manufacture or market renewable energy equipment or conservation equipment or firms which provide professional engineering or architectural services which conserve energy or apply renewable energy measures as their main objective. H.R. 11713—Public Law 95– approved 1978. (VV)

Water resources projects—waterway user fee. Authorizes $2.4 billion for certain public works for improvement of navigation on U.S. inland waters and sundry water resources projects in 34 states; for such purposes as flood control, water supply and beach restoration; includes authorization of $421 million for replacement of locks and dam 26 at Alton, Illinois, on the Mississippi River with a new dam and a single 1,200-foot lock; imposes a fuel tax of four cents per gallon on shallow-draft commercial vessels that use the inland waterways which will begin in 1982 or when construction begins on locks and dam 26, whichever is sooner, and increase to 12 cents eight years later; and directs the Secretaries of Commerce and Transportation jointly to undertake a study regarding the impact of fuel taxes on inland waterway users or alternative or supplemental charges and to report findings and recommendations to Congress within three years. H.R. 8309—Passed House October 13, 1977; Passed Senate amended May 4, 1978; Senate requested conference May 4, 1978. (153)

ORDER FOR RECESS UNTIL 8:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I had stated that the Senate would resume its consideration of the New York City bill tomorrow at around 9 o'clock. I understand that there are requests for three special orders. I therefore ask unanimous consent that the Senate, when it stands in recess today, stand in recess until the hour of 8:15 a.m. tomorrow.

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

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two leaders be limited at that hour of the morning to 2 minutes each, and after the two leaders have been recognized Mr. HATHAWAY be recognized for not to exceed 15 minutes, that Mr. BARTLETT and Mr. STEVENS be recognized for not to exceed 15 minutes each, that Mr. WALLOP be recognized for not to exceed 5 minutes, and that the Senate then resume consideration of the New York City bill.

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

RECESS UNTIL 8:15 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8:15 a.m. tomorrow morning.

The motion was agreed to; and, at 9:34 p.m., the Senate recessed until Thursday, June 29, 1978, at 8:15 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 28, 1978:

MISSISSIPPI RIVER COMMISSION

James Williams Yancey, of Arkansas, to be a member of the Mississippi River Commission for a term of 9 years.

FEDERAL COUNCIL ON THE AGING

The following-named persons to be members of the Federal Council on the Aging for the terms indicated:

For a term expiring December 19, 1979:

Nelson H. Cruikshank, of the District of Columbia.

For a term expiring June 5, 1979:

Walter L. Moffett, of Idaho.

James T. Sykes, of Wisconsin.

For a term expiring June 5, 1980:

Fannie B. Dorsey, of Kentucky.

Mary A. Marshall, of Virginia.

Bernie L. Neugarten, of Illinois.

Fernando Manuel Torres-Gil, of California.

Wesley C. Uhlman, of Washington.

DEPARTMENT OF COMMERCE

Henry Geller, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

George S. Benton, of Maryland, to be Associate Administrator of the National Oceanic and Atmospheric Administration.

FEDERAL TRADE COMMISSION

Robert Pitofsky, of Maryland, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1975.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Capt. Bernie E. Thompson, [redacted].
Capt. Clifford F. DeWolf, [redacted].
Capt. Harold W. Parker, Jr., [redacted].
Capt. Henry H. Bell, [redacted].
Capt. Alfred P. Manning, Jr., [redacted].
Capt. Richard J. Knapp, [redacted].

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

William H. Stewart.

Paul A. Yost, Jr.

Louis L. Zumstein.

The folowing-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

Aubrey H. Jones, [redacted].

The following licensed officer of the U.S. Merchant Marine to be a permanent commissioned officer in the Regular Coast Guard in the grade of lieutenant (junior grade):

Danny Ellis.

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Joseph G. Gofus III, to be lieutenant, and ending Charles I. Zigelman, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 24, 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, June 28, 1978*

The House met at 10 o'clock a.m.

Rabbi Barnett Hasden, Congregation Anshe Emeth, Hudson, N.Y., offered the following prayer:

Almighty G-d, whose kingdom is above all, watch over this Nation, its leaders, and its people in this crucial time of world history. In our dealings with other nations may we be kind but firm, generous without extravagance, right without compromise. May our strength and wisdom be applied in bringing freedom, human rights, justice, and peace to the entire world.

May Thy special blessings rest upon the President, Vice President, the leaders and Members of this body, for these times demand strong minds, great hearts, true faith, and willing hands, so they may rise to meet all challenges.

In our dealings with each other may we be gentle, understanding, and tolerant. In dealing with ourselves may we require the best.

May the Biblical ideals of freedom and fraternity, of justice and equality, enshrined in the American Constitution, become the heritage of all the peoples of the Earth.

We ask it in Thy name, our Father in heaven. Amen.

THE JOURNAL

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

Is there objection to approval of the Journal?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 326, nays 11, answered "present" 3, not voting 92, as follows:

[Roll No. 498]

YEAS—326

Abdnor	Andrews, N.C.	Ashley
Addabbo	Andrews, N. Dak.	Aspin
Akaka	Annunzio	AuCoin
Ammerman	Applegate	Badham
Anderson, Calif.	Archer	Bafalis
Anderson, Ill.	Ashbrook	Baldus
		Barnard

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Coleman
Collins, Ill.
Conable
Conte
Corman
Cornell
Cornwell
Crane
Cunningham
D'Amours
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Foley
Ford, Tenn.
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Krebs
Regula
Edwards, Ala.
Krueger
LaFalce
Lagomarsino
Latta
Leach
Leggett
Lehman
Lent
Levitas
Livingston
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, John
Natcher
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pursell
Quillen
Rahall
Railsback
Rangel
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Russo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Sisk
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Steers
Stockman
Stokes
Stratton
Studds
Stump
Taylor
Teague
Thompson
Thornton
Traxler
Trible
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Waxman
Weiss
Whitehurst
Whitley
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—11

Breckinridge
Brown, Mich.
Forsythe
Holt
Lloyd, Calif.
Mitchell, Md.
Pritchard
Quayle
Sarasin
Walker
Wilson, Bob

ANSWERED "PRESENT"—3

Ireland
McEwen
Skubitz

NOT VOTING—92

Alexander
Ambro
Armstrong
Bellenson
Boland
Bolling
Bonior
Brown, Ohio
Burke, Calif.
Burton, John
Chisholm
Clay
Cochran
Collins, Tex.
Conyers
Corcoran
Cotter
Coughlin
Daniel, Dan
Dellums
Dent
Diggs
Dingell
Duncan, Oreg.
Evans, Colo.
Fary
Florio
Flowers
Flynt
Ford, Mich.
Fountain
Garcia
Gephardt
Giaimo
Harrington
Holland
Horton
Howard
Jacobs
Jenrette
Johnson, Colo.
Keys
Le Fante
Lederer
McCloskey
McDade
McDonald
Meyner
Michel
Mikulski
Milford
Moffett
Mollohan
Murphy, Pa.
Myers, Michael
Neal
Nichols
Nix
Nolan
O'Brien
Pepper
Pettis
Quie
Reuss
Rhodes
Rodino
Roncalio
Rostenkowski
Runnels
Ruppe
Ryan
Shipley
Simon
Stark
Steiger
Symms
Thone
Treen
Tsongas
Tucker
Udall
Ullman
Weaver
Whalen
White
Wiggins
Wilson, Tex.
Wydler
Wylie
Yates
Young, Alaska
Young, Tex.

Mr. VANDER JAGT changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 555. Concurrent resolution approving the extension of nondiscriminatory treatment with respect to the products of the Hungarian People's Republic.

The message also announced that the Senate had passed a resolution of the following title:

S. RES. 493

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William M. Ketchum, late a Representative from the State of California.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to a bill of the House of the following titles:

H.R. 10882. An act to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981.

The message also announced that the Senate has passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12222. An act to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes; and

H.R. 12930. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1979, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12222) entitled "An act to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. CASE, Mr. JAVITS, and Mr. PERCY to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12930) entitled "An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1979, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHILES, Mr. BUMPERS, Mr. SASSER, Mr. DECONCINI, Mr. EAGLETON, Mr. YOUNG, and Mr. WEICKER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6669) entitled "An act to establish a national climate program, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. MAGNUSON, Mr. STEVENSON, Mr. PEARSON, and Mr. SCHMITT to be conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 419. An act to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes;

S. 1006. An act for the relief of Concrete Industries (Monier), Ltd.;

S. 1562. An act for the relief of Datronics Engineers, Inc.;

S. 2450. An act to extend the assistance

programs for community mental health centers and for biomedical research, and for other purposes;

S. 2579. An act to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; and

S. 3067. An act to extend the Commission on Civil Rights for 3 years, to authorize appropriations for the Commission, to effect certain changes to comply with other changes in the law, and for other purposes.

STANDARD REFERENCE DATA ACT ACTIVITIES APPROPRIATIONS

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11232) to authorize appropriations to carry out the Standard Reference Data Act, with Senate amendments thereto, and concur in the Senate amendments with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: That there are authorized to be appropriated to the Department of Commerce not to exceed $4,000,000 for the fiscal year ending September 30, 1979, not to exceed $5,000,000 for the fiscal year ending September 30, 1980, and not to exceed $6,000,000 for the fiscal year ending September 30, 1981, to carry out the purposes of the Standard Reference Data Act (15 U.S.C. 290–290f).

SEC. 2. The Act entitled "An Act to establish the National Bureau of Standards", approved March 3, 1901 (15 U.S.C. 270 et seq.) is amended as follows:

(a) Section 12(a) of such Act (15 U.S.C. 278b(a)) is amended by striking out ", and additional amounts as from time to time may be required for the purposes of said fund are hereby authorized to be appropriated".

(b) Section 18 of such Act (15 U.S.C. 278h) is amended by (1) designating the existing paragraph as "(a)"; and (2) adding immediately thereafter the following:

"(b) There are authorized to be appropriated to carry out the provisions of this Act (including the Working Capital Fund referred to in section 12(a)), except section 16, such sums as may be necessary for each of the fiscal years 1979, 1980, and 1981.".

Amend the title so as to read: "An Act to authorize appropriations to carry out the Standard Reference Data Act, and to authorize appropriations for the National Bureau of Standards.".

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

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

There was no objection.

The Clerk read the House amendments to the Senate amendments, as follows:

In the engrossed Senate amendment to H.R. 11232, make the following changes:

In section 1:

In line 2, delete the amount "$4,000,000" and insert instead the amount "$3,575,000";

In line 3, delete the amount "$5,000,000" and insert instead the amount "$4,375,000"; and

In line 5, delete the amount "$6,000,000" and insert instead the amount "$5,250,000".

In section 2(b):

In lines 9 and 10, delete the years "1979, 1980, and 1981" and insert instead the years "1979 and 1980".

● Mr. TEAGUE. Mr. Speaker, when the Senate acted on H.R. 11232, it struck all after the enacting clause and inserted new language. As a result, there are two differences between the House and Senate versions of this bill, as follows: First, both bills would provide authorization for the Bureau of Standards' standard reference data program, but the Senate amounts were higher for each year than the amounts in the House-passed bill. The amendment I offer would reduce the Senate increases by 50 percent and provide the following authorization for the 3 years: For fiscal year 1979, $3.575 million; for fiscal year 1980, $4.375 million; and for fiscal year 1981, $5.25 million.

The other difference has to do with the authorization for the National Bureau of Standards as a whole. Here the Senate bill would change the Bureau of Standards from a continuing authorization to a 3-year authorization, and provide for each of those years such sums as may be necessary. My amendment would agree to the proposed policy of periodic authorization, but would reduce the number of years to be authorized at this time from 3 to 2. Thus the first authorization hearings for the National Bureau of Standards would take place in the spring of 1980 for the fiscal year 1981 budget.

In October 1977, the Committee on Science and Technology held its first oversight hearings on the National Bureau of Standards since 1971. Because of the length of time between these reviews, our Science, Research, and Technology Subcommittee chairman, Mr. THORNTON of Arkansas, made a special effort to look with care at the Bureau's resources and programs in the light of its mission in our rapidly developing and highly industrialized Nation. We examined the forces that have shaped the NBS as it is today and found, among other things, that the Congress has, in those 6 or so years since our last oversight, enacted into law a dozen new, statutory tasks for the Bureau.

For the most part the Bureau has done its best to comply with our directives. But we have noted growing concern on the part of the executive branch, the professional, scientific, and technical communities, and industry about the Bureau's health and capacity to continue in its role as one of our Nation's most outstanding and highly respected scientific and technical research organizations.

At the conclusion of our hearings, a number of questions seemed worthy of further review by the Congress. We noted in our report (H. Rept. 95–977) that "the time may be approaching when the growth and importance of the activities of the National Bureau of Standards as a whole would be subject to the authorization process." One of our committee members, Mr. BROWN of California, expressed his concerns to the Senate Commerce Committee during their first oversight of the Bureau of Standards in April 1978. These concerns included questions on the Bureau's mission, the relationship of the Bureau to other Federal laboratories and U.S. industry, its institutional health and its new reorganized structure, its staffing characteristics, and the adequacy of its resources in view of newly assigned responsibilities.

Mr. Speaker, it is our belief that the start, no more than 2 years from now, of a periodic authorization process will assure that the Bureau of Standards will indeed be able to make its maximum contribution to the scientific knowledge and technology so important to our industrial innovation, growth and economic well-being.

Mr. Speaker, I understand that the Senate would agree to this amendment if adopted by the House and I urge the House to adopt the amendment.●

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

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON PANAMA CANAL OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO MEET TODAY WHILE HOUSE IS IN SESSION

Mr. METCALFE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Panama Canal of the Committee on Merchant Marine and Fisheries may be permitted to meet today, for the purpose of taking testimony only, while the House is in session.

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

There was no objection.

NORTH PACIFIC FISHERIES ACT AMENDMENTS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12637) to amend the North Pacific Fisheries Act of 1954, with Senate amendments thereto, and concur in Senate amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, and 11, and concur in Senate amendments 9 and 10 with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 13, strike out all after "of" down to and including "area." in line 15, and insert "the State of Washington.".

Page 8, lines 7 and 8, strike out "catching or processing anadromous species pursuant to the Convention" and insert fishing for or processing anadromous species".

Page 10 line 4, strike out "or".

Page 10, after line 4, insert:

"(5) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of the Convention or this Act or any regulation adopted or permit issued under this Act;

Page 10, line 5, strike out "(5)" and insert "(6)".

Page 15, lines 15 and 16, strike out "sonar censusing of salmon in fresh water streams" and insert "a sonar censusing project in the Arctic-Yukon-Kuskokwin region".

Page 16, line 11, after "issued" insert "shall comply with any regulations adopted under section 14(a) of this Act and".

Page 17, line 15, after "to," insert "(A)".

Page 17, line 18, after "mammals" insert "and (B) in conformity with the provisions of the Convention, adoption of regulations

governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone of the United States, including improvisions for the collection of biological material and data on all marine mammals incidentally taken within the fishery conservation zone of the United States and the use of such gear and fishing techniques to reduce or eliminate such incidental taking as are determined to be feasible, based upon the results of the research program conducted pursuant to the Convention and this Act".

Page 19, line 5, after "activities." insert "The report shall detail the steps taken by both nations to implement the Convention, the results of all research and statistical reporting and analysis carried out pursuant to the Convention and a description of all enforcement activities and their disposition. The report shall include an analysis of salmon harvesting and research, estimates of the magnitude of incidental taking of Dall porpoise (Phocoenoides dalli) by Japanese fishing vessels, estimates, as possible, of the abundance, distribution, recruitment rates, status, trends, and impacts of incidental taking upon the optimum sustainable population of Dall porpoises, and any proposals for adoption of fishing gear or techniques designed to reduce or eliminate such incidental taking. If available information is inadequate to provide the basis for such estimates or proposals, the report shall include an indication of what research efforts are needed to provide the requisite information.".

Page 19, strike out line 15 and insert:

SEC. 2. This Act, including the amendments made by this Act, shall take effect on the date of enactment of this Act, except the amendments made by paragraph (10) of the first section of this Act shall take effect on October 1, 1978.

The Clerk read the House amendments to Senate amendments numbered 9 and 10, as follows:

In lieu of the matter proposed to be inserted by Senate amendment numbered 9, insert the following: "and (B) the adoption of regulations, which conform to the provisions of the convention, governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone, including, but not limited to, regulations which require the collection of biological material and data on all marine mammals incidentally taken within such zone and the use of such gear and fishing techniques as are determined to be feasible to reduce or eliminate such incidental taking".

On page 3, line 4, of the Senate engrossed amendments, strike out "porpoise" and insert "porpoises".

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

Mr. FORSYTHE. Reserving the right to object, Mr. Speaker, and I will not object, we have consulted with the majority on these amendments, and we approve them.

Mr. Speaker, I would be happy to yield to my chairman if he would like to explain the matter any further.

Mr. MURPHY of New York. If the gentleman will yield, Mr. Speaker, H.R. 12637 passed the House on June 6, 1978, and it passed the Senate, with amendments on June 14, 1978.

As it passed the House, H.R. 12637 would amend the North Pacific Fisheries Act of 1954 to implement the renegotiated International Convention for the High Seas Fisheries of the North Pacific Ocean signed on February 10, 1977, by the countries of Canada, Japan, and the United States. The primary purpose of the convention is to insure the maximum sustained productivity of the fishery resources of the North Pacific Ocean and to encourage the conservation of these resources.

The main differences between the old and new convention are as follows:

First. The abstention line for Japanese fishing vessels involving the taking of U.S. origin salmon would be moved 10 degrees farther west;

Second. Japan would agree to furnish a research vessel to conduct research on the origin of anadromous species migrating to the Northern Bering Sea and allow Canadian and U.S. scientists onboard that vessel at their own expense.

Third. The provision of the Marine Mammal Protection Act that requires Japanese salmon fishing vessels within the U.S. Fishery Conservation Zone (FCZ) to have onboard a certificate of inclusion relating to the incidental taking of marine mammals would be waived for a 3-year period; during this period Japan and the United States would conduct research with a view toward reducing the incidental catch of such mammals; and

Fourth. Japanese and U.S. scientists would conduct annual Dall porpoise sighting surveys on Japanese salmon research vessels in the convention area and not later than 1979 Japan would make available an appropriate vessel for cooperative research on the Dall porpoise.

The Senate made 11 amendments to the bill, all of which were technical in nature. Briefly explained they are as follows:

First. Require one of the four commissioners to be from the State of Washington;

Second. Make it clear that enforcement officers in the convention area outside the FCZ's of the three countries can board vessels of each country "fishing for or processing anadromous species";

Third. Strike the word "or";

Fourth. Make it unlawful for any person subject to the jurisdiction of the United States to ship, buy or sell, or to have custody of any fish taken or retained in violation of the convention, this act, or any regulation or permit issued under the act;

Fifth. Strike "(5)" and insert "(6)";

Sixth. Limit the sonar censusing study on salmon in Alaska to the Arctic-Yukon-Kuskokwin region;

Seventh. Require Canadian and Japanese vessels in the U.S. FCZ to comply with U.S. regulations adopted under this act;

Eighth. Insert "A" after "to";

Ninth. Require Japanese fishing vessels operating within the FCZ of the United States to use certain types of gear and fishing techniques in order to reduce the incidental taking of marine mammals;

Tenth. Require the annual report to be submitted by the Secretary of Commerce to the Congress to include a detailed analysis of the research and comparative efforts carried out by the countries of Japan and the United States to reduce the incidental taking of marine mammals in the convention area; and

Eleventh. Make the effective date of the act the date of enactment of the act, except with respect to the funding provisions, which shall take effect on October 1, 1978.

