are shooting at a particular silo in Montana or trying to hit the underground communications center below Camp David. Otherwise, the question of whose missile is the most accurate is a moot one.

Moreover, during the past three years, the

Russians have developed a quick strike force which can deliver more than 10,000 Soviet troops, tanks, etc., as far as 6,000 miles from the Soviet Union within days. The United States has no such strike force. Only during the last weeks of the Carter administration did we belatedly begin constructing one not yet in place. Soviet tanks are more powerful than ours, their armies better prepared, their reserve forces better equipped, the navy more numerous. And this fall Jane of England, the foremost authority on the world's armed forces, declared that the Soviet air force was now larger than ours. Only in the area of tactical nuclear weapons does the United States still lead the Soviet Union.

Indeed, Russian Armaments superiority overall has become so serious our Joint Chiefs of Staff and the CIA have warned us that during the period from 1981 to 1985 the Soviets might well decide to launch an attack on the United States, or challenge us in an area vital to our national security—and hope to win. The situation is so serious that last year President Carter reluctantly began the process to bolster the American armed forces during the last eight months of his administration; and President Reagan is now attempting to rebuild our military equal to that of the Soviets as quickly as possible.

Make no mistake about the need for this action, the balance of power now lies with the Soviet Union. This nation cannot long tolerate being second place. Even if we and the Soviets reach an agreement on SALT II or SALT III the balance of power must be mutually guaranteed on whatever level the disarmament treaties dictate. We can well afford to reduce our forces only if the Russians reduce theirs to a comparable level.

Consequently, our first problem of survival in the remaining part of this century is to maintain parity with the Soviets in nuclear and conventional armaments. If parity can be achieved through disarmament agreements, then so be it; but if not, parity must be maintained in any case.

It would seem to the most casual observer that the United States should be able to maintain a weapons balance with the Soviets the remainder of this century even though Russia spends twenty-five percent more on armaments than we do. But just to maintain parity throughout the years will require a resurgence of American unity on foreign policy which has been lacking since Vietnam.

Since Vietnam too many of our people have chosen to believe that survival for this nation is simply a matter of minding our own business in this world, and the need for large armed forces is, therefore, slight. Unfortunately, survival for the United States means more today than just focusing our attention within our borders. For while we sat here during the last four years like the New Jerusalem radiating goodness toward all men, the Soviets continued to penetrate new areas in Asia, Africa, and now Latin America.

During the period of the Carter years, I am afraid that the American people and that president totally misunderstood the full intent of the Soviet Union. We might remember the words of Ambassador Toon upon his return to the United States two years ago, "If I have learned anything during my eight years in Moscow, it is that the Russians intend to knock off the United States."

Now, many Americans find his statement absolutely incredible. These peace loving and humanly occupied Americans see the Russians as simply supporting popular revolutions when possible or securing their borders, but definitely not serious about knocking off the United States much less Western Europe. The Russians are just rough, uncouth, boys who play the game of one-up-manship simply because they have the sporting spirit. They are like the bull in the china shop, always breaking things but not really intending to.

Even so, I believe that eventually, if not

presently, the commonsense of the American people will prevail, and we shall rebuild our military forces even though that rebuilding will be expensive. This nation will reach parity with the Soviets within four years despite the doubting Thomases who believe it all quite unnecessary. I believe that the vast majority of our people would rather error on the side of armaments than chance a Soviet resurgence of superiority in nuclear weapons.

Consequently, our first problem of national survival—the regaining of nuclear and conventional armaments parity with the Soviets can be realistically accomplished whether through disarmament agreements or a military buildup.

Unfortunately, our second problem of survival as a nation is far more complex than maintaining weapons parity. For after parity has been accomplished we will have to face up to continued Soviet expansion of a conventional kind. This task will require a resurgence of the American will to stand together united against Soviet imperialism. Can we find the determination to stand against Soviet expansion? I wish I could say yes we can. But I have serious doubts at the moment.

During the present conservative swing in American political spectrum, it might appear that we are on our way to cultivating a national determination to balance off the American will to resist aggression, with the Soviet will to expand their influence. But I am thinking of the long haul. What will the mood of our people be in 4 years? What position will a new President take then? I am assuming that Reagan will not run for a second term. My students keep telling me that he will die in 1983 according to some ancient formula which they swear by. In any case, in 4 years will we return to our fascination with *détente*, that the Russians are well meaning but rough guys?

I am concerned about our determination to oppose Soviet internationalism because historically we have rarely seen the Russians realistically. In the past 38 years, since 1943, we have convinced ourselves, alternately, that the Soviets are our friends, our enemies, or neutrals, and now our enemies again. Will this historic cycle continue?

The Soviet invasion of Afghanistan is a recent example of the American mood change toward the Russians. Carter came into the Presidency thinking that the Soviets were basically goodwilled, reasonable people who would respond positively to a foreign policy based on "sweetness and light." He designed our policy accordingly, reduced our military, subdued the CIA, and all but told our allies the world over that we intended to mind our own business.