Mr. Speaker, all of the Senate amendments to the bill were "germane" and they did not result in any additional cost to the legislation.

Mr. Speaker, the motion before the House is to concur in all of the Senate amendments, except for amendments numbered 9 and 10, and, with respect to those two amendments, to concur in such amendments with the following technical amendments:

No. 9. Rewrite the paragraph and correct a misspelled word therein; and

No. 10. Make the words "porpoise" and "population" appear in the plural in lines 4 and 7 of page 3 of the amendment.

Mr. Speaker, I urge the House to concur in all of the Senate amendments to the bill, except for amendments 9 and 10, and to concur in such amendments with amendments.

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

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

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 12637, NORTH PACIFIC FISHERIES ACT AMENDMENTS

Mr. MURPHY of New York. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 653) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

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

There was no objection.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 653

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 12637), to amend the North Pacific Fisheries Act of 1954, the Clerk of the House of Representatives shall make the following corrections:

Page 12, line 3, of the House engrossed bill, strike out "subsection".

Page 17, line 13, strike out the period and insert a semicolon.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TO AMEND MARINE MAMMAL PROTECTION ACT OF 1972

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10730) to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That section 109 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1379) is amended by adding at the end thereof the following new subsection:

"(d)(1) There are authorized to be appropriated to the Department of the Interior, for the purposes of carrying out this section, not to exceed $400,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.

"(2) There are authorized to be appropriated to the Department of Commerce, for the purposes of carrying out this section, not to exceed $225,000 for each of the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.".

SEC. 2. Section 110(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1380 (c)) is amended by adding at the end thereof the following new paragraphs:

"(4)(A) $1,300,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1979.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1979.

"(5)(A) $1,500,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1980.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1980.

"(6)(A) $2,100,000 which shall be available to the Secretary of the Interior for the fiscal year ending September 30, 1981.

"(B) $2,700,000 which shall be available to the Secretary of Commerce for the fiscal year ending September 30, 1981."

SEC. 3. Section 114 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1384) is amended—

(1) by amending subsection (a)—

(A) by striking out "title." and inserting in lieu thereof "title (other than sections 109 and 110).".

(B) by striking out "and" immediately after "fiscal years,", and

(C) by inserting immediately after "September 30, 1978," the following: "not to exceed $8,500,000 for the fiscal year ending September 30, 1979, not to exceed $9,000,000 for the fiscal year ending September 30, 1980, and not to exceed $9,500,000 for the fiscal year ending September 30, 1981,"; and

(2) by amending subsection (b)—

(A) by striking out "title." and inserting in lieu thereof "title (other than sections 109 and 110).",

(B) by striking out "and" immediately after "thereafter,", and

(C) by inserting immediately after "September 30, 1978" the following: ", not to exceed $650,000 for the fiscal year ending September 30, 1979, not to exceed $760,000 for the fiscal year ending September 30, 1980, and not to exceed $876,000 for the fiscal year ending September 30, 1981".

SEC. 4. Section 207 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1407) is amended—

(1) by striking out "and" immediately after "$1,000,000"; and

(2) by inserting ", the sum appropriated for the fiscal year ending September 30, 1979, shall not exceed $1,000,000, the sum appropriated for the fiscal year ending September 30, 1980, shall not exceed $1,000,000, and the sum appropriated for the fiscal year ending September 30, 1981, shall not exceed $1,000,000" immediately after "$2,000,000".

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

Mr. FORSYTHE. Mr. Speaker, I reserve the right to object.

Mr. Speaker, this amendment by the Senate in which we are being asked to concur does add authorization for additional research on the bowhead whale, which I think is important as we try to find a way to make sure that we can preserve these whales while still maintaining the Native populations of Alaska and their subsistence.

Mr. Speaker, further reserving the right to object, I will be happy to yield to my chairman, the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. I thank the gentleman for yielding to me.

Mr. Speaker, on April 10, 1978 the House passed the bill H.R. 10730 authorizing appropriations to carry out the Marine Mammal Protection Act through fiscal year 1981 by a vote of 380 to 5. As passed by the House the bill authorized a total of $13.7 million in fiscal year 1979, $14.8 million in fiscal year 1980, and $16.6 million in fiscal year 1981.

On June 7, 1978 the Senate adopted all of the provisions of the House-passed bill, but amended the bill in three respects, all of which are germane. The Senate amendments increase the authorization over the 3-year period by a total of $2 million. These funds are authorized under section 110 of the act which provides for grants to States and private individuals to conduct marine mammal research. The Senate Commerce Committee report indicates that the funding increases were recommended to provide for increased research and monitoring of the endangered bowhead whale.

I urge the House to concur in the Senate amendments to H.R. 10730.

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

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bills H.R. 10730, H.R. 12637, and H.R. 11232.

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

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 27, 1978.

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

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:10 a.m. on Tuesday, June 27, 1978, and said to contain a message from the President wherein he transmits the Annual Report for Fiscal Year 1976 of the Office of Alien Property.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNUAL REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1976, a time prior to my Administration, in accordance with Section 6 of the Trading with the Enemy Act.

JIMMY CARTER.

THE WHITE HOUSE, *June 27, 1978.*

SENATE ACTION ON TAX TREATY END-RUNS THE CONSTITUTION

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

Mr. VANIK. Mr. Speaker, yesterday, the other body voted approval of a so-called tax treaty between the United States and the United Kingdom. The other body has the clear constitutional duty to ratify treaties—but yesterday's action was not so much a treaty as it was a tax and revenue bill. The Constitution clearly gives the power of originating tax legislation to the House of Representatives. In addition, precedents going back to the founding of the Nation clearly show that international agreements affecting the revenues must be approved by both Chambers.

I do not know which individuals and companies the tax agreement affects; the House has had no opportunity to hold hearings or debate the proposal and its affect on the revenues or the tax code.

This tax giveaway in treaty clothing is a serious end-run of the Constitution. I believe that this United States-United Kingdom agreement may be subject to challenge by public interest groups in the courts. It is certainly subject to question when we next consider the budget resolutions.

Tax laws should not be written by the striped pants boys—they should be written as the Constitution directs, by the House and then by the Senate.

We cannot countenance tax ripoff by treaty.

GUAM HAS LOST A GREAT FRIEND

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. WON PAT. Mr. Speaker, it is with the greatest of sadness that I join our colleagues in our grief over the sudden death of my good friend Representative William Ketchum of California.

Bill Ketchum served this Nation with the greatest of dignity and honor. He has a love for this country second to none and his service in the House of Representatives since 1973 will be a lasting memorial to one who was proud to represent the 18th Congressional District from California.

One little known aspect of Bill Ketchum's wonderful personality was his interest in the Pacific Islands, and in particular in Guam. He had seen extensive action there in World War II and in fact had actually participated with great bravery in the liberation of Guam while a member of the U.S. Army.

The horrors and suffering he saw there never left him and it is truly to his credit that he continued to be concerned about the well-being of the residents of the Pacific Isiands during his service in the House.

On the occasions in which I had the pleasant privilege of working with Bill Ketchum, he never failed to impress me with his sense of fairness. In every way, Bill was truly a credit to himself, his family, his constituents, and his country.

I know he will certainly be missed by his colleagues on the House Ways and Means Committee and by all of us who came to know and like Congressman Ketchum. The shock of suddenly losing a great friend is never easy to comprehend. In the case of Bill Ketchum, the loss will be felt in many ways, for many years. We on Guam have lost a good friend and I extend on behalf of my constituents my deepest regrets to his family.●

BASIC WORKWEEK OF FIREFIGHTING PERSONNEL OF EXECUTIVE AGENCIES—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 3161) to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

Mrs. SCHROEDER. Mr. Speaker, I move that the message, together with the accompanying bill, be referred to the Committee on Post Office and Civil Service.

The SPEAKER. The gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 1 hour.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, is not a motion to move the previous question on the veto message in order prior to the motion to refer being considered, under rule XVI, clause 4, in which that motion is given preference over a motion to refer to committee?

The SPEAKER. The Chair will state that under the precedents (Cannon's VIII, section 1100) the veto message of the President having been read, only three motions are in order, to lay on the table, to postpone to a day certain, or to refer, which motions take precedence in the order given.

The gentlewoman from Colorado (Mrs. SCHROEDER) has made a motion to refer.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, my parliamentary inquiry is this, under rule XVI, clause 4, the rule says that when a question is pending that several motions are in order, one of them being the previous question, to postpone to a day certain, to refer, or to amend, or postpone indefinitely; which several motions shall have precedence in the foregoing order, and a motion to vote on the previous question on the veto is in order before a motion to refer.

The SPEAKER. The Chair will state that under the precedent of the House the question of a veto message is considered as pending and there are three motions that are preferential, to lay on the table, to postpone to a day certain, to refer, and, of course, a motion for the previous question would be in order at the appropriate time but, as Speaker pro tempore Woodrum ruled in the precedent just cited, the gentleman from Maryland would not at this point be entitled to prior recognition over the Member in charge of the bill.

Mr. BAUMAN. I thank the Speaker.

The SPEAKER. The gentlewoman from Colorado is recognized for 1 hour.

Mrs. SCHROEDER. Mr. Speaker, on June 21, 1978, President Carter vetoed passage of H.R. 3161, a bill to improve the basic workweek of Federal firefighters. The way the President vetoed this long-awaited bill has forced me to voice several objections.

First of all, the President had ample opportunity to make it known that this bill would be vetoed. Although voicing opposition, the administration sat quietly by the side as the bill progressed through committee, received a House vote of 241 to 129 on April 12, 1978, and quickly moved through the Senate receiving approval by unanimous consent on June 7, 1978. Never did the administration present any proposals for amendments to the bill which might have removed their objections.

Second, I am intrigued by where the President got his figures on costs on which the veto was based. These figures were never presented to the committee. In fact, the cost estimate prepared by the Congressional Budget Office on H.R. 3161 in cooperation with the administration estimated additional personnel needed and costs would be less than half what the President states in his veto message.

Third, while it is true that the overall hourly pay for Federal firefighters would increase under H.R. 3161, the average firefighter will lose between $1,000 to $1,500 per year in overtime pay—pay which the Civil Service Commission is allotting at a rate of one-half time, not time and one-half, for the 18 hours of mandatory overtime per week which Federal firefighters work and which 95 percent of other firefighters do not work.

What I find most perplexing about the President's rejection of this bill is that in 1978 the Federal Government is still requiring its employees to work 72 hours per week. In practical numbers this comes to three-quarters of the week spent away from home and family with very little compensation. Municipal and State firefighters average 18 to 30 hours per week less for about the same pay. Does the President favor putting all the Nation's employees on 72-hour workweeks with overtime "generously" granted at one-half time?

Mr. DERWINSKI. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise to commend our heroic President for his action in vetoing this bill. I think his action is consistent with the interests of the taxpayers and of a much more efficiently operated Federal Government.

I would remind the Members that the President is merely being loyal to his campaign promises and is making every effort to bring about control over inflation and control over the huge bureaucracy. Therefore, the veto of this bill is consistent with the President's campaign position.

I commend the President for his honesty, for his integrity, and for his courage.

Mr. Speaker, President Carter should receive a distinguished service award for his spunky veto of H.R. 3161, legislation which would reduce substantially the workweek of Federal Firefighters. The President's heoric action came as no surprise to those of us who have stood shoulder to shoulder with him in his hard-hitting campaign to control bureaucratic sprawl and to make Government more responsible to the taxpayers. To maintain his credibility on reform, President Carter's only option on H.R. 3161 was the veto.

Long before this body considered H.R. 3161, the President made it clear he did not consider it to be in the public interest.

In his veto message, the President correctly highlighted the three major deficiencies in the bill:

It would reduce the firefighters' workweek without reducing the premium pay designed for a longer standby schedule.

It would impede the ability of agency heads to manage and regulate the work force.

It would require additional manpower and additional payroll. The Department of Defense alone would be required to hire 4,600 additional employees at an annual cost of $46.7 million.

Furthermore, since this bill was last before this body, President Carter has recommended a 5.5-percent paycap. The administration estimates that H.R. 3161, in effect, would increase the firefighters' total hourly pay by more than 15 percent.

As I pointed out in a floor speech last April, there is no partisanship involved in opposing this bill. H.R. 3161 is a

warmed-over version of legislation which was rejected in the 94th Congress. Like the Carter administration, the Ford administration correctly concluded it provided preferential treatment to a select group of employees.

The President deserves our applause and accolades for his action in vetoing a bad bill.

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

Mrs. SCHROEDER. Mr. Speaker, I had promised to yield to the gentleman from Virginia (Mr. HARRIS) next, if that is all right. Then I will be delighted to yield to the gentleman from Maryland.

Mr. HARRIS. I thank the gentlewoman for yielding.

Mr. Speaker, I am disappointed that the President has vetoed H.R. 3161, the bill to reduce from 72 to 56 per week the hours of Federal firefighters. The point of the bill is simply fairness. Through collective bargaining, municipal fire departments have had their hours reduced over the years, yet Federal firefighter hours remain at 72 per week. As a result, with a turnover rate last year of 23 percent, the Federal Government has become a "training ground" for municipal departments.

It has been argued that this bill is somehow a salary windfall for Federal firefighters. Our committee's research has shown that not only do municipal firefighters work shorter hours, they also earn at least $500 more per year. Or stated another way, Federal firefighters now work 33 percent more hours each week than municipals but receive only 12.5 to 23 percent more. There is one further point about pay that I would like to make. The Civil Service Commission's pay comparisons are with cities with over 10,000 in population. True comparability would compare firefighter salaries with the actual locality, like our Federal blue-collar local prevailing rate system. In other words, in areas like Washington, D.C.—large metropolitan areas—municipal salaries are much higher than in a community of 10,000. It is not fair to lump all municipal salaries together in this fashion.

The facts are, that under this bill, Federal firefighters will actually lose money. The following comparison dramatically shows what the average firefighter, a GS-5, step 4—$10,955 per year—earns under current policies and would earn under this bill:

I. 72-hour weekly tour of duty (present schedule)	
Base pay for 40 hours	$210.80
25 percent premium pay	52.70
FLSA overtime for 18 hours	32.94
	296.44
II. 56-hour weekly tour under H.R. 3161	
Base pay for 40 hours	210.80
25 percent premium pay	52.70
FLSA overtime for 2 hours	4.72
	268.22
Loss in FLSA overtime pay	28.22

Also, the point is made that reducing firefighters' hours would be costly because additional firefighters would have to be hired. This argument ignores the cost savings that could result from reduced overtime payments under the bill. Additionally, it does not reflect the cost through the Government of constantly using experienced Federal firefighters and retraining new ones.

There are currently 12,500 Federal firefighters in all but a dozen or so States. The Department of Defense is the largest employer of firefighters, with approximately 10,500. The Department of Transportation, the Nuclear Regulatory Commission, the Veterans' Administration, and other agencies employ the remainder. These firefighters provide important protection for many Federal installations, standing guard at defense bases, veterans hospitals, some civilian airports and other Federal establishments. While some would like to portray the firefighter as one who "stands idle" much of the time, firefighters actually have a variety of duties, including fire prevention and other fire-related services. A Federal firefighter must maintain a proficiency in a variety of subjects, ranging from the combustibility of materials to general air traffic control techniques. Firefighters are subject to hazard and are often required to work on Sundays and holidays. Our pay, benefits, and working hours policies should reflect the fact that firefighters must be compensated for their knowledge, ability and the considerable risk they incur in protecting lives and property.

I am disappointed that the bill will not become law at this time; however, I will continue to pursue this goal. As the Post Office and Civil Service Committee develops civil service reform legislation, I will offer the bill as an amendment to that bill, H.R. 11280. To reduce working hours to a schedule more in line with other firefighters and more compatible with family life is, in my opinion, a reasonable pursuit. I hope my colleagues—who in the House approved the bill on a 241 to 129 vote—will again give the bill their support.

Mr. BAUMAN. Mr. Speaker, will the gentlewoman yield 2 minutes to me?

Mrs. SCHROEDER. I will be delighted to yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentlewoman for yielding.

Mr. Speaker, I regret that the procedure we are following on this veto is being used. It was my intention in making the inquiry of the Chair earlier to discover whether or not a procedure was possible to allow us to vote directly on the veto of this legislation.

I happen to agree with some of the statements made by my colleagues in this brief discussion that the bill does have merit. It is of great importance to a number of Federal employees who work under most hazardous conditions and much longer hours than any other Federal employees. I do not think referring it back to the committee is going to benefit those employees at all. It is, in fact, an avoidance of the issue. When the President of the United States vetoes a bill the House should not be denied our constitutional responsibility to vote upon that veto. I doubt seriously if this bill will ever see the light of day again if it is referred back to the committee. Admittedly, this device avoids putting Members on record directly on the issue, as to whether they are still for or against the legislation. If what has been said here is true, that the bill has merit and ought to become law, then the Members who voted overwhelmingly in this body and the other body in favor of it ought to have a chance again to express that wish, and we ought not to bury it in the committee, which I think is an insult to these firefighters. I would hope that when the motion to refer the bill to the committee is voted upon that the House will vote against it so that we can then have a clear-cut vote on the veto and the issue that the President has put before us.

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

Mr. BAUMAN. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Speaker, I would like to express to my colleague what the sponsor of the bill that brought this to the floor has proposed. I am urging a strategy for victory, not a blueprint for defeat as proposed by my colleague. I would hope that my recommendation that we take it to the committee and attempt to make it a part of the Civil Service Reform Act is designed so the bill can see the light of day. This is a better strategy than a premature vote on a veto override that my colleague well knows has little chance of passage.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland does not know that. The gentleman from Maryland thinks that referral back to committee will kill this bill for this session. This parliamentary move is a great disservice to the very people the gentleman from Virginia says he wishes to protect, the Federal firefighters. I do not believe there is any chance that this bill will be added as an amendment to the pending civil service reform measure and the gentleman from Virginia must know that. The real reason for this referral is to avoid embarrassment for those Members who would now switch their votes away from Federal firefighters in deference to the President who vetoed a good bill that is badly needed by these Federal employees. I strongly urge a no vote on the motion so that we can vote to override the veto.

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time. I urge that we vote "aye" on this motion to refer the veto message to the committee. As one of the sponsors of the bill and one who feels strongly about it, I feel we in the committee will come up with a strategy to keep the bill alive and insure its victory.

Mr. Speaker, I move the previous question on the motion to refer.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MINISH). The question is on the motion to refer.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 279, nays 109, not voting 44, as follows:

[Roll No. 499]

YEAS—279

Addabbo	Gammage	Myers, Gary
Akaka	Gaydos	Myers, Michael
Ambro	Gephardt	Natcher
Ammerman	Giaimo	Neal
Anderson, Calif.	Gibbons	Nedzi
	Gilman	Nichols
Anderson, Ill.	Ginn	Nix
Andrews, N.C.	Glickman	Nolan
Andrews, N. Dak.	Gonzalez	O'Brien
	Gore	Oberstar
Annunzio	Gradison	Obey
Ashley	Grassley	Ottinger
AuCoin	Gudger	Panetta
Baldus	Hall	Patten
Baucus	Hamilton	Patterson
Beard, R.I.	Hanley	Pattison
Beard, Tenn.	Hannaford	Pepper
Bedell	Harkin	Perkins
Bellenson	Harris	Pickle
Benjamin	Harsha	Pike
Bennett	Hawkins	Pressler
Bevill	Heckler	Preyer
Biaggi	Hefner	Price
Bingham	Heftel	Pursell
Blanchard	Hightower	Quayle
Blouin	Hollenbeck	Rahall
Boggs	Holtzman	Railsback
Bolling	Horton	Rangel
Bonior	Howard	Regula
Bonker	Hubbard	Rhodes
Bowen	Hughes	Richmond
Brademas	Jacobs	Rinaldo
Breaux	Jeffords	Risenhoover
Brodhead	Johnson, Calif.	Roberts
Brooks	Jones, N.C.	Roe
Brown, Calif.	Jones, Okla.	Rogers
Buchanan	Jones, Tenn.	Roncalio
Burke, Calif.	Jordan	Rooney
Burke, Fla.	Kasten	Rosenthal
Burlison, Mo.	Kastenmeier	Roybal
Burton, Phillip	Kazen	Russo
Byron	Keys	Santini
Caputo	Kildee	Sawyer
Carney	Kostmayer	Scheuer
Carr	Krebs	Schroeder
Chappell	Krueger	Seiberling
Chisholm	Leach	Sharp
Clausen, Don H.	Lederer	Sikes
	Leggett	Skelton
Cochran	Lehman	Skubitz
Cohen	Levitas	Slack
Collins, Ill.	Livingston	Smith, Iowa
Conte	Lloyd, Calif.	Solarz
Corman	Lloyd, Tenn.	Spellman
Cornell	Long, La.	Spence
Cornwell	Lott	St Germain
Coughlin	Lujan	Staggers
D'Amours	Luken	Steed
Danielson	McClory	Steers
Davis	McCormack	Steiger
de la Garza	McDade	Stokes
Dellums	McEwen	Stratton
Derrick	McFall	Studds
Derwinski	McKay	Teague
Dickinson	McKinney	Thompson
Dicks	Madigan	Traxler
Diggs	Maguire	Udall
Dingell	Mann	Ullman
Downey	Markey	Vander Jagt
Drinan	Marks	Vanik
Duncan, Oreg.	Marlenee	Vento
Duncan, Tenn.	Martin	Volkmer
Eckhardt	Mattox	Waggonner
Edwards, Ala.	Mazzoli	Walgren
Edwards, Calif.	Meeds	Watkins
Edwards, Okla.	Metcalfe	Waxman
Eilberg	Mikulski	Weaver
English	Mikva	Weiss
Erlenborn	Miller, Calif.	White
Ertel	Miller, Ohio	Whitley
Evans, Ga.	Mineta	Whitten
Fascell	Minish	Wiggins
Frenzel	Mitchell, Md.	Wilson, Bob
Fuqua	Moakley	Winn
Findley	Moffett	Wirth
Fisher	Mollohan	Wolff
Fithian	Montgomery	Wright
Flippo	Moore	Wydler
Flood	Moorhead, Pa.	Wylie
Foley	Moss	Yates
Ford, Mich.	Murphy, Ill.	Yatron
Ford, Tenn.	Murphy, N.Y.	Young, Mo.
Fountain	Murphy, Pa.	Zablocki
Fraser	Murtha	Zeferetti

NAYS—109

Abdnor	Fenwick	Myers, John
Applegate	Fish	Nowak
Archer	Flynt	Oakar
Ashbrook	Forsythe	Pease
Aspin	Fowler	Poage
Badham	Frey	Pritchard
Bafalis	Goldwater	Quillen
Barnard	Goodling	Robinson
Bauman	Green	Rousselot
Breckinridge	Guyer	Rudd
Brinkley	Hagedorn	Ryan
Broomfield	Hammer-schmidt	Sarasin
Brown, Mich.		Satterfield
Broyhill	Hansen	Schulze
Burgener	Hillis	Sebelius
Burke, Mass.	Holt	Shuster
Burleson, Tex.	Huckaby	Sisk
Butler	Hyde	Smith, Nebr.
Carter	Ichord	Snyder
Cavanaugh	Ireland	Stangeland
Cederberg	Jenkins	Stanton
Clawson, Del	Kelly	Stump
Cleveland	Kemp	Taylor
Coleman	Kindness	Thone
Collins, Tex.	LaFalce	Thornton
Conable	Lagomarsino	Treen
Crane	Latta	Trible
Cunningham	Lent	Van Deerlin
Daniel, Dan	Lundine	Walker
Daniel, R. W.	McDonald	Walsh
Delaney	McHugh	Wampler
Devine	Mahon	Whitehurst
Dornan	Marriott	Wilson, C. H.
Early	Mathis	Young, Fla.
Edgar	Mitchell, N.Y.	Young, Tex.
Emery	Moorhead, Calif.	
Evans, Del.		
Evans, Ind.	Mottl	

NOT VOTING—44

Alexander	Garcia	Rose
Armstrong	Harrington	Rostenkowski
Boland	Holland	Runnels
Brown, Ohio	Jenrette	Ruppe
Burton, John	Johnson, Colo.	Shipley
Clay	Le Fante	Simon
Conyers	Long, Md.	Stark
Corcoran	McCloskey	Stockman
Cotter	Meyner	Symms
Dent	Michel	Tsongas
Dodd	Milford	Tucker
Evans, Colo.	Pettis	Whalen
Fary	Quie	Wilson, Tex.
Florio	Reuss	Young, Alaska
Flowers	Rodino	

The Clerk announced the following pairs:

Mr. Jenrette with Mr. Armstrong.
Mr. Cotter with Mr. McCloskey.
Mr. Shipley with Mr. Stockman.
Mr. Simon with Mr. Young of Alaska.
Mr. Alexander with Mr. Michel.
Mr. John L. Burton with Mr. Tucker.
Mr. Florio with Mr. Symms.
Mrs. Meyner with Mrs. Pettis.
Mr. Le Fante with Mr. Whalen.
Mr. Rostenkowski with Mr. Quie.
Mr. Rose with Mr. Corcoran of Illinois.
Mr. Boland with Mr. Brown of Ohio.
Mr. Garcia with Mr. Holland.
Mr. Dodd with Mr. Harrington.
Mr. Conyers with Mr. Dent.
Mr. Clay with Mr. Evans of Georgia.
Mr. Flowers with Mr. Evans of Colorado.
Mr. Fary with Mr. Reuss.
Mr. Stark with Mr. Ruppe.
Mr. Tsongas with Mr. Runnels.
Mr. Milford with Mr. Long of Maryland.

Mr. RYAN changed his vote from "yea" to "nay."

Mr. GINN and Mr. FINDLEY changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. President, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the veto message referral just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

MAKING IN ORDER CONSIDERATION OF HOUSE JOINT RESOLUTION 1024, MAKING URGENT SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order on Monday, July 10, 1978, or any day thereafter, to consider in the House as in the Committee of the Whole the joint resolution (H.J. Res. 1024) making urgent supplemental appropriations for the Department of Agriculture for the fiscal year ending September 30, 1978.

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

There was no objection.

CONFERENCE REPORT ON S. 2401, EMERGENCY INTERIM CONSUMER PRODUCT SAFETY RULE ACT OF 1978

Mr. STAGGERS submitted the following conference report and statement on the Senate bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-1322)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Emergency Interim Consumer Product Safety Standard Act of 1978".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) existing Federal, State, and local laws and regulations are insufficient to protect the consumer from improperly manufactured cellulose insulation;

(a) an unreasonably large quantity of cellulose insulation is being distributed that does not meet minimum safety standards;

(3) an urgent need exists for the expedited setting of interim mandatory Federal standards for the manufacture of cellulose insulation; and

(4) such standards are reasonably necessary to eliminate or reduce an unreasonable risk of injury to consumers from flammable or corrosive cellulose insulation.

(b) It is the purpose of the Congress in this Act to provide an interim mandatory

safety standard for cellulose insulation manufactured for use as a consumer product.

INTERIM CELLULOSE INSULATION SAFETY STANDARD

SEC. 3. (a) The Consumer Product Safety Act (15 U.S.C. 2051 et seq.) is amended by adding at the end thereof the following new section:

"INTERIM CELLULOSE INSULATION SAFETY STANDARD

"SEC. 35. (a)(1) Subject to the provisions of paragraph (2), on and after the last day of the 60-day period beginning on the effective date of this section, the requirements for flame resistance and corrosiveness set forth in the General Services Administration's specification for cellulose insulation, HH-I-515C (as such specification was in effect on February 1, 1978), shall be deemed to be an interim consumer product safety standard which shall have all the authority and effect of any other consumer product safety standard promulgated by the Commission under this Act. During the 45-day period beginning on the effective date of this section, the Commission may make, and shall publish in the Federal Register, such technical, nonsubstantive changes in such requirements as it deems appropriate to make such requirements suitable for promulgation as a consumer product safety standard. At the end of the 60-day period specified in the first sentence of this paragraph, the Commission shall publish in the Federal Register such interim consumer product safety standard, as altered by the Commission under this paragraph.

"(2) The interim consumer product safety standard established in paragraph (1) shall provide that any cellulose insulation which is produced or distributed for sale or use as a consumer product shall have a flame spread rating of 0 to 25, as such rating is set forth in the General Services Administration's specification for cellulose insulation, HH-I-515C.

"(3) During the period for which the interim consumer product safety standard established in subsection (a) is in effect, in addition to complying with any labeling requirement established by the Commission under this Act, each manufacturer or private labeler of cellulose insulation shall include the following statement on any container of such cellulose insulation: 'ATTENTION: This material meets the applicable minimum Federal flammability standard. This standard is based upon laboratory tests only, which do not represent actual conditions which may occur in the home.' Such statement shall be located in a conspicuous place on such container and shall appear in conspicuous and legible type in contrast by typography, layout, and color with other printed matter on such container.

"(b) Judicial review of the interim consumer product safety standard established in subsection (a), as such standard is in effect on and after the last day of the 60-day period specified in such subsection, shall be limited solely to the issue of whether any changes made by the Commission under paragraph (1) are technical, nonsubstantive changes. For purposes of such review, any change made by the Commission under paragraph (1) which requires that any test to determine the flame spread rating of cellulose insulation shall include a correction for variations in test results caused by equipment used in the test shall be considered a technical, nonsubstantive change.

"(c)(1)(A) Any interim consumer product safety standard established pursuant to this section shall be enforced in the same manner as any other consumer product safety standard until such time as there is in effect a final consumer product safety standard promulgated by the Commission, as provided in subparagraph (B), or until such time as it is revoked by the Commission under section 9(e). A violation of the interim consumer product safety standard shall be deemed to be a violation of a consumer product safety standard promulgated by the Commission under section 9.

"(B) If the Commission determines that the interim consumer product safety standard does not adequately protect the public from the unreasonable risk of injury associated with flammable or corrosive cellulose insulation, it shall promulgate a final consumer product safety standard to protect against such risk. Such final standard shall be promulgated pursuant to section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation. The provisions of section 9 (b), (c), and (d) shall apply to any proceeding to promulgate such final standard. In any judicial review of such final standard under section 11, the court shall not require any demonstration that each particular finding made by the Commission under section 9(c) is supported by substantial evidence. The court shall affirm the action of the Commission unless the court determines that such action is not supported by substantial evidence on the record taken as a whole.

"(2)(A) Until there is in effect such a final consumer product safety standard, the Commission shall incorporate into the interim consumer product safety standard, in accordance with the provisions of this paragraph, each revision superseding the requirements for flame resistance and corrosiveness referred to in subsection (a) and promulgated by the General Services Administration.

"(B) At least 45 days before any revision superseding such requirements is to become effective, the Administrator of the General Services Administration shall notify the Commission of such revision. In the case of any such revision which becomes effective during the period beginning on February 1, 1978, and ending on the effective date of this section, such notice from the Administrator of the General Services Administration shall be deemed to have been made on the effective date of this section.

"(C)(i) No later than 45 days after receiving any notice under subparagraph (B), the Commission shall publish the revision, including such changes in the revision as it considers appropriate to make the revision suitable for promulgation as an amendment to the interim consumer product safety standard, in the Federal Register as a proposed amendment to the interim consumer product safety standard.

"(ii) The Commission may extend the 45-day period specified in clause (i) for an additional period of not more than 150 days if the Commission determines that such extension is necessary to study the technical and scientific basis for the revision involved, or to study the safety and economic consequences of such revision.

"(D)(i) Additional extensions of the 45-day period specified in subparagraph (C)(i) may be taken by the Commission if—

"(I) the Commission makes the determination required in subparagraph (C)(ii) with respect to each such extension; and

"(II) in the case of further extensions proposed by the Commission after an initial extension under this clause, such further extensions have not been disapproved under clause (iv).

"(ii) Any extension made by the Commission under this subparagraph shall be for a period of not more than 45 days.

"(iii) Prior notice of each extension made by the Commission under this subparagraph, together with a statement of the reasons for such extension and an estimate of the length of time required by the Commission to complete its action upon the revision involved, shall be published in the Federal Register and shall be submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.

"(iv) In any case in which the Commission takes an initial 45-day extension under clause (i), the Commission may not take any further extensions under clause (i) if each committee referred to in clause (iii) disapproves by committee resolution any such further extensions before the end of the 15-day period following notice of such initial extension made by the Commission in accordance with clause (iii).

"(E) The Commission shall give interested persons an opportunity to comment upon any proposed amendment to the interim consumer product safety standard during the 30-day period following any publication by the Commission under subparagraph (C).

"(F) No later than 90 days after the end of the period specified in subparagraph (E), the Commission shall promulgate the amendment to the interim consumer product safety standard unless the Commission determines, after consultation with the Secretary of Energy, that—

"(i) such amendment is not necessary for the protection of consumers from the unreasonable risk of injury associated with flammable or corrosive cellulose insulation; or

"(ii) implementation of such amendment will create an undue burden upon persons who are subject to the interim consumer product safety standard.

"(G) The provisions of section 11 shall not apply to any judicial review of any amendment to the interim product safety standard promulgated under this paragraph.

"(d) Any Federal department, agency, or instrumentality, or any Federal independent regulatory agency, which obtains information which reasonably indicates that cellulose insulation is being manufactured or distributed in violation of this Act shall immediately inform the Commission of such information.

"(e)(1) The Commission, no later than 45 days after the effective date of this section, shall submit a report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives which shall contain a detailed statement of the manner in which the Commission intends to carry out the enforcement of this section.

"(2)(A) The Commission, no later than 6 months after the date upon which the report required in paragraph (1) is due (and no later than the end of each 6-month period thereafter), shall submit a report to each committee referred to in paragraph (1) which shall describe the enforcement activities of the Commission with respect to this section during the most recent 6-month period.

"(B) The first report which the Commission submits under subparagraph (A) shall include the results of tests of cellulose insulation manufactured by at least 25 manufacturers which the Commission shall conduct to determine whether such cellulose insulation complies with the interim consumer product safety standard. The second such report shall include the results of such tests with respect to 50 manufacturers who were not included in testing conducted by the Commission for inclusion in the first report.

"(f)(1) The Commission shall have the authority to require that any person required to comply with the certification requirements of section 14 with respect to the manufacture

of cellulose insulation shall provide for the performance of any test or testing program required for such certification through the use of an independent third party qualified to perform such test or testing program. The Commission may impose such requirement whether or not the Commission has established a testing program for cellulose insulation under section 14(b).

"(2) The Commission, upon petition by a manufacturer, may waive the requirements of paragraph (1) with respect to such manufacturer if the Commission determines that the use of an independent third party is not necessary in order for such manufacturer to comply with the certification requirements of section 14.

"(3) The Commission may prescribe such rules as it considers necessary to carry out the provisions of this subsection.

"(g) There are authorized to be appropriated, for each of the fiscal years 1978, 1979, 1980, and 1981, such sums as may be necessary to carry out the provisions of this section.".

(b) Section 19(a) of the Consumer Product Safety Act (15 U.S.C. 2068(a)) is amended—

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

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

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

"(10) fail to comply with any rule or requirement under section 35 (relating to labeling and testing of cellulose insulation)".

And the House agreed to the same.

HARLEY O. STAGGERS,
BOB ECKHARDT,
RALPH H. METCALFE,
ROBERT KRUEGER,
CHARLES J. CARNEY,
T. A. LUKEN,
JOHN E. MOSS,
A. T. MOFFETT,
SAM DEVINE,
JAMES T. BROYHILL,
MATT RINALDO,
Managers on the part of the House.

WENDELL H. FORD,
HOWARD W. CANNON,
BOB PACKWOOD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2401) to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

FINDINGS AND PURPOSE

Senate bill.—The Senate bill set up congressional findings regarding the need for a standard to protect against flammable and corrosive cellulose insulation. The findings stated that existing Federal, State, and local laws and regulations are insufficient to protect against improperly manufactured insulation, and that an unreasonably large amount of insulation is being distributed that does not meet minimum voluntary safety standards. There is an urgent need for a mandatory interim standard to eliminate or reduce the unreasonable risk of injury to consumers presented by flammable and corrosive cellulose insulation. The Consumer Product Safety Commission (hereinafter in this statement referred to as the "Commission") should study all forms of insulation within the jurisdiction of the Commission to determine where appropriate standards should be developed and promulgated by the Commission to reduce the possible health and safety risks.

The Senate bill stated that the purpose of the bill is to provide an interim mandatory safety rule for cellulose home insulation and directed the Commission to study the forms of home insulation commonly used in the United States and to recommend appropriate legislative and administrative action in regard to reducing the possible health and safety risks that may result from the manufacture of the insulation.

House amendment.—The House amendment was nearly identical to the Senate bill; however, the House amendment did not direct the Commission to study the forms of home insulation commonly used in the United States and to recommend appropriate legislative and administrative action.

Conference substitute.—The conference substitute follows the House provision. The Department of Energy is undertaking a comprehensive study of various kinds of insulation in terms of manufacturing of insulation, quality of insulation, and installation of insulation. The Senate provision calling for a study of all forms of insulation would result in duplication of this effort.

INTERIM CELLULOSE INSULATION SAFETY STANDARD

1. Initial interim standard

Senate bill.—The Senate bill amended the Consumer Product Safety Act to add a new section (section 35) which establishes an interim consumer product safety standard for cellulose home insulation. The bill provided that 120 days after the date of enactment the requirements for flame-resistance and corrosiveness contained in the General Services Administration's procurement specification for cellulose insulation, HH-I-515C, would become a mandatory consumer product safety standard.

The substantive provisions of the mandatory standard would be the same as those in the General Services Administration standard, permitting cellulose to have a flame spread rating of 0–50. The GSA HH-I-515C standard classifies cellulose insulation according to its surface burning characteristics. Under the standard, insulation is tested in a Steiner Tunnel to determine how quickly it will burn, and the material is assigned a "flame spread classification" based on the burn rate. Under the GSA standard, material is accepted if it has a flame spread rating of 0–25 or a flame spread rating of 26–50.