The sudden Soviet invasion of Afghanistan shook up that president and brought forth the startling assertion from him that he was absolutely shocked by the Soviet behavior. This despite the fact that Brezhnev had declared officially in 1968 the Soviet Monroe Doctrine of not allowing client communist states to depart the Soviet alliance; the so-called Brezhnev Doctrine. We thought the Russians had forgotten all about their policy. We should remember that the Soviets never forget anything, whether in 1943 or 1981. They mean what they say!

Moreover, I am afraid that those Americans who believe the problems which lie between us and the Soviets are chiefly our own doing are terribly unaware. In his book the Cripple Giant former Senator J. William Fulbright continually blames the United States for inviting Soviet aggression around the world by insisting upon maintaining American military personnel and alliances vis-à-vis the Russians. Would the Soviets cease their expansion if we withdrew our interests to the North American Continent? I think not.

Historically, there is little reason to believe that the Soviets would ever trust the West or can do so psychologically. For their national experiences since 1917 have conditioned them to believe that the capitalistic world is against their existence as the chief communist state. The Russians are paranoid and their paranoia is so deep-seated we probably cannot unseat it within our lifetime. Indeed, this paranoia accounts for the tremendous national will which the Soviet people have mustered. Moreover, the Soviet people support their government's efforts to control all land and sea areas bordering upon Mother Russia, and the domination of any other areas of the world which they consider vital to their national interests.

No, the Russian will to survive is not totally dependent upon what we do. The United States and the West have given the Soviets ample opportunity in the last thirty years to work out any problems which they might have with the capitalistic world; but to little avail. The Soviet view of the West has not changed since World War II. As early as 1943, Stalin began making plans to seize Eastern Europe while professing friendship with the Allies. Surely, this was the point at which Russia could have seized the opportunity to develop a new policy towards the capitalistic world. She chose not to.

Again, the Soviets attempted to extend their influence over Japan during the last weeks of the war. President Harry Truman, never a friend of the Russians, quite rightly prevented them from doing so by turning down the Russian demand that they share in dividing up the Japanese Empire. Truman's policy was highly realistic, and we have never lived to regret his action.

The Soviet refusal to work with the West in creating a better world after World War II only illustrated the strong Russian belief that the West would someday invade Russia and overthrow the citadel of communism. Consequently, the Soviets created a new postwar paranoia about the West which continues to this day. There is little question that the paranoia serves the purposes of the Soviet leadership in controlling the Russian people. For there is some truth to the suspicion that the Soviet leadership needs enemies to maintain the Russian people's determination to undergo any sacrifice and continued privation for the sake of national power.

Since 1945 every Russian young man and young woman has been subjected to a continued negative propaganda about the West. The Soviet leadership has done its job well. The Russian people have, today, a national unity envied by the world. The leadership has maintained immense armed forces with little complaint from the Russian people. Every Soviet citizen is ready to serve his country, their civil defense is superior to ours, their economy can be converted from a peacetime to a wartime footing at a moment's notice, and their technology continues to develop fearful weapons without ceasing. The Soviet will to survive is far superior to that of the West and apparently will remain so in the foreseeable future.

Allow me to quote from the Christian Science Monitor of last month, "The Kremlin represents a form of government that believes might makes right. . . . For it is force and fear that today's Kremlin uses to keep order and to expand influence abroad. . . . The Western concept of man as an individual possessing inherent rights is alien here." Or to quote the Soviet KGB agent who ripped the film from an American reporter's camera the other day, "In your country you do things your way, here we do them our way."

It has been popular in some quarters, especially among some American intellectuals and in some of the news media, for certain Americans to believe that the average Soviet

citizen will soon tire of his government's severe policies and stage a gigantic rebellion at a future point. Or for the Russian citizen to create so much opposition to his government through work stoppages that more moderate Soviet leaders will eventually take over the Kremlin. For Americans who believe this way, they are placing Western attitudes on the Russian mentality. Of all that we can learn, the average Russian has no intention of disrupting his government, politically. He certainly has no intention of questioning his government's adventures overseas or its military buildups.

Now, you might say, what about the reported Soviet automaker strikes last summer and some other vague dissension among Russian workers in Leningrad? Is this not the beginning of Soviet discontentment? For all that we know, these Russians were agitating for better economic conditions, not political changes or military deemphasis.

The truth of the matter is, the average Russian fears democracy and most certainly fears capitalism. Several years ago the Convocation Committee brought to Meredith the Soviet dissident Paul Litvinov, son of the first Soviet Ambassador to the United States in 1934. Litvinov is presently living in New York City and the leader of a large group of Russian dissidents in the United States. He prints a newsletter which reports conditions within Russia and maintains contacts with several Soviet dissidents within that nation.

Litvinov told the Foreign Affairs class that he personally did not support capitalism for Russia. "It simply would not work there," he explained, "because the Russian people view capitalism as supporting the rich only. A situation which existed in Russia under the Czars. The Russian people would never return to that kind of economy." He preferred the kind of socialism now practiced in Western Europe.