House amendment.—The House amendment provided that the substantive provisions of the mandatory standard would be the same as those found in the General Services Administration's procurement specifications for cellulose insulation, HH-I-515C, with an exception. The mandatory product safety standard would limit acceptable cellulose to that with a flame spread rating of 0–25.

The House amendment provided that 45 days after the date of enactment, the requirements for flame resistance and corrosiveness contained in the General Services Administration's procurement specifications would become a mandatory consumer product safety standard. During the 45-day period prior to the standard's effective date, the Commission is authorized to make any technical, nonsubstantive changes in the GSA requirements that the Commission feels are necessary to make them suitable for promulgation as a mandatory consumer product safety standard.

Conference substitute.—The conference substitute adopts the flame spread rating as provided by the House amendment. The GSA standard itself states that 0–25 flame spread rating as set forth in the GSA specification for cellulose insulation, HH-I-515C, should be used in applications which require a higher flame spread resistance. The conferees feel that installation of cellulose in homes presents such a situation. Further, both the Commission and the Department of Energy in commenting on the proposed legislation recommended that only 0–25 flame spread rating for cellulose insulation be permitted for use in homes. Because the conditions where installed and the installation techniques cannot be checked as they could in a GSA procurement situation, caution requires the use of material with greater flame resistance. A flame spread rating of 0–25 should assure a greater measure of safety to consumers.

In agreeing with the 0–25 flame spread rating, a somewhat stricter standard than 0–25, the Senate conferees requested labeling requirements to acknowledge that the stricter standard nonetheless is still only a minimum interim standard and that the test method used is not representative of home use conditions. The much-criticized Steiner Tunnel, used in the GSA standard, tests how fast a material will burn, but it does not test whether the material will burn when exposed to ignition sources which could be found in a home attic. For example, the Steiner Tunnel test does not simulate the exposure in an attic from a smoldering ignition source, such as a recessed lighting fixture or over heated wiring. Nor does it simulate what can happen in a hot attic during summer months if cellulose insulation is exposed to a small open flame. All statements required by this section to appear on the container must be prominent and conspicuous and must be legible in contrast by typography, layout, and color with other printed matter on the container. Manufacturers should be guided by Commission regulations set out in 16 Code of Federal Regulations 1500.121 which provide type size, placement, and other requirements for cautionary labeling under the Federal Hazardous Substances Act.

The interim standard will be effective 60 days after the date of enactment. The conferees intend for consumers to be able to purchase cellulose insulation during the heavy demand season in the fall months with indications that the minimum level of compliance of the Federal standard has been met.

During the 45-day period prior to the standard's effective date, the Commission is authorized to make any technical, nonsubstantive changes in the GSA requirements as the Commission feels are necessary to make them suitable for promulgation as a mandatory consumer product safety standard. Technical, nonsubstantive changes are changes which will not create a significant impact on the regulated industry. The conference substitute specifically provides that the Commission will include in the standard a provision which requires the flame spread rating to be computed in a manner which adjusts for the effects of the galvanized steel screen used in the Steiner Tunnel test. This metal screen absorbs heat and thus retards flame spread. According to some experts, this phenomenon may make a difference of up to 40 percent in the determination of the flame

spread rating of cellulose insulation. Some testing laboratories currently incorporate procedures which correct for the effects of the wire screen, while others do not. Thus, to assure uniformity among test results and to assure a flame spread rating which is truly indicative of a material's performance. a correction factor should be included in computing the test results.

Improper installation is identified as a major cause of insulation fires. This includes insulation installed too close to light fixtures in such a way as to entrap heat, and insulation installed near recessed light fixtures where bulbs of a higher wattage have been incorrectly used. Thus the conferees expect the Commission to issue a rule under section 27(e) of the Act to require manufacturers to provide safety information, on installation, to consumers.

The interim standard has all of the authority and effect of any other consumer product safety standard. Thus, once the standard goes into effect, all cellulose insulation manufactured for use as a consumer product after the effective date of the standard must comply with the standard. The Act's full panoply of civil, criminal, injunctive, and seizure remedies may be used against persons that manufacture, distribute, or offer for sale as a consumer product any noncomplying cellulose. In addition, the Commission has authority to prohibit a manufacturer from stockpiling any product to which a consumer product safety standard applies. The conferees are aware that some State and local governments have regulations or other requirements which set standards for the installation of insulation. Of course, under the terms of section 26 of the Consumer Product Safety Act, the interim safety standard established by the conferee substitute would not preempt such State or local installation standards. Section 26 preempts only standards which prescribe requirements for a consumer product rather than requirements relating to installation of such products.

Once the standard goes into effect, a manufacturer will have the responsibility under section 14 of the Act of issuing a certificate which certifies that his or her cellulose complies with the mandatory safety standard. The certificate must be based on a reasonable testing program. Under section 14 the Commission may, by rule, prescribe the testing program for manufacturers to use; however, in the absence of a Commission mandated testing program, each manufacturer will have to determine what constitutes a testing program adequate to ensure that the product being produced and distributed is in conformance with the mandatory standard.

2. Judicial review

Senate bill.—Judicial review of the initial interim rule was limited solely to the issue of whether any technical changes made by the Commission are nonsubstantive.

House amendment.—The House amendment followed the Senate language; however, it specifically provided that the changes necessitated to correct for the metal screen used in the tunnel test would be considered technical, nonsubstantive changes.

Conference substitute.—The Senate recedes to the House position.

3. Final standard

Senate bill.—The Senate bill established an interim product safety rule based on the GSA HH-I-515C standard and, as explained below, it also provided for the interim rule to be amended to incorporate any GSA revisions in its procurement requirements. However, if the Commission determined that the rule as established by the legislation or as subsequently amended did not adequately protect the public, then the Commission was authorized to promulgate a final consumer product safety rule. In promulgating such a final rule, the Commission would use the informal rulemaking procedures set out in section 553 of title 5, United States Code The standard of review is the traditional standard of review of administrative informal rulemaking, the arbitrary and capricious test. Under the Consumer Product Safety Act, court review of safety standards is pursuant to the substantial evidence test.

In a rulemaking, the main thing Congress is concerned with for court review is whether the agency involved is able to show that there is an unreasonable risk. Since Congress had already made the determination in this case, substantial evidence should not be required.

House amendment.—The Commission, in issuing a final standard, would use the informal procedures set out in section 553 of title 5, United States Code, except that the Commission was required to give interested persons an opportunity to express their views in an informal oral hearing. The provisions of section 9(b), (c), and (d) of the Consumer Product Safety Act were also made to apply to any proceeding to issue a final rule. Such provisions set out findings which the Commission must make in issuing a final rule, as well as spelling out procedural issues relating to such things as the effective date of the final rule. The amendment would require findings supported by substantial evidence on court review under section 11 of the Consumer Product Safety Act.

Conference substitute.—The conferees accept the procedures in the House amendment for promulgation of a final standard. However, the standard for judicial review in the conference substitute differs from the House amendment. The conference substitute specifies that in judicial review of the final standard under section 11, the court shall not require that each particular finding made by the Commission under section 9 be supported by substantial evidence. Instead, the Commission's action shall be affirmed unless the Commission's action is not supported by substantial evidence on the record taken as a whole. The conferees feel that such a clarification of the judicial review standard is necessary because the United States Court of Appeals for the Fifth Circuit, in *Aqua Slide 'N' Dive Corporation* v. *Consumer Product Safety Commission*, 569 F. 2d 831 (5th Cir. 1978) interpreted section 11 as requiring each element of a product safety standard to be supported by substantial evidence. The conferees have serious questions about this interpretation and to assure that such an interpretation is not relied upon in reviewing any final cellulose insulation standard, the conference substitute specifically states that it is the overall action of the Commission which is to be subjected to the substantial evidence test.

INCORPORATION OF GSA REVISIONS

Senate bill.—The Senate bill required the Commission to incorporate any GSA revisions to its procurement standard into the interim consumer product safety standard unless specific findings are made. The revisions are not to be incorporated if the Commission, after consultation with the Secretary of Energy, finds that (1) incorporating the revision is unnecessary to protect against an unreasonable risk of injury, (2) implementation of the amendment will create an undue burden upon the cellulose insulation industry, or (3) additional time is required to study the safety or economic consequences of implementing the revision. The GSA was required to notify the Commission at least 30 days before any revision is to become effective. In adopting the amendment, the Commission is to use the procedures found in section 553 of title 5, United States Code.

House amendment.—Like the Senate bill, the House amendment directed the Commission to incorporate into the interim consumer product safety standard each GSA revision superseding the then existing GSA procurement standard. However, the House amendment had specific time frames within which such revisions are to be incorporated. The Administrator of GSA is required to notify the Commission of any revision at least 45 days before its effective date. Within 45 days after receiving the notification, the Commission is required to publish the revision in the Federal Register as a proposed amendment. Prior to such publication, the Commission is authorized to make any changes in the revision it considers appropriate to make the revision suitable for promulgation as an amendment to the interim product safety standard.

If the Commission determined that additional time is necessary to study the technical and scientific basis for the revision or to study the safety and economic consequences, the House amendment provided that the Commission could take an additional period of not more than 150 days.

After this period ended. the Commission was required to publish the proposed amendment in the Federal Register and give interested persons 30 days to submit comments. Within 45 days after the comment period ends the Commission was required to promulgate the amendment to the interim safety rule unless the Commission determined, after consultation with the Secretary of Energy, that the amendment is not necessary to protect consumers from an unreasonable risk or that implementation of the amendment would create an undue burden upon the industry.

The House amendment provided that the provisions of section 11 of the Consumer Product Safety Act, relating to judicial review, would not apply to any amendment to the interim product safety standard. Instead, the judicial review provisions included in chapter 7 of title 5, United States Code, would apply.

Conference substitute.—The conferees accept the House provision with some changes in the time periods provided for Commission action. The House amendment had provided the Commission with 45 days after receipt of notice from GSA to publish the proposed GSA revision with any changes made by the Commission as an amendment to the interim standard. This period could be extended for an additional 150 days under the House amendment. The conferees agree to retain this time period, but to provide some additional flexibility for the Commission if additional time should be required. Under the conference substitute, the Commission may take an additional period of 45 days to review and, if necessary, make changes in the GSA revision after the additional 150-day period has expired.

The Commission must notify the Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce that it plans to use this additional 45-day period. Such notice must be given prior to the expiration of the original 150-day period. The notice must state why the Commission needs the additional time, and it must contain an estimate of how much additional time will be needed. If, within 15 days after receipt of the notice from the Commission, both the House and the Senate Commerce Committees vote to prohibit the Commission from taking any additional time increments, the Commission must complete its work within this first 45-day extension. However, if the two committees do not take such action, the Commission may have additional time increments of 45 days each, so long as it provides prior notice to such committees as to its reason for taking the time and indicates how much longer it anticipates it will need.

The conferees feel that it is necessary to allow the Commission sufficient flexibility in order to insure that any needed technical,

scientific, or economic evaluation and analysis and any changes can be completed before the proposed amendment is published. For example, it is possible that GSA could submit a revision requiring a test method which, in the Commission's opinion, would not produce reproducible results. In such a case, the Commission might need to ask a number of laboratories to participate in a round-robin testing program to adequately evaluate the proposed new test. If the round-robin indicated there were problems in the testing method, the Commission would need time to make changes or find an alternative test method. Or if the Commission decides that a GSA revision does not adequately address a particular problem, it may change the revision to deal with the problem.

However, the fact that the conferees feel it necessary to impose specific time frames on the Commission is a reflection of the conferees' desire that GSA revisions be incorporated as quickly as possible.

Once the proposed amendment has been published, members of the public are given 30 days to submit comments. After the comment period has ended, the Commission will have 90 days in which to evaluate the comments and make a determination as to whether to promulgate the amendment and if so, in exactly what forms the final amendment should be promulgated. If the Commission determines, after consultation with the Secretary of Energy, that the amendment is not necessary, or that its implementation will create an undue burden upon the industry, then it is not required to promulgate the amendment.

The conferees wish to emphasize that the legislation imposes an affirmative obligation on the Commission to adopt the amendment.

The amendment should not be adopted only if the Commission makes a determination that it is unnecessary or unduly burdensome. As a result, the conferees expect that any member of the public or the industry who might wish to stop the adoption of the amendment will make available to the Commission whatever information is necessary in order for the Commission to fully analyze the impact of the amendment.

The amendment as promulgated by the Commission will, of course, specify its effective date. In accordance with section 553 of title 5, United States Code, such effective date must be at least 30 days after the date it is published in its final form. This is to insure that those subject to the terms of the amendment will have adequate notice and time to bring themselves into compliance with the terms of the amendment.

The provisions of section 11 shall not apply to any judicial review of any amendment to the interim product safety standard. Instead, such judicial review will be in accordance with the provisions of chapter 7 of title 5, United States Code. Thus, agency action can be overturned if it is arbitrary, capricious, or an abuse of discretion.

NOTIFICATION BY FEDERAL AGENCIES

Senate bill.—The Senate bill had no provision on reports by other Federal agencies.

House amendment. The House amendment required any Federal executive department or agency, or independent regulatory agency which obtains information reasonably indicating that cellulose insulation is being manufactured or distributed in violation of the Act to immediately inform the Commission.

Conference substitute.—The conference substitute incorporates the House provision. A number of Federal agencies are involved in energy conservation activities or perform functions which could result in their obtaining information about possibly noncomplying cellulose. For example, the Federal Trade Commission is conducting a proceeding respecting the thermal properties of insulation, and the FTC has been monitoring the industry to make certain that manufacturers are not engaging in unfair or deceptive practices or advertising. In conducting its own activities, the FTC may receive information which bears on compliance with the product safety standard. As a further example, the Tennessee Valley Authority assists local residents who wish to retrofit their homes with insulation. In doing so, the TVA may obtain information relating to compliance with the safety standard. Such information should be immediately submitted to the Consumer Product Safety Commission. The language is not intended to imply that the other agencies should discontinue their efforts or activities in this area. The conferees expect that the various agencies will continue to cooperate and keep one another informed of their activities relating to insulation.

ENFORCEMENT REPORTS

Senate bill.—The Senate bill had no provision on enforcement reports.

House amendment.—Under the House amendment the Commission was required to submit reports on its enforcement efforts to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce. These reports must contain a detailed statement of the manner in which the Commission is enforcing the cellulose insulation standard. Once the standard goes into effect, the Commission is to submit enforcement reports every 6 months. The first such report shall include the results of tests of cellulose insulation manufactured by at least 25 manufacturers. The report shall indicate how many of these 25 manufacturers' products are in compliance with the standard. The second 6-month report shall include the results of such tests with respect to 50 additional manufacturers.

Conference substitute.—The Senate recedes to the House position.

CERTIFICATION AUTHORITY

Senate bill.—The Senate bill contained no provision on certification authority.

House amendment.—The House amendment granted the Commission authority to require manufacturers to use independent third party laboratories to do any testing necessary to certify compliance with the insulation standard. Under section 14 of the Consumer Product Safety Act, manufacturers are required to issue certificates which certify that the manufacturer's product conforms to all applicable consumer product safety standards. The Commission has authority to prescribe reasonable testing programs to provide the basis for such certificates. Existing law further provides that any manufacturer may have such testing conducted by a qualified, independent third party. The House amendment would permit the Commission, with respect to the cellulose insulation standard, to require that the testing program be conducted by a qualified, independent third party.

Conference substitute.—The Senate recedes to the House position.

AUTHORIZATION OF APPROPRIATIONS

Senate bill.—The Senate bill authorized appropriations of such sums as may be necessary to carry out the purposes of the Senate bill for each fiscal year beginning with fiscal year 1978.

House amendment.—The House amendment authorized appropriations for fiscal years 1979, 1980, and 1981, of such sums as may be necessary to carry out the purposes of section 35 of the Act, as added by the House amendment.

Conference substitute.—The conference substitute authorizes the appropriation of such sums as may be necessary for fiscal years 1978, 1979, 1980, and 1981.

INSULATION SAFETY STUDY

Senate bill.—The Senate bill required the Commission to conduct a thorough and complete study of the need for safety standards for other kinds of home insulation, such as fiber glass, rockwool, and ureaformaldehyde. The study was also to cover methods of testing the safety of home insulation and methods of enforcing home insulation standards. In conducting the study, the Commission was to consult with relevant agencies and departments of the United States. A preliminary report was due within 180 days after commencement of the study. The final report was due within 365 days of commencement.

House amendment.—The House amendment contained no similar provision.

Conference substitute.—The Senate agrees to recede to the House because such a study is already being conducted by the Department of Energy. An additional study by the Commission would have been duplicative of the DOE efforts. The conferees expect that the Department of Energy will complete the study expeditiously.

HARLEY O. STAGGERS,
BOB ECKHARDT,
RALPH H. METCALFE,
ROBERT KRUEGER,
CHARLES J. CARNEY,
T. A. LUKEN,
JOHN E. MOSS,
TOBY MOFFETT,
SAM DEVINE,
JAMES T. BROYHILL,
MATT RINALDO,
Managers on the Part of the House.

WENDELL H. FORD,
HOWARD W. CANNON,
BOB PACKWOOD,
Managers on the Part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

VETERANS' DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1978

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11886), to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their survivors, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Disability Compensation and Survivor Benefits Act of 1978".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$41" in subsection (a) and inserting in lieu thereof "$44";

(2) by striking out "$75" in subsection (b) and inserting in lieu thereof "$80";

(3) by striking out "$113" in subsection (c) and inserting in lieu thereof "$120";

(4) by striking out "$155" in subsection (d) and inserting in lieu thereof "$165";

(5) by striking out "$216" in subsection (e) and inserting in lieu thereof "$230";

(6) by striking out "$272" in subsection (f) and inserting in lieu thereof "$290";

(7) by striking out "$322" in subsection (g) and inserting in lieu thereof "$343";

(8) by striking out "$373" in subsection (h) and inserting in lieu thereof "$397";

(9) by striking out "$419" in subsection (i) and inserting in lieu thereof "$446";

(10) by striking out "$754" in subsection (j) and inserting in lieu thereof "$803";

(11) by striking out "$937" and "$1,312" in subsection (k) and inserting in lieu thereof "$998" and "$1,397", respectively;

(12) by striking out "$937" in subsection (l) and inserting in lieu thereof "$998";

(13) by striking out "$1,032" in subsection (m) and inserting in lieu thereof "$1,099";

(14) by striking out "$1,172" in subsection (n) and inserting in lieu thereof "$1,248";

(15) by striking out "$1,312" in subsections (o) and (p) and inserting in lieu thereof "$1,397";

(16) by striking out "$563" in subsection (r) and inserting in lieu thereof "$600"; and

(17) by striking out "$843" in subsection (s) and inserting in lieu thereof "$898".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$46" in subparagraph (A) and inserting in lieu thereof "$49";

(2) by striking out "$77" in subparagraph (B) and inserting in lieu thereof "$82";

(3) by striking out "$98" in subparagraph (C) and inserting in lieu thereof "$104";

(4) by striking out "$120" and "$22" in subparagraph (D) and inserting in lieu thereof "$128" and "$23", respectively;

(5) by striking out "$30" in subparagraph (E) and inserting in lieu thereof "$32";

(6) by striking out "$52" in subparagraph (F) and inserting in lieu thereof "$55";

(7) by striking out "$77" and "$22" in subparagraph (G); and inserting in lieu thereof "$82" and "$23", respectively;

(8) by striking out "$37" in subparagraph (H) and inserting in lieu thereof "$39";

(9) by striking out "$83" in subparagraph (I) and inserting in lieu thereof "$88"; and

(10) by striking out "$70" in subparagraph (J) and inserting in lieu thereof "$75".

SEC. 103. Section 362 of title 38, United States Code, is amended by striking out "$203" and inserting in lieu thereof "$216".

SEC. 104. Subsection (p) of section 314 of title 38, United States Code, is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a period and the following new sentence: "In the event the veteran has suffered the anatomical loss or loss of use of three extremities, the Administrator shall allow the next higher rate, but in no event in excess of $1,397.".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. (a) Subsection (a) of section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade:	Monthly rate
E-1	$295
E-2	305
E-3	312
E-4	331
E-5	341
E-6	348
E-7	365
E-8	386
E-9	[1] 403
W-1	373
W-2	388
W-3	399
W-4	423
O-1	373
O-2	386
O-3	413
O-4	436
O-5	480
O-6	540
O-7	586
O-8	641
O-9	689
O-10	[2] 754

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $433.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force or Commandant of the Marine Corps, at the applicable time designated be section 402 of this title, the surviving spouse's rate shall be $808.".

(b) Subsection (b) of such section is amended by striking out "$33" and inserting in lieu thereof "$35".

(c) Subsection (c) of such section is amended by striking out "$83" and inserting in lieu thereof "$88".

(d) Such section is further amended by adding at the end thereof the following new subsection:

"(d) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by $44 if the spouse is, by reason of disability, permanently housebound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For purposes of this subsection, the requirement of being permanently housebound will be met if the surviving spouse is substantially confined to the house or immediate premises (or, if institutionalized, the ward or clinical areas) of such spouse due to a disability or disabilities which it is reasonably certain will continue throughout the surviving spouse's lifetime.".

SEC. 202. The text of section 413 of title 38, United States Code, is amended to read as follows:

"(a) Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) one child, $149;

"(2) two children, $214;

"(3) three children, $276; and

"(4) more than three children, $276, plus $55 for each child in excess of three.

"(b) If dependency and indemnity compensation has been awarded to a veteran's child or children under this section and the entitlement of an additional child is later established effective retroactively, the amount of the retroactive award payable to the additional child shall equal the difference between the total of the increased award for the retroactive period and the prior total award for that period.".

SEC. 203. (a) Section 414 of title 38, United States Code, is amended—

(1) by striking out "$83" in subsection (a) and inserting in lieu thereof "$88";

(2) by striking out "$140" in subsection (b) and inserting in lieu thereof "$149"; and

(3) by striking out "$71" in subsection (c) and inserting in lieu thereof "$76".

(b) Subsection (c) of such section is further amended by adding at the end thereof the following new sentence: "However, if during the month in which such child reaches age 18 that child is also being considered a child below age 18 for purposes of additional dependency and indemnity compensation for a surviving spouse under section 411(b) of this title, the amount of the child's award for that month will be reduced by an amount equal to the surviving spouse's additional award, for the same month, attributable to the child.".

TITLE III—MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

SEC. 301. Section 3101 of title 38, United States Code, relating to the nonassignability and tax-exempt status of veterans' benefits, is amended by adding at the end thereof the following new subsection:

"(d) In the case of a person who—

"(1) is receiving pay pursuant to any provision of law providing retired or retirement pay to persons in the Armed Forces, or as a commissioned officer of the National Oceanic and Atmospheric Administration or of the Public Health Service.

"(2) is determined to be eligible to receive pension or compensation under the laws administered by the Veterans' Administration but for the receipt of such retired or retirement pay, and

"(3) files a waiver of such retired or retirement pay in accordance with section 3105 of this title in the amount of such pension or compensation before the end of the one-year period beginning on the date such person is notified by the Veterans' Administration of such person's eligibility for such pension or compensation.

the retired or retirement pay of such person shall be exempt from taxation, as provided under subsection (a) of this section, in an amount equal to the amount of pension or compensation which would have been retroactively paid to such person if such person had not been receiving such retired or retirement pay.".

SEC. 302. (a) Subchapter III of chapter 15 of title 38, United States Code, is amended by adding the following new section immediately before the subtitle "WARS BEFORE WORLD WAR I":

"§ 531. Retroactive entitlements of children of veterans of all periods of war

"For purposes of this subchapter and for purposes of the prior pension law in effect June 30, 1930, if pension has been awarded to a veteran's surviving child or children and the entitlement of an additional child is later established effective retroactively, the amount of the retroactive award payable to the additional child shall equal the difference between the total of the increased award for the retroactive period and the prior total award for the same period.".

(b) The table of sections at the beginning of such chapter 15 is amended by inserting the following new item immediately after the item relating to the total of subchapter III:

"531. Retroactive entitlements of children of veterans of all periods of war.".

SEC. 303. The amendments made by this Act shall take effect October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ANNUNZIO and Mr. ROBERTS.

The House divided, and the tellers reported that there were—yeas 69, nays 0.

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 378, nays 1, not voting 53, as follows:

[Roll No. 500]

YEAS—378

Abdnor
Akaka
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cornwell
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kostmayer
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Meeds
Metcalfe
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rousselot
Roybal
Rudd
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sharp
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Taylor
Teague
Thompson
Thone
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—1

Myers, Gary

NOT VOTING—53

Addabbo
Alexander
Andrews, N.C.
Armstrong
Bellenson
Boggs
Boland
Brown, Ohio
Burton, John
Conyers
Corcoran
Cotter
Danielson
Dent
Edwards, Calif.
Evans, Colo.
Fary
Florio
Flowers
Forsythe
Fraser
Garcia
Harrington
Holland
Ireland
Johnson, Colo.
Kindness
Le Fante
Leggett
McCloskey
Mathis
Meyner
Michel
Mikva
Milford
Pettis
Quie
Rodino
Rose
Rosenthal
Rostenkowski
Runnels
Ruppe
Seiberling
Shipley
Simon
Symms
Thornton
Tsongas
Tucker
Whalen
Wilson, C. H.
Wilson, Tex.

Mr. GARY A. MYERS changed his vote from "yea" to "nay."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

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

Mr. Speaker, our primary obligation has always been to provide adequate benefits and quality medical services to our service-connected disabled veterans—those veterans wounded in combat or injured while on active duty. These veterans continue to receive priority attention by the Congress and rightly so.

I consider H.R. 11886 to be the No. 1 priority veterans' bill during this session of the Congress. It would provide for rate increases for service-connected veterans and eligible dependents drawing DIC.

Mr. Speaker, I yield such time as he may consume to the outstanding chairman of the Subcommittee on Compensation, Pension, and Insurance, the distinguished gentleman from Mississippi, Mr. SONNY MONTGOMERY.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

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

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I thank the distinguished chairman of the Committee on Veterans' Affairs for his kind remarks.

Mr. Speaker, I want to thank the distinguished chairman of our committee for the support and help he has offered the Subcommittee on Compensation, Pension, and Insurance throughout the busy half of this session in the 95th Congress.

I would be remiss if I did not express, as well, my deep appreciation to the members of the subcommittee, particularly my esteemed colleagues, Mr. HAMMERSCHMIDT and Mr. WYLIE. We have maintained a brisk pace, have met early, and have achieved what I believe are excellent results for the veterans of this Nation's wars and for their survivors.

Mr. Speaker, as you know, the basic purpose of the disability compensation program, throughout its history, has been one of providing relief from the impaired earning capacity of veterans disabled as the result of their military service. The amount of compensation payable varies according to the degree of disability which in turn is required by law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations.

The purpose of the dependency and indemnity compensation benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a widow's or child's entitlement since the

Nation assumes, in part, the legal and moral obligation of the veteran to support his wife and children. Payments of DIC for widows are determined on the basis of the veterans' pay grade.

These veterans and dependents who are recipients of these benefits are the most deserving class of citizens to which our country will always be in debt. It is obvious therefore that if we are to live up to our obligation to these people we must increase their awards in accord with the ever-increasing cost of living.

Mr. Speaker, the reported bill would provide a general, across-the-board, cost-of-living increase in compensation benefits paid monthly to veterans who suffer disability resulting from their period of military service. It would also increase the amount of dependency and indemnity compensation (DIC) paid widows and orphans of veterans who died of disease or disability incurred in service.

It has been the policy of the Government to recommend Veterans' Administration benefit increases for disability compensation and DIC programs periodically in order to insure that our programs remain responsive to changing economic conditions. The amount of the increase proposed is 6.5 percent. The administration had recommended a 5.8-percent increase in its budget report. Our committee was persuaded that the 6.5-percent increase contained in the bill is more likely to be the true measure of inflation since the last increase in October 1977. At any rate, I can tell you that the administration has assured us they support increases in compensation rates that are consistent with increasing living costs.

The bill also makes clear the intention of Congress that a veteran's disability compensation paid in lieu of military retired pay will not be subject to taxation.

Included, also, in the bill is a provision that provides for moderately increased compensation for veterans who have lost, or who have suffered the loss of use of three extremities from service-connected causes.

One further provision of the bill would bring benefits for a surviving spouse entitled to DIC into line with payments for disabled veterans. The provision I refer to is an additional allowance similar to that paid veterans so disabled as to be housebound. This is a recommendation growing out of a Veterans' Administration study of benefits under the DIC program. The additional monthly payment proposed by the bill is $44 and that is the amount recommended by the administration.

The bill would also eliminate duplication of DIC payments to a surviving spouse and child which can occur during the month of the child's 18th birthday.

It happens on occasion that eligibility for an additional child is sometimes established after a veteran's other children have already been awarded such benefits. The entitlement of the additional child is often effective retroactively. A complication arises in that, while the total amount payable for the retroactive period is increased by reason of the additional child, the individual shares of each become less.

In such situations, an overpayment for the retroactive period results which must be remedied either by collection or withholding from some of the children to pay the others. Because the amounts involved in these adjustments are usually small and all the children are usually in the same family unit, the considerable administrative work generated served little purpose.

The cost of this bill is estimated at $323.5 million in fiscal year 1979. The benefits would go to some 2,256,000 service-connected disabled veterans and to 325,000 widows and children of veterans who died of service-incurred causes. The cost is within our budgetary limitations.

Historically, the Congress has reviewed the operation of these programs to assure that they are meeting the needs of the veteran and survivors to whom the nation owes a special obligation. With the inflation rate being what it has been for the past several years, it has been necessary to address the adequacy of the rates of the benefit being provided. During the compensation hearings, each witness expressed concern about the continuing rapid rise in the cost of living and supported the committee in its efforts to assure that the purchasing power of service-connected benefits keeps pace with these rising costs.

Mr. Speaker, our primary obligation has always been to our service-connected disabled veterans and their families. This bill will see to it that the continuing rise in the cost of living will not erode the purchasing power of the benefits we provide those who have incurred disabilities while in service in defense of our country.

I urge adoption of the reported bill.

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

Mr. Speaker, I rise in support of H.R. 11886, a bill to authorize a cost-of-living increase in the rates of compensation payable for service-connected disability.

This Congress has always expressed its willingness—even eagerness—to respond to the needs of the service-connected disabled veteran. Legislation for this group enjoys the highest priority consideration by Congress. The everspiraling cost of living has made it necessary for our Subcommittee on Compensation, Pension, and Insurance to, in effect, gaze into a crystal ball in January to project the increased cost of living in October. The gentleman from Mississippi (Mr. MONTGOMERY) chairman of the subcommittee, and the gentleman from Ohio (Mr. WYLIE), the ranking minority member of the subcommittee, have become very proficient in making such estimates.

The bill before us (H.R. 11886) authorizes a 6.5-percent increase in the rates of compensation for service-connected disabilities and a similar percentage increase in monthly payments to the survivors of our war dead.

The administration had recommended a lesser increase. In the light of the accelerated rise in the Consumer Price Index in the past 2 months, however, even the 6.5-percent increase appears to be conservative. Should the Consumer Price Index continue its rapid rise, it may be necessary to seek amendment in the other body to this bill, or possibly, supplemental legislation.

In any event, Mr. Speaker, the increase in monthly payments to those who were wounded in action or sustained disease or injury in the defense of our national security and the increase to widows and children of those servicemen who made the supreme sacrifice are well justified.

I urge that the bill be passed.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE), the distinguished ranking minority member on the subcommittee.

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

Mr. Speaker, I rise in support of H.R. 11886. I want to thank the gentleman from Mississippi (Mr. MONTGOMERY), the chairman of the Subcommittee on Compensation, Pension, and Insurance, for his kind remarks. I would return the compliment and say that it is really the gentleman from Mississippi who deserves the credit for bringing this bill here in timely fashion this morning. The gentleman was conscentious and persistent in his 8:30 a.m. hearings. I, as the ranking Republican, appreciate his efforts in that respect.

Mr. Speaker, as has been mentioned, this bill would bring to the House floor a provision which would increase by 6.5 percent the benefit rates for disabled veterans and for their survivors.

As the ranking Republican on the Subcommittee on Compensation, Pension, and Insurance, it seems to me that there is no portion of the veterans' law that should concern us more than insuring adequate benefits for our service-connected veterans and their survivors. Every moment we enjoy in peace today is due to those who fought in one of our wars. These veterans answered the call of their Government, went where the Federal Government decided they should go, and they were injured performing that duty. It is the duty of that same Federal Government, it seems to me, to care for them and their widows and orphans.

Mr. Speaker, this is reasonable legislation. But if the current rate of inflation continues, as my friend, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), has said, it may not provide benefits commensurate with the increased cost of living. I recommend the legislation to my colleagues at the present time, with the reservation that we may have to take another look at it in the very near future.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS), a member of the committee.

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 11886—the Veterans Disability Compensation and Survivor Benefits Act of 1978. The Subcommittee on Compensation, Pension, and Insurance, headed by our distinguished colleague from Mississippi, Hon. SONNY MONTGOMERY, held extensive hearings on this leg-

islation. In fact, H.R. 11886 combines the significant sections of three separate bills and would provide a simple 6.5-percent, cost-of-living increase to recipients of disability compensation and DIC benefits. It clarifies the tax exemption for compensation, and finally, provides for increased compensation for veterans who have lost, or lost the use of, three extremities for service-connected causes.

The basic purpose of the disability compensation program has been one of providing relief from the impaired earning capacity of veterans disabled as the result of military service, and historically the Congress has increased compensation rates whenever there have been appreciable increases in the cost of living.

The purpose of the dependency and indemnity compensation program is to provide partial compensation to survivors for the loss in financial support sustained as the result of a service-connected death.

Mr. Speaker, the primary obligation of the Congress is to our service-connected veterans and their families. This legislation received universal support from the various veterans organizations and I urge my colleagues to support it as well.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR), a member of the committee.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 11886. This bill will provide for a 6.5-percent cost-of-living increase to service-connected disabled and to survivors who are entitled to dependency and indemnity compensation. It also provides increased compensation for the loss or loss of use of three extremities, and it also provides for a clarification in the law pertaining to the tax-exempt status of veterans benefits. The Congress has traditionally seen fit to provide our service-connected disabled with cost-of-living increases. One of the reasons is our feeling that we owe a deep debt to those who have suffered as a result of a disability resulting from service to our Nation. I personally do not believe we can ever do enough to help these men and women who have given so much of themselves in service. The least we can do is assist them in leading as close to normal lives as is possible. The administration originally asked for a 5.8-percent increase. I wish I could say that this amount was more than enough. Unfortunately, the way things have been going, I fear that the 6.5-percent cost-of-living increase this legislation asks for will not be adequate to cover the cost of inflation. This bill will have a definite impact on the 2.3 million compensation recipients.

This bill also calls for a like increase for recipients of dependency and indemnity compensation. As compensation payments attempt to represent the average impairment in earning capacity caused by a service-connected disability, DIC similarly provides a measure of assistance in the form of financial security to widows and children in view of service-related deaths of their husbands and fathers.

I believe you will agree with me when I say that the recipients of the compensation proposed in this legislation are by no means deserving of any less. I hope you join me in supporting this message.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding.

I, too, rise in support of this legislation.

Mr. Speaker, I heartily approve the passage of H.R. 11886, the Veterans' Disability Compensation and Survivor Benefits Act. With the passing of this bill, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for their survivors, we have been given the opportunity to demonstrate our appreciation for those who have fought to defend the freedom of our country, and to show them that they will not be abandoned in their time of need.

● Mr. PICKLE. Mr. Speaker, I would like to commend the chairman of the Veterans' Affairs Committee, my good friend and colleague from the State of Texas, for his work on this bill and the very important provision concerning the tax exemption of disability compensation.

I became aware of this problem last year when one of my constitutents in Austin, Tex., wrote to me that the Internal Revenue Service was requiring that he pay taxes on disability income when the VA had made a retroactive disability determination. The IRS was continuing this policy even though a Federal appeals court had ruled against the IRS in a case in Virginia.

A couple of months ago, I was notified that IRS had changed its policy and would no longer tax these benefits. Although this was good news, I think that additional precautions are needed to prevent the IRS from changing its mind again on this issue, or of other pressures that cause delays. Therefore, I was very glad to see this provision in this bill clarifying the intent of Congress to assure exemption from taxation of compensation paid in lieu of military retired pay.

I also want to let the chairman know that I intend to continue to seek passage of my bill, H.R. 8696, to amend the Internal Revenue Code to permanently protect the tax exemption on this disability income.

We have all learned that the IRS can be very stubborn on this issue and I think we need to have this amendment to the Code to insure that we do not encounter any more problems with the IRS on this matter.●

● Mr. MITCHELL of New York. Mr. Speaker, it is with pleasure that I rise to express my support for H.R. 11886, the Veterans' Disability and Survivor Benefits Act; 2.3 million veterans will benefit from the 6.5-percent increase to the service-connected disabled. Many more will benefit as this bill also provides for a 6.5-percent increase for the recipients of dependency and indemnity compensation in view of the service-related deaths of their husbands and fathers. We can never do enough for these men and women who have given so much of themselves in service. The least we can do is to help them keep up with the cost of living.

Veterans who are 50 percent or more disabled will also receive additional amounts for dependents, while veterans using prosthetic or orthopedic devices will have their clothing allowance raised from $203 to $216 annually. This measure also provides for additional compensation to veterans who have lost or lost the use of, three extremities from service-connected causes, and also provides for a clarification of the intent of Congress to assure the tax exempt status of compensation in lieu of military retired pay.

I am confident you will agree with me when I say that the recipients of the compensation proposed in this legislation deserve the little bit they will receive. I trust my colleagues will join me in supporting this legislation.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 11886.

It is essential that Congress adjust the veterans programs whenever there has been an appreciable increase in the cost-of-living index. The bill's 6.5-percent increase for service-connected disabilities, and dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths are service-connected appears to adequately protect the beneficiaries from inflation and other cost-of-living-related economic effects.

There are more than 165,000 veterans in Puerto Rico, many of which served gallantly in World War I, World War II, the Korean war, and the Vietnam war. A good number of them, their dependents and surviving spouses rely heavily on this program to meet their living costs. Puerto Rico is a high cost area and the 6.5-percent increase contemplated in this bill is very much welcomed, it is a relief very badly needed.