Moreover, Litvinov maintained that Russians fear democracy as much as capitalism. "The Soviets think of democracy as inviting disorder and anarchy. Disorder might encourage another revolution or to a lesser extent a rebellion against the State. And no Russian is willing to return to the chaotic days of the revolution," he declared. Law and order are the key components within Russia today and anyone who threatens to disrupt Soviet order is deemed undesirable by the Russian people. It is common knowledge among international legal authorities that the hardest penalties are reserved for those who commit political crimes in the Soviet Union. There is no death penalty for civil crimes. That is reserved for political offenses. Today, however, the political offender is more likely to be sent to a mental hospital where his will to resist is broken down.

Now let us turn our attention to the American national will to survive at all costs. Alas, compared with that of the Soviets I do not think our national will is strong. There is little doubt that the American people would arise as one in defense of our homeland if outright military invasion were a factor. I do not doubt that our people would make every sacrifice to prevent a physical invasion of our shores. Even the "Hell no, we won't go," crowd might consider fighting. But a willingness to defend our Nation against physical attack is not a true test of the kind of American determination needed for us to survive in the Twentieth Century.

Since Vietnam, the American will has been fragmented and weak. Our people have been more interested in raising their living standards than in America's position in the world vis-a-vis the Soviet Union. We have been deeply mired in isolationism not wanting to become involved in international problems. We have been a people divided by vocal minorities who believe that money spent for

defense is money not shuffled into welfare programs. A people who have believed that if we are sweet to the Russians they will return our effort in kind. That the world's major international problems are caused by us alone and certainly not by the communists. A people who elected a president four years ago who believed likewise. In a nutshell, I do not doubt the will of our people to defend the nation proper, but I am not sure the American people have the will today to stand against Soviet expansion into those areas of the world which affect our national security.

I see no particular evidence, even in the year of Ronald Reagan that our Nation is prepared, or even realizes what it means to have to muster the national will which can withstand years of constant tangling with the Soviets over parts of the world which may not appear to us to be vital immediately to our existence.

"Vital to our existence" is a phrase which not all Americans interpret the same way. Surely, some think this nation can survive by simply sitting on the North American Continent and minding its own business. The idea is not new. When it was advocated by men like Lindbergh in the late thirties it was called the Fortress America idea. The goal was to have North America so heavily armed no one would dare attack us. The remaining part of our earth could go its own way.

Now, when the Fortress America idea was proposed the United States was an oil exporter. We imported few minerals from abroad, primarily diamonds, rubber, and tin. Today the situation has radically changed. We import 60 percent of our oil, 30 percent from the Persian Gulf, and a host of critical minerals mostly from Africa. Business Week Magazine alone has published three articles this fall on the critical dependence of our nation on African minerals like chromium, titanium, diamonds, etc. Most of which are used either in our space programs or in drilling for oil and natural gas. Make no bones about it, the United States cannot survive, as you know it today, by sitting on the North American Continent and minding our own business. If we sought to do so, we would return to the 1930's when only one American out of one thousand owned an automobile, used little electricity, had no air conditioning, depended on a simple diet grown in the local market area, and ate meat only on Sundays, all with an unemployment rate of 30 percent.

Even if we deliberately chose this primitive life style to avoid international problems, we would eventually subject ourselves to Soviet nuclear blackmail which would in turn turn us into a surrogate state of international communism. No, the Fortress America idea is dead, it will simply not fly today even if it continues to fascinate the National Council of Churches and the Catholic bishops and many minority Americans.

If we Americans want to provide any kind of independence and self-determination for our children and continue to exert some kind of autonomy in this world, we will have to get used to the idea that the world is very much with us, and we cannot escape that fact. We simply must understand that there are certain areas of the world which cannot be turned over to unfriendly governments. The Persian Gulf, Africa, and Latin America are such areas. Taken together they provide us with our major resources of oil and minerals.

Of course, one could believe in some kind of international cooperative idea as former Senator Fulbright does when he said two months ago that even if the Soviets did seize the oil fields of the Persian Gulf they would have to sell the oil to someone, and the chief buyers have always been the west

and Japan. So what is the difference, we buy the oil from communist governments instead of pro-western Arab ones? Fulbright believes that the communists cannot use all that oil themselves; they need hard cash desperately and will be willing to continue to sell oil on the world market.

To accept Fulbright's international cooperative idea is to believe that the Russians must have the cash flow and must not keep the oil in the ground. But again we are thinking in Western terms. The Soviets do not have to sell the oil or obtain much needed cash from the sale of it. They could simply hold it to the detriment of the west and Japan. Since the Soviet Government controls its people with such completeness they need not fear a public outcry at holding the oil if it is in the interest of Mother Russia to do so.

The same holds true for African minerals. Those who say the Soviets will have to sell these resources to the first buyer are thinking in capitalistic terms involving a free enterprise economy. The communist controlled economy does not work in this way. Demand is what the government determines. Resources are allocated within vast bureaucratic agencies which serve the political purposes of the state, as much so as the economic. Minerals controlled by communism could simply be circulated among Russia and her surrogate states and never reach the west.