I support this legislation and urge you to vote for its approval.●

● Mr. ASHBROOK. Mr. Speaker, I rise in strong support of H.R. 11886, the Veterans' Disability Compensation and Survivor Benefits Act. This legislation is of major importance to disabled veterans and their survivors.

More than 2,250,000 veterans currently receive service-connected compensation benefits. These benefits are designed to assist disabled veterans who have impaired earning capacity resulting from their military service.

In addition, approximately 226,000 widows and 98,000 children are the recipients of dependency and indemnity compensation. These individuals are the survivors of 287,000 veterans who have died of service-incurred causes. The benefits are intended as partial compensation to the survivors who have lost financial support due to service-connected death.

The bill before us provides for a 6.5-percent increase in the rates payable to veterans with service-connected disabilities. It also increases by a similar percentage the amounts awarded to dependents which are paid to veterans rated 50 percent or more disabled. In addition, it

would raise by 6.5 percent dependency and indemnity compensation for the surviving spouses and children of veterans who died from service-connected causes.

These increases are certainly needed. The high rate of inflation has seriously eroded the value of the compensation provided to veterans and their survivors. The additional money will help veterans keep pace with the escalating cost of living.

I urge the adoption of this legislation.●

● Mr. TEAGUE. Mr. Speaker, I strongly support the bill, H.R. 11886.

This morning, we have scheduled three important veterans' bills. I want to compliment the chairman of the Veterans' Affairs Committee, my colleague, the distinguished gentleman from Texas, RAY ROBERTS, for getting these bills before the House so quickly. He is a most effective spokesman for veterans. I also want you to know how much I appreciate the leadership and contributions made by the distinguished Mr. HAMMERSCHMIDT, the ranking minority member of the committee.

These bills come out of the Subcommittee on Compensation, Pension, and Insurance that is chaired by our esteemed colleague, SONNY MONTGOMERY, from Mississippi. The ranking minority member on that subcommittee is our good friend from Ohio, Mr. CHALMERS WYLIE.

I, as well as many others in this House, am aware of the strenuous schedule that the subcommittee has maintained this year and the diligence with which they have approached many of the problems we are all facing.

I will speak first with regards to H.R. 11886, the bill we are now considering, and I consider it very appropriate that this is the first bill to be taken up by this House this morning, though I would not detract from the importance of the other bills.

This bill is designed to provide for a cost-of-living increase in the compensation benefits that are paid to the veterans of this Nation who incurred disease or disability as a result of their service to the Nation. The bill is designed also to provide a similar cost-of-living increase for the survivors of veterans who have died of service-connected causes.

This Nation knows no higher debt and the obligation it bears to care for those who have risen to the defense of all of us.

The bill at hand provides an across-the-board 6.5-percent increase. The administration has stated that it supports increases in compensation which are consistent with the increase in the cost of living. VA officials suggested at the time they appeared before the subcommittee that an increase of 5.8 percent should be sufficient to keep up with rising costs; however, they also agreed to support a higher rate of increase if warranted by the Consumer Price Index.

I suggest to you that anyone on looking at the acceleration in the Consumer Price Index in the last few months would be persuaded that 6.5 percent will not overshoot the mark. If anything, it may not be sufficient. If not, we will support a higher level if that is found to be necessary before enactment.

Again, I want to express my appreciation to the committee and the subcommittee for ordering their priorities and keeping first in mind the obligation we owe the service-connected veteran and his survivors.

Mr. Speaker, I recommend unanimous support by all my colleagues.●

● Mr. HEFNER. Mr. Speaker, I want to thank the distinguished chairman of our committee, Hon. RAY ROBERTS, for the support and help he has offered the Subcommittee on Compensation, Pension, and Insurance throughout the busy half year of this session of the 95th Congress.

I would be remiss if I did not express, as well, my deep appreciation to Chairman SONNY MONTGOMERY, and the members of the Subcommittee on Compensation, Pension, and Insurance. We have maintained a brisk pace, have met early and have achieved what I believe are excellent results for the veterans of this Nation's wars and for their survivors.

Mr. Speaker, the reported bill would provide a general, across-the-board, cost of-living increase in compensation benefits paid monthly to veterans who suffer disability resulting from their period of military service. It would also increase the amount of dependency and indemnity compensation (DIC) paid widows and orphans of veterans who have died of disease or disability incurred in service.

The amount of the increase proposed is 6.5 percent. The administration had recommended a 5.8-percent increase in its budget report. Our committee was persuaded that the 6.5-percent increase contained in the bill is more likely to be the true measure of inflation since the last increase in October 1977. At any rate, I can tell you that the administration has assured us they support increases in compensation rates that are consistent with increasing living costs.

The bill also makes clear the intention of Congress that a veterans' disability compensation paid in lieu of military retired pay will not be subject to taxation.

Included, also, in the bill is a provision that provides for moderately increased compensation for veterans who have lost, or who have suffered the loss of use of three extremities from service-connected causes.

One further provision of the bill would bring benefits for a surviving spouse entitled to DIC into line with payments for disabled veterans. The provision I refer to is an additional allowance similar to that paid veterans so disabled as to be housebound. This is a recommendation growing out of a Veterans' Administration study of benefits under the DIC program. The additional monthly payment proposed by the bill is $44 and that is the amount recommended by the administration.

The cost of this bill is estimated at $323.5 million in fiscal year 1979. The benefits would go to some 2,256,000 service-connected disabled veterans and to 325,000 widows and children of veterans who died of service-incurred causes. The cost is within our budgetary limitations.

Mr. Speaker, our primary obligation has always been to our service-connected disabled veterans and their families. This bill will see to it that the continuing rise in the cost of living will not erode the purchasing power of the benefits we provide those who have incurred disabilities while in service in defense of our country.

I urge the adoption of the reported bill.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time, and I ask my colleagues to support this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 11886, as amended.

The question was taken.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

INCREASED COMPENSATION FOR DISABLED VETERANS

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11888) to amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 per centum to 40 per centum.

The Clerk read as follows:

H.R. 11888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315 of title 38, United States Code, is amended by striking out "50 per centum" both places it appears and inserting in lieu thereof "40 per centum".

SEC. 2. The amendments made by the first section of this Act shall take effect October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ROBERTS and Mr. ANNUNZIO.

The House divided, and the tellers reported that there were—yeas 26, nays 20.

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 2, not voting 51, as follows:

[Roll No. 501]

YEAS—379

Abdnor	Delaney	Ichord
Akaka	Derrick	Ireland
Ambro	Derwinski	Jacobs
Ammerman	Devine	Jeffords
Anderson, Calif.	Dickinson	Jenkins
Anderson, Ill.	Dicks	Jenrette
Andrews, N.C.	Dingell	Johnson, Calif.
Andrews, N. Dak.	Dodd	Jones, N.C.
Annunzio	Dornan	Jones, Okla.
Applegate	Downey	Jones, Tenn.
Archer	Drinan	Jordan
Ashbrook	Duncan, Tenn.	Kasten
Aspin	Early	Kastenmeier
Badham	Eckhardt	Kazen
Bafalis	Edgar	Kelly
Baldus	Edwards, Ala.	Kemp
Barnard	Edwards, Okla.	Keys
Baucus	Eilberg	Kildee
Bauman	Emery	Kindness
Beard, R.I.	English	Kostmayer
Beard, Tenn.	Erlenborn	Krebs
Bedell	Ertel	Krueger
Bellenson	Evans, Colo.	LaFalce
Benjamin	Evans, Del.	Lagomarsino
Bennett	Evans, Ga.	Latta
Bevill	Evans, Ind.	Leach
Biaggi	Fascell	Lederer
Bingham	Fenwick	Leggett
Blanchard	Findley	Lehman
Blouin	Fish	Lent
Boggs	Fisher	Levitas
Bolling	Fithian	Livingston
Bonior	Flippo	Lloyd, Calif.
Bonker	Flood	Lloyd, Tenn.
Bowen	Flynt	Long, La.
Brademas	Foley	Long, Md.
Breaux	Ford, Tenn.	Lott
Breckinridge	Forsythe	Lujan
Brinkley	Fountain	Luken
Brodhead	Fowler	Lundine
Brooks	Frenzel	McClory
Broomfield	Frey	McCormack
Brown, Mich.	Fuqua	McDade
Broyhill	Gammage	McDonald
Buchanan	Gaydos	McEwen
Burgener	Gephardt	McFall
Burke, Calif.	Giaimo	McHugh
Burke, Fla.	Gibbons	McKay
Burke, Mass.	Gilman	McKinney
Burleson, Tex.	Ginn	Madigan
Burlison, Mo.	Glickman	Maguire
Burton, Phillip	Goldwater	Mahon
Butler	Gonzalez	Mann
Byron	Goodling	Markey
Caputo	Gore	Marks
Carney	Gradison	Marlenee
Carr	Grassley	Marriott
Carter	Green	Martin
Cavanaugh	Gudger	Mathis
Cederberg	Guyer	Mattox
Chappell	Hagedorn	Mazzoli
Chisholm	Hall	Meeds
Clausen, Don H.	Hamilton	Metcalfe
Clawson, Del	Hammer-schmidt	Mikulski
Clay	Hanley	Miller, Calif.
Cleveland	Hannaford	Miller, Ohio
Cohen	Hansen	Mineta
Coleman	Harkin	Minish
Collins, Ill.	Harris	Mitchell, N.Y.
Conable	Harsha	Moakley
Conte	Hawkins	Moffett
Corman	Heckler	Mollohan
Cornell	Hefner	Montgomery
Cornwell	Heftel	Moore
Coughlin	Hightower	Moorhead, Calif.
Crane	Hillis	Moorhead, Pa.
Cunningham	Hollenbeck	Moss
D'Amours	Holt	Mottl
Daniel, Dan	Holtzman	Murphy, Ill.
Daniel, R. W.	Horton	Murphy, N.Y.
Danielson	Howard	Murphy, Pa.
Davis	Hubbard	Murtha
de la Garza	Huckaby	Myers, Gary
	Hughes	Myers, John
	Hyde	Myers, Michael
Natcher	Roncalio	Teague
Neal	Rooney	Thompson
Nedzi	Rose	Thone
Nichols	Rousselot	Thornton
Nix	Roybal	Traxler
Nolan	Rudd	Treen
Nowak	Russo	Trible
O'Brien	Ryan	Udall
Oakar	Santini	Ullman
Oberstar	Sarasin	Van Deerlin
Obey	Satterfield	Vander Jagt
Ottinger	Sawyer	Vanik
Panetta	Scheuer	Vento
Patten	Schroeder	Volkmer
Patterson	Schulze	Waggonner
Pattison	Sebelius	Walgren
Pease	Sharp	Walker
Pepper	Shuster	Walsh
Perkins	Sisk	Wampler
Pickle	Skelton	Watkins
Pike	Skubitz	Waxman
Poage	Slack	Weaver
Pressler	Smith, Iowa	Weiss
Preyer	Smith, Nebr.	White
Price	Snyder	Whitehurst
Pritchard	Solarz	Whitley
Pursell	Spellman	Whitten
Quayle	Spence	Wiggins
Quillen	St Germain	Wilson, Bob
Rahall	Staggers	Winn
Railsback	Stangeland	Wirth
Rangel	Stanton	Wolff
Regula	Stark	Wright
Reuss	Steed	Wydler
Rhodes	Steers	Wylie
Richmond	Stockman	Yates
Rinaldo	Stokes	Yatron
Risenhoover	Stratton	Young, Fla.
Roberts	Studds	Young, Mo.
Robinson	Stump	Young, Tex.
Roe	Symms	Zablocki
Rogers	Taylor	Zeferetti

NAYS—2

Ashley	Collins, Tex.

NOT VOTING—51

Addabbo	Fary	Quie
Alexander	Florio	Rodino
Armstrong	Flowers	Rosenthal
AuCoin	Ford, Mich.	Rostenkowski
Boland	Fraser	Runnels
Brown, Calif.	Garcia	Ruppe
Brown, Ohio	Harrington	Seiberling
Burton, John	Holland	Shipley
Cochran	Johnson, Colo.	Sikes
Conyers	Le Fante	Simon
Corcoran	McCloskey	Steiger
Cotter	Meyner	Tsongas
Dellums	Michel	Tucker
Dent	Mikva	Whalen
Diggs	Milford	Wilson, C. H.
Duncan, Oreg.	Mitchell, Md.	Wilson, Tex.
Edwards, Calif.	Pettis	Young, Alaska

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

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

Mr. Speaker, the reported bill, H.R. 11888, would provide additional benefits for a limited number of the more seriously disabled, service-connected veterans. The benefits provided by this bill would help veterans with dependents whose employment is adversely affected due to the severity of their disabilities.

I yield such time as he may consume to the distinguished gentleman from Mississippi (Mr. MONTGOMERY) for an explanation of the bill.

Mr. MONTGOMERY. Mr. Speaker, the bill, H.R. 11888, was reported following 2 days of hearings conducted by the Subcommittee on Compensation, Pension, and Insurance.

This bill would allow veterans receiving compensation for a 40-percent service-connected disability to receive a dependency allowance. Under current law, veterans with service-connected disabilities of 50 percent or more receive an additional monthly benefit for their dependents. The allowances for veterans who are less than totally disabled are directly proportionate to the allowance paid for the 100-percent rate. For example, a totally disabled veteran presently receives an extra $46 per month if he has a spouse, a 50-percent veteran receives one-half of that figure—$23, a 60-percent veteran receives $28, and so forth.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. Accordingly, in the service-connected and non-service-connected death benefit programs and the educational program, the monthly benefits are increased for each dependent that a beneficiary may have.

The committee was urged to make the dependency allowance available to all service-connected veterans with ratings of 10 percent or more; however, following hearings the committee felt that justification for this special consideration should be limited to those with serious disablement. The level of 40 percent was agreed upon. One example of the type of disability the committee feels warrants the payment of the proposed benefits is the below-knee amputation disability which is currently evaluated at 40 percent. No change in the level of disability providing entitlement to additional compensation for dependents has been made since 1949. Therefore, Mr. Speaker, the committee feels that the existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 40 percent disabled because such veterans generally are less able to secure regular employment to adequately support themselves and their dependents.

Accordingly to the Congressional Budget Office, the cost of this bill is estimated to be $50.4 million for fiscal year 1979. It is within our budget allocation. It would have no inflationary impact inasmuch as it would represent but a 1-percent increment in compensation benefits now paid to disabled veterans.

I hope you will join me in supporting this additional benefit for up to 180,000 seriously disabled service-connected veterans.

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

Mr. Speaker, I rise in support of H.R. 11888, which would allow veterans rated at 40 percent to receive a prorated dependency allowance in the same manner as those rated 50 percent and above under current law.

Mr. Speaker, we have awarded additional compensation for dependents in the case of veterans who are seriously disabled since 1948. This legislation is merely a recognition of the fact, often pointed out to Members of Congress by

representatives of the veterans' organizations, that the cutoff percentile in defining such serious disabilities should be 40 percent, rather than 50 percent.

The rationale for allowing a dependency allowance is that many veterans who are seriously disabled have difficulty obtaining employment that would suitably regain income lost due to their disabilities. This legislation recognizes that veterans such as the individual who lost his leg below the knee, or who suffered the enucleated loss of an eye, or who suffered extreme facial disfigurement—all rated at 40 percent—are seriously disabled and deserving of a dependency allowance.

This dependency allowance is modest. In the case of a veteran rated at 40 percent, we are talking about $18 a month. I would remind my colleagues that today we are also voting on a pension bill that will give a non-service-connected veteran a dependency allotment of $600 a year, or almost three times this amount. I believe this bill is reasonable and fair, and I recommend it to my colleagues.

Mr. Speaker, I will now yield 2 minutes to the distinguished ranking member of the Subcommittee on Compensation, Pension, and Insurance, the gentleman from Ohio (Mr. WYLIE.)

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Arkansas for yielding.

Mr. Speaker, I rise in support of H.R. 11888, which would allow those veterans, as the chairman of the subcommittee has mentioned, who are disabled at 40 percent or more to receive a prorated dependency allowance in the same manner that veterans who are now rated at 50 percent or more presently receive this dependency allowance.

This is another one of those bills on which the distinguished gentleman from Mississippi and I worked very closely. It is a real pleasure to be associated with the gentleman on this forward-looking piece of legislation.

Mr. Speaker, as my colleagues on the Committee on Veterans' Affairs will recall, the bill in its original form would have called for a prorated dependency allowance for all veterans with a service-connected disability and was not based on any percentage. It was the feeling of the subcommittee, as well as the full committee, that the dependency allowance should be reserved for those who are seriously disabled as a result of war wounds. After testimony was developed regarding the serious condition of many veterans rated at 40 percent, this percentage level was adopted.

Mr. Speaker, I trust we can all agree that an individual who has had his leg blown off below the knee or a person who has had an eye shot out or who has lost his nose is certainly seriously disabled. Yet, none of these disabilities are rated at a high enough percentage under present law to qualify for the dependency allowance. That is what this bill does. It says that those veterans who suffered 40-percent disabilities because of war injury will qualify for the dependency allowance. The dependency allowance mechanism has proven to be a fair way to help adjust income levels of deserving veterans. We use this mechanism in pension benefits and we use it in determining GI educational dependency allowance benefits.

Mr. Speaker, there is no fairer way to help the veteran or to help his dependents, and I urge my colleagues to support this reasonable and modest increase.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER), a member of the committee.

Mrs. HECKLER. Mr. Speaker, H.R. 11888 is a bill which will assist a large number of most deserving veterans. This body has always made it known that we have a desire to do all we can to assist those veterans who have suffered because of a service-connected disability. Theirs is not an easy life. There is no way that we can bring back the physical ability which the service-connected disability has deprived them. However, we have been able to assist them to live as comfortably as possible. There is no question that a serious disability impairs one's ability to work. It therefore makes it much more difficult to provide for one's family. To offset this lack of earning capacity section 315 of title 38, United States Code, outlines a compensation program for dependents. Currently a veteran must be rated at 50 percent disabled as a result of service-connected injuries to receive additional compensation for dependents. This legislation will lower the percentage of disabilty to 40 percent. It has been said that this action would diminish the validity of this program because it is only for those seriously disabled veterans. Think for a moment. VA rates an amputation below the knee as a 40 percent disability. In my eyes an amputation is certainly very serious. It certainly impairs one's ability to earn a living and support a family. I could go on, but I believe the case for this bill has been well defined. I would ask that you join me in supporting it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS), a member of the committee.

Mr. HILLIS. Mr. Speaker, I urge my colleagues to support H.R. 11888—to reduce from 50 to 40 percent the disability rating for which a veteran could be paid dependency allowance. As originally introduced, this rating would have been reduced to 10 percent but after extensive hearings by the subcommittee it was felt the reduction recommended by H.R. 11888 was adequate.

Under present law, additional allowances for dependents are payable to those veterans whose service-connected disability is rated at 50 percent or more. The enactment of this legislation would permit such benefits to be awarded to dependents of veterans rated at 40 percent.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. The committee feels that a disability rated at 40 percent, which includes below-the-knee amputation, is of such severity as to warrant the payment of the additional benefit, and I strongly urge my colleagues to vote for this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR), a member of the committee.

Mr. ABDNOR. Mr. Speaker, I rise to support this legislation. I have always felt that our first priority is to assist those who have been disabled as a result of service to the Nation. This bill is a priority item. We all know how difficult it is today to meet the ever-increasing problems we are having with inflation. Being disabled does not make that job any easier. My colleagues have reviewed what this legislation will do. I would like to take just a short time to emphasize the importance of lowering the rating of disability to 40 percent from the current level of 50 percent. As you are aware, Veterans' Administration compensation payments attempt to replace average earning capacity which has been reduced by the service-connected disability. Some of the disabilities rated at less than 50 percent are quite severe and have a direct impact on the ability to provide for one's family. For example, a veteran who has suffered a below-the-knee amputation is rated at only 40 percent. There are many more examples, but I believe you will agree with me when I say that we should assist these veterans in providing for their families. H.R. 11888 will provide that assistance. I urge you to join me in supporting it.

● Mr. TEAGUE. Mr. Speaker, I rise in support of the bill, H.R. 11888. This bill would provide a more liberal rule to govern payment of additional service-connected compensation to veterans entitled to receive benefits because of disease or disability growing out of their period of service.

Many years ago, the Committee on Veterans' Affairs determined that with the more seriously disabled veterans an additional payment based upon the number of dependents looking to them for support was in order. Originally, the law provided that an allowance for dependents go to those whose disablement was determined to be 60 percent or more. That was in 1948. The next year, the rule was changed to permit this added payment to the 50-percent level of disability and there has been no change since.

The Committee on Veterans' Affairs, after hearings, has concluded that the law should be liberalized to pay additional compensation for dependents for those veterans who are 40 percent disabled. The committee has always been of the belief that this added benefit should be reserved for those who are seriously disabled and finds examples such as a below-knee amputation which warrants a rating of 40 percent ample justification.

The cost of this bill is insignificant when considered with the overall compensation budget. It is not inflationary and it is well within budget allocations.

I ask my colleagues to give it their unanimous support.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 11888.

This bill will amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 to 40 percent.

I am glad to see that the House Veterans' Affairs Committee has recognized the fact that a disability rated at 40 percent, which includes below-the-knee amputation, is of such severity as to warrant the payment of the additional benefits.

A good number of the veterans residing in Puerto Rico would be greatly benefited from the approval of this bill. I hope that the committee in the near future will consider making the dependency allowance available for any veteran rated 10 percent or more disabled.

I support this legislation and I urge you to vote for it.●

● Mr. MITCHELL of New York. Mr. Speaker, it is with pleasure that I offer my support to H.R. 11888, which would increase compensation for disabled veterans by making an increasing number eligible for additional allowances for dependents. Previously a veteran had to be rated at 50 percent or more to receive compensation for dependents. This figure is now reduced to 40 percent. The disability must be service connected to receive the additional allowance. There is no way we can bring back the physical ability which was lost. But we can help the disabled veteran to live more comfortably. Under this legislation, a veteran will receive $67 per dependent if he is 100-percent disabled or a reduced portion of the $67 based on the percentage of disability rating. I hope you will join with me in supporting this legislation. We must look out for the veterans through caring for his dependents.●

● Mr. HEFNER. Mr. Speaker, the bill, H.R. 11888, was reported following 2 days of hearings conducted by the Subcommittee on Compensation, Pension and Insurance.

This bill would allow veterans receiving compensation for a 40 percent service-connected disability to receive a dependency allowance. Under current law, veterans with service-connected disabilities of 50 percent or more receive an additional monthly benefit for their dependents. The allowances for veterans who are less than totally disabled are directly proportionate to the allowance paid for the 100 percent rate. For example, a totally disabled veteran presently receives an extra $46 per month if he has a spouse, a 50 percent veteran receives one-half of that figure—$23, a 60 percent veteran receives $28, et cetera.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. Accordingly, in the service-connected and non-service-connected death benefit programs and the educational program, the monthly benefits are increased for each dependent that a beneficiary may have.

The committee was urged to make the dependency allowance available to all service-connected veterans with ratings of 10 percent or more; however, following hearings the committee felt that justification for this special consideration should be limited to those with serious disablement. The level of 40 percent was agreed upon. One example of the type of disability the committee feels warrants the payment of the proposed benefits is the below-knee amputation disability which is currently evaluated at 40 percent. No change in the level of disability providing entitlement to additional compensaton for dependents has been made since 1949. Therefore, Mr. Speaker, the committee feels that the existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 40 percent disabled because such veterans generally are less able to secure regular employment to adequately support themselves and their dependents.

According to the Congressional Budget Office, the cost of this bill is estimated to be $50.4 million for fiscal year 1979. It is within our budget allocation. It would have no inflationary impact inasmuch as it would represent but a 1 percent increment in compensation benefits now paid to disabled veterans.

I hope you will join me in supporting this additional benefit for up to 180.000 seriously disabled service-connected veterans.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time, and I ask my colleagues to support the committee.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 11888.

The question was taken.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 11888, the bill just under consideration.

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

There was no objection.

VETERANS' AND SURVIVORS' PENSION IMPROVEMENT ACT OF 1978

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10173) to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes, as amended.

The Clerk read as follows:

H.R. 10173

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 "Veterans' and Survivors' Pension Improvement Act of 1978".

TITLE I—AMENDMENTS TO PENSION PROGRAM FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH

SEC. 101. Section 502(a) of title 38, United States Code, relating to determinations with respect to disability, is amended by inserting "and is not substantially gainfully employed" after "sixty-five years of age or older".

SEC. 102. (a) Section 503(a) of title 38, United States Code, relating to determinations with respect to annual income, is amended by—

(1) striking out clause (1);

(2) redesignating clauses (2) and (3) as clauses (1) and (2), respectively;

(3) striking out clauses (4), (5), and (6);

(4) redesignating clause (7) as clause (3);

(5) inserting after such clause the following new clause:

"(4) amounts equal to amounts paid—

"(A) by a veteran for the last illness and burial of such veteran's deceased spouse or child, or

"(B) by the spouse of a living veteran or the surviving spouse of a deceased veteran for the last illness and burial of a child of such veteran;";

(6) redesignating clause (8) as clause (5);

(7) striking out clause (9);

(8) redesignating clause (10) as clause (6);

(9) striking out clause (11);

(10) redesignating clause (12) as clause (7) and striking out "chapter 35" in such clause and inserting in lieu thereof "chapters 31, 34, and 35";

(11) striking out clauses (13) and (14);

(12) redesignating clause (15) as clause (8) and inserting at the end thereof "and";

(13) striking out clauses (16) and (17); and

(14) adding at the end of such subsection the following new clause:

(9) amounts equal to all amounts paid by a veteran, spouse, or child for unreimbursed medical expenses, if such amounts exceed 5 per centum of the income during the year (determined without regard to the exclusions provided by clauses (1) through (8) of this subsection) of such veteran, spouse, or child.".

(b) Subsection (c) of such section is repealed.

SEC. 103. Section 506(a) of title 38, United States Code, relating to resource reports, is amended to read as follows:

"(a) As a condition of granting or continuing a pension under section 521, 541, or 542 of this title, the Administrator—

"(1) may require from any person applying for, or in receipt of, a pension thereunder such information, proofs, or evidence as the Administrator desires in order to determine the annual income and the corpus of the estate of such person and of each spouse and child on account of whom added pension is applied for or received;

"(2) shall require that any such person file each year with the Veterans' Administration (on the form prescribed by the Administrator) a report showing the total income which such person (and any such spouse or child) received during the preceding year, the corpus of the estate of such person (and of any such spouse or child) at the end of that year, and such person's estimate for the then current year of the total income such person (and any such spouse or child) expects to receive and of any expected increase in the corpus of the estate of such person (and of any such spouse or child); and

"(3) shall require that any such person

promptly file a revised report whenever there is a material change in the estimated annual income of such person (or of any such spouse or child) or a material change in such person's estimate of the corpus of the estate of such person (or of any such spouse or child).".

SEC. 104. (a) Subsections (b) through (f) of section 521 of title 38, United States Code, relating to non-service-connected disability pensions, are amended to read as follows:

"(b) If the veteran is unmarried (or married but not living with and reasonably contributing to the support of such veteran's spouse) and there is no child in the custody of such veteran or to whose support the veteran is reasonably contributing, pension shall be paid to the veteran monthly at the annual rate of $4,000 (unless the veteran is entitled to pension at the rate prescribed under subsection (d)(1) or (e) of this section), reduced by the amount of the veteran's annual income.

"(c) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or there is a child in the custody of such veteran or to whose support the veteran is reasonably contributing, pension shall be paid to the veteran monthly at the annual rate of $5,200, unless the veteran is entitled to pension at the rate provided by subsection (d)(2) or by subsection (e) of this section. If the veteran has two or more such dependents, the rate shall be increased by $600 for each such dependent in excess of one. The annual rate payable shall be reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the amount of the annual income of the veteran's spouse and of any such child.

"(d)(1) If the veteran is in need of regular aid and attendance, the pension payable to the veteran under subsection (b) of this section shall be at the annual rate of $6,160 reduced by the amount of the veteran's annual income.

"(2) If the veteran is in need of regular aid and attendance, the pension payable to the veteran under subsection (c) of this section shall be at the annual rate of $7,360 plus allowances for additional dependents as provided in such subsection, and reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the amount of the annual income of the veteran's spouse and of any such child.

"(e) If the veteran has a disability rated as permanent and total and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or (2) by reason of a disability or disabilities, is permanently housebound but does not qualify for the aid and attendance rate under subsection (d) of this section, the pension payable to the veteran under subsection (b) of this section shall be $4,804 reduced by the veteran's annual income, and the pension payable to the veteran under subsection (c) of this section shall be $6,004 plus allowances for additional dependents as provided under such subsection and reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the income of the veteran's spouse and of any such child.

"(f) For the purposes of this section:

"(1) In determining annual income, where a veteran is living with or reasonably contributing to such veteran's spouse, child, or children, all income of the spouse and all income (except earned income) of such children which is reasonably available to or for the veteran shall be considered as the income of the veteran, unless in the judgment of the Administrator to do so would work a hardship upon the veteran.

"(2) A veteran shall be considered as living with a spouse, even though they reside apart, unless they are estranged.".

(b) Subsection (h) of such section is amended to read as follows:

"(h) Effective the first day of the month during which a veteran attains age eighty, the pension payable to the veteran under subsection (b) of this section shall be $4,804 reduced by the veteran's annual income, and the pension payable to the veteran under subsection (c) of this section shall be $6,004 plus allowances for additional dependents as provided under such subsection and reduced by the amount of the annual income of the veteran and, subject to subsection (f)(1) of this section, the income of the veteran's spouse and any child of the veteran.".

(c) Such section is further amended by adding at the end thereof the following new subsection:

(i) Benefits under this section may be paid less frequently than monthly if the amount of the monthly benefit would be less than $10.".

SEC. 105. Section 522 of title 38, United States Code, is amended to read as follows:

"§ 522. Net worth limitation

"(a) The Administrator shall deny or discontinue payment of pension under section 521 of this title when the corpus of the estates of the veteran and of the veteran's spouse are such that under all the circumstances, including consideration of the veteran's, spouses, and children's income, it is reasonable that some part of the corpus of such estates be consumed for the veteran's maintenance.

"(b) The Administrator shall deny or discontinue payment of increased pension or of additional pension under section 521(c) of this title on account of a child when the corpus of the estate of the child concerned is such that under all the circumstances, including consideration of the veteran's, spouse's, and children's income, it is reasonable that some part of the corpus of the child's estate be consumed for the child's maintenance. Any child to whom this subsection applies shall not be considered as a dependent of the veteran for the purposes of this title so long as the denial of pension required by this subsection remains in effect.".

SEC. 106. (a) Subsections (b), (c), and (d) of section 541 of title 38, United States Code, relating to pensions of surviving spouses of certain veterans, are amended to read as follows:

"(b) If there is no child of the veteran in the custody of the surviving spouse, pension shall be paid to the surviving spouse monthly at the annual rate of $3,000 reduced by the amount of the surviving spouse's annual income.

"(c) If there is a surviving spouse and one child of the veteran in such surviving spouse's custody, pension shall be paid to the surviving spouse monthly at the annual rate of $3,900. If there is a surviving spouse and more than one such child, the rate provided by the preceding sentence shall be increased by $600 for each such child in excess of one. The rate payable shall be reduced by the amount of the annual income of the surviving spouse and, subject to subsection (g) of this section, the amount of the annual income of any such child.

"(d) Benefits under this section may be paid less frequently than monthly if the amount of the monthly benefit would be less than $10.".

(b) Such section is further amended by adding after subsection (f) the following new subsection:

"(g) In determining annual income for purposes of subsection (c) of this section, all income (except earned income) of a child of the veteran in such surviving spouse's custody which is reasonably available to or for the surviving spouse shall be considered the income of the surviving spouse, unless in the judgment of the Administrator to do so would work a hardship upon the surviving spouse.".

SEC. 107. The text of section 542 of title 38, United States Code, relating to pensions of children of certain veterans, is amended to read as follows:

"(a)(1) Whenever there is no surviving spouse, the Administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension payable monthly at the annual rate of $1,200 for one child, plus $600 for each additional child.

"(2) Such pension shall be paid to eligible children in equal shares.

"(3) The pension for each child shall be reduced by the amount of the annual income (excluding earned income) of such child.

"(b) Whenever there is a surviving spouse of a veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, and there is a child of the veteran not in the surviving spouse's custody, the Administrator shall pay to each such child pension payable monthly at the annual rate of $600 for each such child. The pension payable for each such child shall be reduced by the amount of the annual income (excluding earned income) of such child.".

SEC. 108. Section 543 of title 38, United States Code, is amended to read as follows:

"§ 543. Net worth limitation

"(a) The Administrator shall deny or discontinue payment of pension under subsection (b) or (c) of section 541 of this title when the corpus of the estate of the surviving spouse is such that under all the circumstances, including consideration of the surviving spouse's income, it is reasonable that some part of the corpus of such estate be consumed for the surviving spouse's maintenance.

"(b) The Administrator shall deny or discontinue payment of increased pension under subsection (c) of section 541 of this title when the corpus of the estate of a child on account of whom pension is otherwise payable is such that under all the circumstances, including consideration of income of the surviving spouse and the income of such child, it is reasonable that some part of the corpus of such estate be consumed for the maintenance of the child. A child to whom the provisions of this subsection applies shall not be considered as a child in custody of the surviving spouse for the purposes of this title so long as the denial remains in effect.

"(c) The Administrator shall deny or discontinue payment of pension under section 542 of this title to any child when the corpus of the estate of that child is such that under all the circumstances, including consideration of income of the child, it is reasonable that some part of the corpus of such estate be consumed for the child's maintenance.".

SEC. 109. Section 544 of title 38, United States Code, is amended to read as follows:

"§ 544. Aid and attendance allowance

"(a) If a surviving spouse is in need of regular aid and attendance, the pension payable to the surviving spouse under section 541(b) of this title shall be $4,488 reduced by the amount of the surviving spouse's annual income.

"(b) If a surviving spouse is in need of regular aid and attendance, the pension payable to the surviving spouse under section 541(c) of this title shall be $5,388 plus the allowances for each child in excess of one and reduced by the amount of the annual income of the surviving spouse and, subject to section 541(g) of this title, the income of any child or children.".

SEC. 110. (a) Chapter 53 of title 38, United States Code, is amended by adding at the end thereof the following new section.

"§ 3112. Annual adjustment of certain benefit rates

"Whenever benefit amounts payable under title II of the Social Security Act are increased effective with any month in any calendar year after 1978 as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective the date of the increase in such benefit amounts, increase the rates of pension payable under sections 521, 541, 542, and 544 of this title as such rates were in effect immediately prior to such benefit amounts increase, by a percentage which is the same as the percentage by which such benefits payable under title II of the Social Security Act are increased. Whenever such rates are so increased, they may be rounded in such manner as the Administrator considers appropriate for ease of administration.".

(b) The table of sections at the beginning of such chapter 53 is amended by adding at the end thereof the following new item:

"3112. Annual adjustment of certain benefit rates".

SEC. 111. Section 101(15) of title 38, United States Code, relating to the definition of the term "pension", is amended by striking out "monthly".

SEC. 112. (a) Any case in which—

(1) a claim for pension is pending in the Veterans' Administration on December 31, 1978,

(2) a claim for pension is filed by a veteran after December 31, 1978, and within one year after the date on which such veteran became totally and permanently disabled, if such veteran became totally and permanently disabled before January 1, 1979, or

(3) a claim for death pension is filed after December 31, 1978, and within one year after the date of death of the veteran through whose relationship claim is made, if the death of such veteran occurred before January 1, 1979,

shall be adjudicated under title 38, United States Code, as in effect on December 31, 1978, with respect to any period before January 1, 1979.

(b) Nothing in this Act or the amendments made by this Act shall affect the eligibility of any person receiving pension under chapter 15 of title 38, United States Code, on December 31, 1978, to receive pension at the rate being paid on that date for periods after December 31, 1978, except that—

(1) the amount of such pension attributable to the existence of a dependent or dependents shall continue only so long as each such dependent continues to meet the definition of a child or spouse; and

(2) this subsection shall cease to apply when it is determined that the veteran is no longer permanently and totally disabled.

This subsection shall not apply in any case for any period after pension is granted, pursuant to application, under title 38, United States Code, as amended by this Act.

(c) Subsection (b) shall apply to those claims within the purview of subsection (a) in which it is determined that pension is payable for December 31, 1978.

TITLE II—MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

SEC. 201. (a) Effective January 1, 1979, section 9 of the Veterans' Pension Act of 1959 (Public Law 86-211), is repealed.

(b) Nothing in this Act or the amendments made by this Act shall affect the eligibility of any person receiving pension under the provisions of such section on December 31, 1978, to receive the pension being paid under such provisions on that date for periods after December 31, 1978, except that the amount of such pension attributable to the existence of a dependent or dependents shall continue only so long as each such dependent continues to meet the definition of a child or spouse. This subsection shall not apply in any case for any period after pension is granted, pursuant to application, under title 38, United States Code, as amended by this Act.

SEC. 202. Section 3012(b)(4) of title 38, United States Code, relating to effective dates of reductions and discontinuances of certain benefits, is amended to read as follows:

"(4) by reason of—

"(A) change in income shall (except as provided in section 3112 of this title) be the last day of the month in which the increase became effective; and

"(B) change in corpus of estate shall be the last day of the calendar year in which the change occurred;".

SEC. 203. The second sentence of section 612(h) of title 38, United States Code, relating to eligibility for medical treatment, is amended by striking out "$500" and inserting in lieu thereof "$1,000".

SEC. 204. The amendments made by this Act shall take effect January 1, 1979.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

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

Mr. Speaker, the reported bill is one of the most important veterans' bills to be considered by the House in recent years. The gentleman from Mississippi has stated the case for this bill very well and I want to thank SONNY MONTGOMERY, the chairman of our Subcommittee on Compensation, Pension, and Insurance for his tremendous work in bringing this bill to the House. The time has come for major pension reform and this bill fulfills the commitment we made to the Members of the House last year to get a bill before the House for a vote.