I stated earlier that our second problem at surviving today is the creation of a national will to face down Soviet expansion even after parity has been achieved in weapons. And the mustering of such a will is difficult for a democracy where dissent is fashionable and indeed encouraged politically every four years.

Now let me draw you a scenario of what could happen if the American people do not conjure up the determination to resist Soviet expansion. A scenario very much on the minds of our strategic planners.

Let us start with the Persian Gulf area, an area absolutely vital to our economy. In the scenario, the Iranian government fails to create political stability and civil war erupts between the Kurds, Arabs, and Persians. The Soviet Union is quick to exploit the situation. It sends armaments and money across its borders with Iran and through Afghanistan. The Soviets deny, officially, their interference in the civil war but continue to support the local communists in a clandestine manner. However, they do declare their sympathy for the communist movement which is fighting heroically against Muslim autocracy.

The United States government decides not to support the non-communist factions because the American public and Congress will not sponsor either military aid or advisers to those groups. Public opinion is that the war does not concern us; and if we intervene, even on the aid only level, we might become involved in another Vietnam. Due to public concern and pressure, the American government lets matters take their own course, as we did in Angola during the Ford and Carter administrations, and as we did in Ethiopia after the overthrow of Haile Selassie.

With Soviet aid and encouragement, the communists take control of Iran and the Soviet Union quickly extends diplomatic recognition and a military pact which pulls Iran into the Russian empire. The Soviets now control one-half of the Persian Gulf and the strait of Hormuz.

The Soviets are now in a position to put pressure on Pakistan, a Western ally. This nation shares a border with Iran and Afghanistan and is historically an enemy of India which has been very friendly to Russia in the last fifteen years. Outflanked by the Russians on the northwest and west and with an unfriendly India to the south, President Zia seeks help from the United States. The Amer-

ican government is not interested. The awarding of mass military and economic aid to Pakistan would anger those Americans sensitive to welfare needs and the power of the military industrial complex. Domestically, the United States is not convinced that Pakistan is that important to American security. President Zia has little choice but to come to terms with the Russians as quickly as possible. Pakistan is now effectively neutralized like Finland today which dares not anger the Soviets for fear of eminent invasion.

The Soviets then force the new communist government of Iran to cede to Iraq those areas north of the Persian Gulf which Iran has historically claimed (the areas concerned in the present Iraqi-Iranian War). This action strengthens Soviet influence in the Gulf area by impressing the remaining Arab States with the predominance of American influence and the absence of American power.

In the meantime the United States does nothing but speak out against Soviet tactics in the United Nations, talk of cutting off grain to the Soviets, and boycotting future Olympic games.

Consequently, the pro-western Arabs on the west bank of the Gulf become alarmed at the lack of American initiative in their front yards. Arabia, Oman, the United Arab Emirates, North Yemen, and Kuwait all seek an immediate understanding with the Soviets. The Soviets respond positively, promising friendship treaties with each country, military aid to be used against Israel, the Arabs hated enemy and America's chief ally in the Near East. Soviet economic advisers visit these Arab countries constantly, and military advisers soon follow. Behind the scenes the Soviet advisers are encouraging local Arab leftists to revolt against the Royal Families and Sheiks who control these countries. With Soviet weapons and money and in the absence of American support, these Arab countries fall one by one to the leftists.

Meanwhile, the American people see no serious threat to their security because the oil continues to flow to the west and Japan. (A Newsweek in December showed that only 43 percent of the American people were willing to fight to retain the oil fields of the Persian Gulf.)

With the Persian Gulf oil fields under the control of leftists friendly to the Soviet Union, Japan and Western Europe became concerned about their economic security. Japan which imports 100 percent of her oil overall seeks a new rapprochement with Russia.

Soviet leaders make the appropriate trips to Tokyo, say the appropriate things about the great friendship between the Japanese and Russian peoples and promptly begin encouraging the large socialist-communist movement there to agitate against the Japanese government. In order to gain oil and keep domestic tranquility, the Japanese government declares its neutrality and pushes out American military personnel and bases. Oil is thicker than friendship, or shall we say that today oil is friendship.

Likewise, the Western Europeans, except for the English who will be self-sufficient in energy by 1985, became nervous. The Europeans receive some 80 percent of their oil from the Gulf. Led by the West Germans who have the largest industrial complexes in Europe, the French and Italians follow Japan's example and seek to secure their oil supplies. It is clear to all that Japan will continue to receive her oil as long as it is a Soviet friend. The Western Europeans have decided that it is better to insure their economic security, also, than continue to base their military security on the hesitance of the United States to face up to Soviet expansion.

Europeans have to consider two facts: (1)

the United States is impotent (2) that impotency probably extends now to Western Europe. Soviet leaders make triumphant trips to the capitals of Western Europe and in the process hint that friendship between Russia and themselves could exist so much more nicely if NATO were not in the way. After all, the Russian suggests, if we are friends with you what need is there of an American-dominated military organization in Western Europe. The Europeans understand the message and shortly fall away from NATO in exchange for the oil and natural gas vital to their economies. Soviet influence is now paramount in Western Europe.

We can accuse the Russians of a lot of things, but we cannot accuse them of being stupid. Generally, the Soviets are cautious and extremely practical in their foreign policy objectives. If anything, they are extreme conservatives in international adventures. They seek to dominate only where the opportunity presents itself; they pick their locales carefully knowing full well that their chances of success are in the long run good.

Therefore, the Soviets do not cut off the oil to the United States after their domination of the Gulf, Japan, and Western Europe. Oil continues to flow, though now through the ranks of Soviet warships who dominate the oil routes.

Since the United States has refused to challenge the Soviet penetration of the Gulf and Western Europe, the Russians are ready for the penetration of Africa. Egypt is neutralized. The Egyptians have learned the same lesson as the Europeans, if the United States will not stand up to the Soviets in the Gulf then it will probably not support Egyptian resistance to Soviet imperialism in Africa. Egypt makes a new friendship treaty with Russia in return for economic aid and a final solution of the Israeli problem.

The situation in Africa deteriorates rather rapidly for the United States. Black African countries, struggling to create new nations, see full well that the Soviets are the dominant power in the area. One after another, the Africans approach Moscow for economic and military aid. They endorse the goals of international socialism, brotherhood, and anti-capitalism. As these African states move into the Soviet orbit their rich mineral deposits become a tool of communist diplomacy.

The tendency of weak third world countries to drift towards a nation which can clearly demonstrate its military superiority is understandable. Yet, some Americans persisted in believing that that nation which tries to do what is moral, what is humane, and carries a soft stick, gains the most influence in the Third World. This has not been the case historically. Weak nations fear for their own safety and usually saddle up the predominant power for security. Righteousness has nothing to do with the positions, international power does.

In the last four years, West Germany has been a prime example of self-preservation even though the Germans are hardly a third world nation. During the Carter years, as the United States followed a policy of semi-isolationism and non-involvement, Helmut Schmidt moved closer to an economic understanding with the Soviets. As Russian power grew near Western Europe, American influence declined. Schmidt saw the handwriting on the wall. Fearing for the security of Germany, he approached the Soviets about favorable trade agreements and the right to import Soviet natural gas. The Russians, of course, were only too glad to oblige. Today West Germany imports 18 percent of its natural gas from communist dominated countries and is asking for more. Schmidt is also reneging on his increased NATO budget and seeking to revive the era of détente which appeared to tone down the military threat to Europe. He has strayed some distance from the American orbit in

four years. If a nation like West Germany can get nervous about its security because the United States appears to have undergone an isolationist baptism, can we blame the weak third world nations for feeling similarly.

In our scenario, as the Soviets successfully dominated the Gulf, Africa, Western Europe, and Japan, life in the United States goes on as usual. (Remember this scenario depends on the failure of the American will to stand against Soviet expansion and the American belief that since there has been no direct attack on the United States we are in no immediate danger of any kind.) Indeed, the American lifestyle has not suffered at all as the Soviets penetrated areas vital to our economy. The disappearance of NATO has brought no Soviet attack upon Europe, the oil continues to flow, as do the African minerals.

But new leftist revolts began to spring up in Central America. Weapons and money are freely sent from Castro's Cuba along with "volunteers" as they are known in the communist jargon. Again, the American government hesitates to respond due to a negative public outcry: the Latin American leftists are fighting bloody dictatorships too long supported by the United States; the revolts are local in nature; social in origin, the public declares.

The American military are branded warmongers and spokesmen for the military-industrial complex. Powell in the Raleigh News and Observer continues to portray the military as stupid, greedy, half-couth men with large chickens on their oversize hats. The National Council of Churches and the Catholic bishops both condemn American interference in the social revolutions of Central America. America minority leaders join the chorus. Congress is intimidated, and the President is powerless to interfere. The United States fails to act again, but this time on its own doorstep.

At the conclusion of the six or so Central American revolutions, Cuban influence is supreme in that area. Moreover the success of the Cuban penetration has a profound influence on the remaining Latin American nations. Larger states like Brazil prepare their own defense, smaller ones like Uruguay and Guyanas turn into the Cuban orbit. The Mexicans, who have never been convinced that Castro was a bad sort of fellow, quickly reach a rapprochement with Cuban. A deal is struck, Cuba will not attempt to infiltrate the Yucatan in return for Mexican acceptance of a Marxist Central America and Caribbean. From the Rio Grande to Tierra Del Fuego American influence cools down considerably as numerous ruling juntas and dictatorships seek to secure themselves against communist infiltration by compromising with communism. Latin America moves into the neutral zone.

It appears now that those Americans who feared Soviet international intentions were dead wrong. The bull is in the china shop and the china remains intact. America continues to import her vital resources and life at home is perking along well under good employment and a satisfactory industrial output.

Alas, this scenario is not a "they lived happily ever after one." Having now isolated the United States from its major allies and neutralized the Third World nations, the Soviets are prepared to make a new rapprochement with China. The Chinese, who had hoped to have the United States an ally against the Russians, decide after repeated warnings to Washington about Soviet intentions, that the Americans are hopelessly living in a dream world of their own making, and seek a new friendship with the Kremlin. The Soviets welcome back their long lost Chinese neighbors. The United States is now completely isolated on the North American Continent.

At this point, the Soviets have several op-

tions: they can simply be satisfied with having isolated the United States and having established predominance over two thirds of the globe; or, they can decide now is the time to knock off the United States and end our annoying presence once and for all; or they can resort to economic blackmail to twist us slowly in the wind until we deteriorate.

The Soviet leaders decide to twist us slowly in the wind. A military strike at the United States would provoke enough of a counter-response to destroy much of the Soviet Union. And the Russians, never fools about their prospects at survival, decide not to try this World War III approach. To allow business as usual with America, however, would be to accept the presence of a potential military threat from a rejuvenated United States in the future.

Therefore, Soviet strategy is fairly simple: Cause a major industrial depression in the United States while at the same time avoiding World War III. The tactic is to cut off the oil flow to North America and the mineral resources, legitimately. The task is not too difficult; communist governments in the Near East stop the flow of oil, much as the Arabs did in 1973. But this time the excuse is oil field technical difficulties, work stoppages, or equipment repairs. The Soviet Navy, now three times larger than the American, fans out along the oil route to prevent an American attack upon the oil fields. When the American government protests the cutoff, some oil is restored, some oil fields kept shut down. African minerals are cut off. Unfortunately, the cutoff of the oil and minerals is not an act of war. No American territory has been threatened, no American personnel dead, all nations involved maintain diplomatic relations with the United States and give sensible reasons for the cutoffs.

A major recession sets in in the United States. Shortly, a major depression is threatened. The Russians restore the oil flow and minerals for several months, then another shut down, more excuses, another recession, this deeper than the first. After several years of an erratic supply flow, unemployment climbs in the United States, inflation rises dangerously, energy supplies are critically short, industrial production drops some 40%.

The United States now has but few options. Seize the foreign oil fields and mineral deposits, attack the Soviet Union, or come to terms with the Soviets. Military action is out of the question. The United States has lost its major military bases around the world. A major war would be a disaster for America. Washington decides to strike a deal with the Soviets. A deal is negotiated largely because the United States has no other choice except that of outright destruction. The oil and mineral flows will be resumed, the Soviets declare, if the United States reduces its military forces to a national defense level. The United States accepts.

The crisis has passed. The Soviets are the uncontested masters of the world. There has been no World War III, no American dead, just the steady demise of a people being slowly strangled to death economically.

Of course, the scenario is a fabrication; it is based on nothing more than the concerns of some of our strategic planners. But then again—

In the Raleigh News and Observer of January 19, 1981, there is an interesting article dated Washington UPI titled, "Mao's Transcript for World Conquest Is Revealed." The article is one of those little things which one does not know whether to believe or not. You know, like the article about people returning from the dead and describing hell in vivid terms. Our reaction is not to believe these things, yet the chills up and down our spines cast some doubt on our good intentions.

At any rate, this article maintained that a

secret Chinese document dated 1951-53 had been discovered describing a plan for world conquest submitted to the Soviet Union by Mao Tse-tung. The plan advocated outright communist attacks on weak nations, especially when no western response was likely; and, subversion to topple stronger anti-communist governments, until the United States had been isolated from its allies: "With Asia and Africa disconnected from the capitalist countries of Europe there will be a total economic collapse in Western Europe in 1973.

Crushing economic collapse and industrial breakdown will follow the European crisis. Canada and South America will find themselves in a hopeless and defenseless position, that will leave the United States alone and surrounded by fallen allies and communist states. The revolution will have been completed." Representative Walter H. Judd (R. Minn.) was reported to have said, "the document was a blueprint for world conquest similar to Mein Kampf but no one would believe that either."

Who knows whether or not the Mao document is authentic? I can say, however, that the document's intent fits well with Mao's well-known strategy of causing the fall of non-communist states by occupying the countryside and isolating the cities. Simply substitute resources for countryside and the U.S. for city and you have a plan for isolating the United States from its vital resources.

You will note that the so-called Mao document named the year 1973 as completion of the isolation of the United States. The document's author believed in an accelerated historical development similar to St. Paul's belief that Christ would return quickly. The Christian movement has survived almost 1,500 years longer than St. Paul envisioned. The Russians may have the patience of Job. They may not be in a hurry, they may be content to wait for the final triumph of communism. Time may be of little importance to them in expanding their influence over this globe; especially if their objectives are won piece by piece.

Overall, a long-haul strategy holds some promise of success for the Soviets. Democracies are notoriously dull during non-crisis times. They sleep instead of watch. They concentrate upon their domestic problems and all segments of their people fight year after year for their share of the political and economic pies. Our international wills are weak since no imminent danger threatens. A Soviet strategy of surrounding the United States with leftist governments and controlling our vital resource supplies is a deadly one. Chaotic economic conditions caused by the severe shortages of oil and minerals would topple any capitalistic economy. And note that this particular kind of Soviet strategy is designed to avoid war, proceed slowly, indeed throughout the years, and never attack the United States or its possessions directly.

Tonight, I have touched upon two basic problems of survival for the United States during the remaining part of the Twentieth Century. The first, to maintain parity in weapons, both nuclear and conventional, with the Soviets, I have said I believe we can accomplish. The second, to muster the national will to stand against Soviet expansion year after year is more difficult to accomplish as long as we fail to agree on whether or not the Soviets are a menace to our survival.

Ned Woodall, an anthropologist, wrote, "In an instance of competition between two cultures of equal technological sophistication the one with the most efficient social organization will prevail." The Durants and Arnold Toynbee came to similar conclusions in their studies of civilizations. "Efficient social organization" may be translated "national will."

Regarding the weakness of America's world position since Vietnam. A British Colonel Alford, of the Department of the

International Institute for Strategic Studies in London asserted last month, "Unless the United States can successfully recreate the aura of American Power . . . the regional states will tend to deter to the Soviet Union." Alford referred not only to the Third World but to our allies as well.

Any sign of indecisiveness on our part not only influences Soviet opinions of our resolve to resist their encroachment but it also causes our allies to doubt our firmness to protect their interests. But we must, in my opinion, take some kind of stand against Russian encroachment, whether that stand be simply economic aid, diplomatic initiatives, or military action. I do not see World War III as the greatest danger, but the slow encirclement of our nation by Pro-Soviet governments. The only way to prevent this encirclement is to base our foreign policy on military power and diplomatic fortitude. The military power need not be applied, it need only to exist, if we Americans will allow it. Historically, the Russians respect power, both military and economic. Historically, they take advantage of weakness and any sign of it. The Soviets are not fools, they halt their expansion when faced by a determined adversary. They push forward when their adversary is weak.

Francis Parkman, one of the best 19th century American historians wrote about the spread of the French Empire into the Mississippi valley during 1739-1754. "Many thought that the alarm about French encroachment was a device of designing politicians and they did not awaken to a full consciousness of the peril till it was forced upon them by a deluge of calamities." This is how many Americans see Soviet encroachment today; it is a myth of the industrial-military complex; it does not really exist; it is a political scapegoat for conservatives seeking power.

In the final analysis, I believe that it will be the American people, not the Russians, who will determine the fate of this young nation. "Freedom is the sure possession of those alone who have the courage to defend it," wrote Pericles in 430 B.C. Pericles' statement has never lost its relevancy. ●

UNANIMOUS-CONSENT AGREEMENT—NOMINATION IN THE DEPARTMENT OF STATE

Mr. BAKER. Mr. President, I have been advised now by the minority leader, who is on the floor, that we have reached agreement between us, at least, on a convenient way to deal with the seven nominations appearing on page 2 of today's Executive Calendar, beginning with Calendar No. 110 and continuing seriatim through 116, being all of the nominations under Department of State.

Mr. President, I ask unanimous consent, in accordance with the arrangement the minority leader and I have worked out, that at 2:45 p.m. on tomorrow, the Senate go into executive session for the purpose of considering the seven nominations that I have just identified; that the nominees be considered en bloc; that there be one rollcall—and I suggest that a rollcall vote will be ordered—on all seven to count for one vote; and that, after the disposition of those seven nominations, the Senate immediately return to legislative session.

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

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order to

ask for the yeas and nays on the nominations at this time.

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

Mr. BAKER. Mr. President, I ask for the yeas and nays on the nominations.

The PRESIDING OFFICER. Is there a sufficient second? There seems to be a sufficient second.

Mr. BAKER. Mr. President, I thank the Chair for his perspicacity, his powers of observation, and his accuracy in totaling the show of hands for the nomination.

The yeas and nays were ordered.

PROGRAM

Mr. BAKER. Mr. President, in a moment, I shall ask that the Senate stand in recess until tomorrow. Before I do that, may I once again state the program, as I hope for and see it, for tomorrow.

TUESDAY

I shall ask, at the moment, that the Senate come into session at 11 o'clock. There is one special order tomorrow for the distinguished Senator from Nebraska (Mr. ZORINSKY). It is my hope that, during the day tomorrow, the Senate can turn to the consideration of Calendar Order No. 50, the Commodity Credit Corporation bill, the so-called crop insurance bill; and Calendar Order No. 54, the National Climate Program Act, out of the Committee on Commerce. We have no clearance on those two items, but they have been the subject of discussion for some time and it is my hope that we can do those two items, either before we turn to consideration of the State Department nominees at 2:45 or immediately after that.

In any event, Mr. President, at 2:45, the Senate will go into executive session to consider the seven nominees under Department of State. There will be a rollcall vote—which already has been ordered—on those nominees, to be considered en bloc.

After the disposition of business in executive session, the Senate, under the order just entered, will return immediately to legislative session.

WEDNESDAY

Mr. President, it is hoped, once again, that on Wednesday we can turn to the consideration of two other measures—the Federal Election Commission bill and the Public Buildings Act.

THURSDAY

Thursday, it is anticipated, will be a big day, and I would like to get as much of this out of the way as possible before we turn to the consideration of the budget resolution. It is my intention on Thursday to ask the Senate to proceed to the consideration of the first concurrent budget resolution. I believe I am correct in stating that it will then qualify under the rules of the Senate.

We also have two nominees ordered for consideration on Thursday—the Pauken nomination and the Ruppe nomination.

Mr. President, has an order been en-

tered for the convening of the Senate on Thursday?

The PRESIDING OFFICER. There is an order to proceed as in executive session, but no order for convening.

ORDER FOR THE CONVENING OF THE SENATE ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday next, the Senate convene at 8:45 a.m.

The PRESIDING OFFICER. Without objection, the Senate will convene at 8:45 a.m. on Thursday.

Mr. BAKER. Mr. President, that disposes of all the business the Senate can transact today. I have outlined the programs. I hope it will occur tomorrow. Orders have been entered with respect to the situation on tomorrow.

The Senate will be in session on Wednesday, with the hope that we can turn to the consideration of the measures I have identified for that day.

I expect rollcall votes on both days. There most certainly will be rollcall votes on Thursday. The Senate will be in session on Friday as well.

ORDER FOR CONVENING OF THE SENATE AT 11 A.M. TOMORROW

The PRESIDING OFFICER. The Chair inquires whether the Senator stated that there would be no session tomorrow.

Mr. BAKER. There will be a session tomorrow. I thank the Chair for asking for the clarification. The Senate will convene tomorrow at 11 o'clock. Have I obtained that order?

The PRESIDING OFFICER. No.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate convene at 11 a.m. tomorrow.

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

Mr. BAKER. I hope that legislative business can be transacted between 11 o'clock and 2:45 p.m. At 2:45 p.m., there will be a rollcall vote to consider en bloc the seven nominees under the Department of State.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. tomorrow.

There being no objection, the Senate, at 2:43 p.m., recessed until tomorrow, Tuesday, May 5, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 1, 1981, under authority of the order of the Senate of April 29, 1981:

DEPARTMENT OF AGRICULTURE

Mary Claiborne Jarratt, of Virginia, to be an Assistant Secretary of Agriculture, vice Carol Tucker Foreman, resigned.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

John V. Byrne, of Oregon, to be Administrator of the National Oceanic and Atmos-

pheric Administration, vice Richard Asher Frank, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Pamela Needham Bailey, of Virginia, to be an Assistant Secretary of Health and Human Services, vice Billy M. Wise, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Stephen May, of New York, to be an Assistant Secretary of Housing and Urban Development, vice Horace Dicken Cherry, resigned.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

David R. MacDonald, of Illinois, to be a Deputy United States Trade Representative, with the rank of Ambassador, vice Robert D. Hormats.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Fred Joseph Villella, of California, to be Deputy Director of the Federal Emergency Management Agency. (New Position)

Executive nomination received by the Secretary of the Senate May 4, 1981, during the recess of the Senate, under authority of the order of the Senate of April 29, 1981:

ENVIRONMENTAL PROTECTION AGENCY

John Whitlock Hernandez, Jr., of New Mexico, to be Deputy Administrator of the

Environmental Protection Agency, vice Barbara Blum, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 4, 1981:

DEPARTMENT OF TRANSPORTATION

Donald Allan Derman, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Mortimer L. Downey III, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services, vice Julius Benjamin Richmond, resigned.

DEPARTMENT OF COMMERCE

Sherman E. Unger, of Ohio, to be General Counsel of the Department of Commerce, vice Homer E. Moyer, Jr., resigned.

Arlene Triplett, of Virginia, to be an Assistant Secretary of Commerce, vice Elsa Allgood Porter, resigned.

Paul A. Vander Myde, of Virginia, to be an Assistant Secretary of Commerce, vice Andrew E. Manatos, resigned.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify

before any duly constituted committee of the Senate.

DEPARTMENT OF THE TREASURY

Marc E. Leland, of California, to be a Deputy Under Secretary of the Treasury, vice C. Fred Bergsten, resigned.

Roger William Mehle, Jr., of New York, to be an Assistant Secretary of the Treasury, vice Roger C. Altman, resigned.

DEPARTMENT OF COMMERCE

Lionel H. Olmer, of Maryland, to be Under Secretary of Commerce for International Trade, vice Robert E. Herzstein, resigned.

Raymond J. Waldmann, of Maryland, to be an Assistant Secretary of Commerce, vice Abraham Katz, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dorcas R. Hardy, of California, to be an Assistant Secretary of Health and Human Services, vice Cesar A. Perales, resigned.

John A. Svahn, of Maryland, to be Commissioner of Social Security.

DEPARTMENT OF DEFENSE

Henry E. Catto, Jr., of Virginia, to be an Assistant Secretary of Defense, vice Thomas B. Ross, resigned.

Russell A. Rourke, of Maryland, to be an Assistant Secretary of Defense, vice Russell Murray 2nd, resigned.