The reported bill is extremely important because not only will it correct inequities that exist under current law, it will also provide a standard of living for veterans who served during a wartime period that will bring about more meaningful lives for them. The important provisions of the bill are these:

First, the bill would eliminate the problem of pension benefits being reduced every time social security benefits are increased. Each year around the last of January we all receive letters from eligible veterans and widows telling us about their pension checks being reduced because of an increase in their social security checks. This bill will eliminate that problem for veterans and widows. Next year we hope to focus our attention on the DIC program for dependent parents. In any event, the proposed bill will eliminate this problem for veterans and eligible widows of veterans.

Second, the bill, if enacted, will automatically index pension rates to the Consumer Price Index on the same basis as social security benefits. This means that pension recipients will have their rates of pension automatically adjusted based on the cost of living.

Third, the bill would raise the maximum pension rates. Thus assuring each eligible veteran a decent standard of living. No longer will any wartime veteran be required to live on income less than the poverty level. No longer will a veteran be required to supplement his pension by welfare payments.

Fourth, the reported bill would grandfather pensioners on the roll so that the pensioner may continue to draw benefits under the current program if it would not be to the advantage of the eligible veteran or widow to elect to receive benefits under the proposed bill. This provision of the bill is also structured so that if the individual elects to remain under the current law, his or her benefits will also not be adversely affected by social security increases.

Fifth, the bill would allow veterans receiving aid-and-attendance to exceed the maximum income support levels by $1,000, and still continue to be furnished drugs and medicines by the Veterans' Administration. This will be most helpful to a few more seriously disabled veterans.

Finally, Mr. Speaker, the bill would provide a special benefit for veterans who are permanently and totally disabled upon reaching age 80.

The special benefit would be based on the individual's greater need because of age. We felt the benefit should not be limited to any group of wartime veterans, and the veterans' organizations who represent some 6 million veterans of all wars agree that the benefit should not be so limited. Therefore, our provision goes to any eligible veteran no matter whether his or her period of service was during World War I, World War II, or otherwise. It will, however, be most beneficial to World War I needy veterans.

Mr. Speaker, this special benefit would guarantee an income of $4,304 per year for the single veteran at 80 years of age. For a veteran with one dependent the maximum allowed income would be $6,004 annually.

Mr. Speaker, this is a very good bill and, if adopted by the House, I am confident we will have a measure that will be acceptable to the President and signed into law before the Congress adjourns. The Senate has ordered reported a measure very similar to the reported bill, and I do not expect any major problems in reaching agreement with the other body.

I want to again thank the distinguished gentleman from Mississippi, the very able chairman of our Subcommittee on Compensation, Pension, and Insurance. He has spent months in putting

this bill together and steering it through the committee and to the floor of the House. I am also grateful for the work of the ranking minority member of the subcommittee, the distinguished gentleman from Ohio, CHALMERS WYLIE, and the dedication and total cooperation of the ranking minority member of the full committee, the gentleman from Arkansas the honorable JOHN PAUL HAMMERSCHMIDT.

I also want to acknowledge and thank the honorable BOB EDGAR of Pennsylvania for his active leadership in helping with this major reform measure. Every member of the committee worked hard to get this measure before the House today.

The bill represents much hard work and during the next fiscal year will mean some $853 million in additional benefits for our veterans and eligible dependents drawing pension benefits. The cost of the bill is within the committee's budget allocation and I urge the Members of the House to unanimously adopt it.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY), the distinguished chairman of the Subcommittee on Compensation, Pension, and Insurance.

Mr. MONTGOMERY. Mr. Speaker, the reported bill is the result of much hard work on the part of many people and I want to commend the members of our subcommittee, the distinguished chairman of the full committee, the Honorable RAY ROBERTS, the ranking minority member of the full committee, the Honorable JOHN PAUL HAMMERSCHMIDT, and I am especially grateful to the ranking minority member of the subcommittee, the Honorable CHALMERS WYLIE for the help he gave us in getting this bill to the floor.

The measure will solve many of the problems that have caused many of us so much concern during the past several years, especially the problem resulting from a reduction in pension benefits every time social security benefits are increased.

On February 7, 8, and 9, the Subcommittee on Compensation, Pension, and Insurance, which I am privileged to chair, conducted 3 days of hearings on bills pending before the Committee on Veterans' Affairs that would amend the current pension program.

The main issues of concern expressed in these bills were as follows:

First. The need to eliminate the problem individuals have of pension payments being reduced when social security benefits are increased;

Second. The proposal to provide a bonus of $150 per month to each World War I veterans, his widow or child;

Third. The need to provide a level of income for veterans above the poverty level; and

Fourth. The desire of many to automatically index cost of living increases in pension benefits to the Consumer Price Index.

Although I personally feel the current pension program is basically sound, it is evident that through the years the current program has developed a number of inequities when viewed in light of present needs of pensioners. During the past 18 years, the pension program basically has not been changed.

Last year the distinguished chairman of the Committee on Veterans' Affairs and I informed this House of our plan to undertake major reform of the pension program this year. At that time, the Administrator of Veterans' Affairs was under a legal mandate to complete a comprehensive study of the Veterans' Administration pension program and to report his findings to the Congress together with specific legislative recommendations for strengthening the current program and for making it more equitable for all veterans and eligible surviving dependents. This report was not received until January 30, 1978, and we were disappointed that when finally received it did not contain the legislative recommendations we had expected to receive.

When we did not receive the VA report on the due date, I proceeded to draft a bill and with the advice and counsel of several individuals and organizations with some expertise in the subject matter, I introduced H.R. 10173 on November 30, 1977. I am pleased to inform my colleagues that more than 140 Members of the House have cosponsored the bill.

Basically, the bill would automatically index pension rates to the Consumer Price Index on the same basis as social security benefits. Thus, if the reported bill is enacted, when social security rates are increased, individuals electing to receive pension benefits under the proposed bill would receive the full cost-of-living increase in both pension and social security benefits on the same date.

I can assure you, my colleagues, that under this bill an individual's pension would never be reduced because of future social security increases.

Second, the proposed bill would substantially raise maximum pension rates, assuring an annual income support level for all pensioners substantially above the poverty level. It would raise the maximum annual rate for a single veteran with no income from $2,364 to $4,000. For a veteran with one dependent and no income, the maximum rate would be increased from $2,544 to $5,200. In addition, each child would receive $600.

Third, the proposed bill would allow pensioners on the rolls to continue to draw pension at the current level if it would be more advantageous for such individual to remain under the current program. Pension rates would be frozen for those who elect to remain at the current level, and they would not have their pension reduced when social security is increased. It should be noted, however, that those who choose to remain under the current program will always have the option of converting to the proposed new program at any time such individual chooses to do so.

Fourth, the proposed bill would consider all family income for pension purposes, except a few one-time, pass-through payments such as unreimbursed unusual medical expenses; proceeds of fire insurance; expenses of last illness and burial of a veteran, child of a veteran or spouse; just debts of the deceased veteran, and VA educational benefits.

Fifth, the proposed bill would increase from $500 to $1,000 the amount above which veterans receiving aid-and-attendance benefits may exceed the income limits and still continue to be furnished drugs and medicines by the Veterans' Administration.

Finally, the bill takes special notice of the needs of the aged veterans. As you would guess, most of these are veterans of World War I. The special provision would provide for a basic pension rate for veterans who are age 80 or older at a level $804 above base rates for younger disabled veterans. This means that a veteran with neither wife or child would be guaranteed an income of $4,804 annually between his Veterans' Administration pension and his other countable income. The corresponding base rate for a veteran with one dependent would be increased from $5,200 to $6,004 annually.

The bill is designed to be effective January 1, 1979, and has an estimated fiscal year 1979 net cost of $730 million. While the cost thus estimated is well within our budgetary allocation, that does not tell the whole story for the future.

We have been able to get only incomplete estimates of the governmentwide savings the bill would generate. Since the pension proposed would provide a one-stop service for veterans and dependents at levels exceeding such programs as supplemental security income, aid to families with dependent children, and welfare in almost all States, savings would be at least $122 million in fiscal year 1979 growing to more than $552 million in 5 years.

Mr. Speaker, I am confident that H.R. 10173 addresses the major inequities in the current law. It will, in my opinion, substantially improve the standard of living for all veterans and eligible survivors, especially those most in need. Some Members clearly feel that we should grant another bonus to the World War I veterans, such as H.R. 9000 sponsored by the Honorable GLENN ANDERSON of California. The subcommittee and most of the national veterans' organizations have chosen the option of doing more for all pensioners to insure a truly adequate support level for all without distinction to specific periods of wartime service.

Mr. Speaker, in order that there may be no misunderstanding of the position of the major national veterans' organizations on the question of a World War I pension bill, I will quote from some of the letters the committee has received:

AIR FORCE SERGEANTS ASSOCIATION

Letter of February 22, 1978:

"In our opinion, H.R. 9000 would do little for the most needy of those it is intended to help."

THE AMERICAN LEGION

Testimony on February 9, 1978, H.R. 9000:

"We do not support this measure for the reason that it is in conflict with the Legion position established by Resolution No. 360 of our 1977 National Convention.

"The American Legion is opposed to those pension measures which single out certain incomes for exclusions from income determi-

nations and not others. We are also opposed to those measures which disregard the underlying philosophy of the veterans' and survivors' pension benefits program, that is, that it be an income maintenance or supplement program, and that entitlement thereto be based on a reasonable standard of need."

AMVETS

Testimony of February 8, 1978, on a separate pension for World War I veterans:

"We cannot lend our support to any proposal which, in our opinion, would discriminately benefits any particular group within the veteran sector not previously referred to herein."

DISABLED AMERICAN VETERANS

Testimony on February 8, 1978, H.R. 9000:

"Mr. Chairman, the Disabled American Veterans strongly opposes Congressional passage of this measure.

"Therefore, the DAV is very definitely of the opinion that enactment into law of H.R. 9000 would detract from the present and future benefit levels of the service-connected disabled veteran, his dependents and survivors.

"The measure also violates the previously discussed principle of financial need."

I also would like to quote to you from letters from a number of the national veterans' organizations their views:

AIR FORCE SERGEANTS ASSOCIATION

In a letter of February 22, 1978 stated: "We render our support to H.R. 10173."

VETERANS OF WORLD WAR I OF THE U.S.A., INC.

In testimony before the Subcommittee on February 7:

"We are strongly for H.R. 10173. It definitely will benefit many of our veteran groups who are in the lower rungs of pension benefits and whose incomes are low enough for them to take advantage of the higher rates.

"It pleases us to note that both the House and Senate proposals would eliminate the yearly head and heart aches caused by pension cuts resulting from increases in social security. We would be happier if income limitations were raised to permit more of our group to take advantage of the higher pension rates proposed."

THE AMERICAN LEGION

In a letter of February 25, 1978 said:

"The bill coming closest to satisfying our mandate (Res. 360-77) is H.R. 10173, the Veterans' and Survivors Pension Improvement Act of 1978, introduced by members of the House Committee on Veterans' Affairs on November 30.

"The American Legion believes the approach of H.R. 10173 to reform a complex program is sound and substantially in accord with the intent of our mandate.

"On the issue of disregarding social security or increases in that benefit, "We suggest that the cure for this perennial problem is the enactment of H.R. 10173. As we pointed out earlier, the amendment proposed in section 110 of the Pension Improvement Act of 1978 would assure a pass through of all cost-of-living increases granted under Title II of the Social Security Act."

AMVETS

In testimony on February 8, 1978:

"In alluding specifically to H.R. 10173, we would commend this committee for its pursuit of a realistic and comprehensive reform of the VA pension program."

DISABLED AMERICAN VETERANS

In testimony on February 8, 1978:

"It is also our opinion that, although substantial program restructuring is proposed by H.R. 10173, the historic eligibility criteria of honorable wartime service, physical disability and financial need would be left firmly intact. In this we commend the subcommittee most highly.

"Its income exclusion changes and standardized, above "poverty level" benefit rates provide for a more equitable distribution of pension benefits and assure that those with the greatest financial need receive the greatest financial benefit. And of course the automatic "tie-in" with social security increases would definitely assure that income received in those benefit rates would not result in any reduction in pension benefits; on the contrary, an identical percentage increase would be triggered in VA pension payments."

PARALYZED VETERANS OF AMERICA

In their testimony on February 8, 1978:

"PVA is, in general, quite satisfied with the overall structure of the pension improvement initiatives of this committee."

VETERANS OF FOREIGN WARS OF THE UNITED STATES

In their testimony on February 8, 1978 said:

"H.R. 10173 * * * is without question the most acceptable proposal now before Congress."

Some will suggest that the rates of support this bill would authorize are excessive. Others will say the proposed rates are not high enough.

The bill has received broad support by veterans' organizations. Even though we are advised that the administration does not favor the maximum support levels in the bill, it does concede that the bill addresses all of the recommendations for improvement coming out of its study.

Though our bill would provide for a thorough restructuring of the current pension program, it would keep intact the "needs" concept. Mr. Speaker, as you known, the non-service-connected pension program is governed by the principle that a pension is not a reward for service to our country but a supplement to resources otherwise available. The bill seeks to assure that pension beneficiaries will not be dependent on charity or welfare assistance in the future.

Let me summarize for you the big improvements the bill would effect:

It would stop, once and for all, your recurring problem of trying to explain reductions in pension when social security goes up;

It would more adequately meet the needs of veterans and their dependents, making it unnecessary for them to wait in line for relief through welfare to meet their needs;

It would index pension rates to living costs protecting pensions from inflation;

It would give special recognition to the increased needs of the older veterans, especially those who served during World War I, and

It would protect at current rates pension for those on the rolls who would not benefit from the proposed improved pension plan.

In closing, Mr. Speaker, I believe this bill will vastly improve the pension program. I believe veterans' pension should offer more than welfare for those who served during a period of war. I realize it is an expensive measure. It does, however, address critical needs of all our disabled and elderly veterans and their deserving widows.

I appreciate the support, Mr. Speaker, that the Members have given us in our efforts to come up with a comprehensive improvement in the pension system. I appreciate their patience in giving us the time needed to solve very difficult problems.

Finally, I ask and urge you all to support the improvements the bill, H.R. 10173, will bring.

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

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

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

Mr. Speaker, I rise in support of H.R. 11886, the Veterans' Disability and Survivor Benefits Act of 1978, and to express my support of two other bills to be voted upon later today, H.R. 11888, to increase compensation for veterans rated 40 percent disabled, H.R. 10173, the Veterans' and Survivor Pension Improvement Act, of which I am proud to be a cosponsor.

I commend the chairman of the committee, the gentleman from Texas (Mr. ROBERTS), the gentleman from Mississippi, (Mr. MONTGOMERY) the chairman of the subcommittee on compensation, pension, and insurance and the ranking minority member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for bringing these bills before us today. We should all be aware that the full measure of the increases in veterans benefits that will occur if this legislation passes are made possible by the leadership of the gentleman from Texas in the debate of the allowance for budget authority for this function when we acted on the congressional budget resolution. It was gratifying that the House took the position that it did; it was a measure I strongly supported. In my opinion, our Nation's veterans are highly deserving of increased benefits in order to meet the escalating costs of living.

The Veterans' Disability and Survivor Dependent Act of 1978 will raise the payments to be made to disabled veterans and their survivors by 6.5 percent, a figure comparable to the increase in the consumer price index that has occurred since the last increase in this allowance.

Beyond the allowance increase, which only compensates for inflation, this bill also includes a number of other important provisions liberalizing payments to disabled veterans or their families. It raises the benefit level payable to veterans who have lost, or lost the use of, three extremities from service-connected causes, so that such individuals receive the highest rate of compensation available—the same compensation they would receive if they were totally blind, for instance. This bill also provides that a new allowance of $44 be established that would be paid to housebound surviving spouses of disabled veterans.

H.R. 11888 is a simple bill. Our service-connected disability compensation system includes special additional allowances for certain seriously disabled veterans who are deemed to need help in order to support their families. At present, these allowances are paid to the dependents of veterans with service-connected disabilities of 50 percent or more. This bill would lower the percentage of disability needed to qualify for such special additional benefits to the 40 percent

mark. I believe, along with the Veterans' Affairs Committee, that individuals with a 40-percent disability are likely to be less than fully able to secure regular employment that can support their dependents adequately. Accordingly, it is entirely fitting that the additional allowances specified in this bill be provided.

Mr. Speaker, I am honored to be a cosponsor of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. The fundamental purpose of that bill is to insure that every veteran and survivor pensioner receives an allowance sufficient to keep him above the poverty level. To this end, it provides increases in pensions to make up for past inflation.

In addition to these increases, this bill makes fundamental improvements in the veterans' pension system and for that reason deserves special praise and the support of every Member of this House.

The most important of these improvements is the linking of veterans' pensions to the cost of living, just as social security pensions are so linked, thereby precluding the necessity for bringing up this bill each and every year. In fact, I would like to request the Committee on Veterans' Affairs to consider linking service-connected disability allowances to the cost of living so that they, too, will rise automatically as the cost of living rises. We should not make disabled veterans and their families wait on the Congress each and every year until a bill is passed to keep their disability allowances in step with inflation.

Mr. Speaker, at this portion of the RECORD I would like to insert summaries of the provisions of these important veterans benefits:

SUMMARY OF H.R. 11886

The bill would increase by 6.5 percent the basic rates of compensation payable to veterans for service-connected disabilities, and the additional amount authorized for dependents for those with disabilities rated at least 50 percent.

The bill would also increase by the same percentage the annual clothing allowance payable to certain veterans wearing or using prosthetic or orthopedic appliances. The rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths are service-connected would also be increased by 6.5 percent under the reported bill.

The bill would become effective on October 1, 1978.

The bill would also amend section 3101 of title 38, United States Code, to clarify the intent of Congress in providing for exemption from taxation of that portion of service retirement pay equal to the amount of compensation or pension to which an individual is adjudged retroactively entitled and which is waived to permit receipt of the compensation or pension benefit. The bill makes clear the intention of the Congress that a veteran's disability compensation paid in lieu of military retirement pay will not be subject to taxation.

The measure includes a provision that would provide for increased compensation for veterans who have lost, or lost the use of, three extremities from service-connected causes.

The bill would provide an additional allowance for a surviving spouse who is so disabled as to be housebound. The Administration proposed a rate of $44 monthly, and this amount has been accepted and incorporated in the reported bill.

The bill would simplify the computation of death benefits for surviving children when retroactively added to a class of recipients.

The bill would also eliminate duplication of DIC payments to a surviving spouse and child which can occur during the month of the child's 18th birthday.

SUMMARY OF H.R. 11888

H.R. 11888 proposes to liberalize the law governing payment of added compensation on account of the veteran's dependents.

Under current law, veterans with service-connected disabilities of 50 percent or more receive an additional monthly benefit for their dependents. The dependency allowances for veterans who are less than totally disabled are directly proportionate to the allowance paid for the 100-percent rate. For example, a totally disabled veteran presently receives an extra $46 per month if he has a spouse, a 50-percent veteran receives one-half of that figure—$23, a 60-percent veteran receives $28, et cetera.

A dependency allowance is a supplemental payment made in recognition of the expenses involved in supporting a family. Accordingly, in the DIC, pension, and educational programs, the monthly benefits are increased for each dependent that a beneficiary may have.

The reported bill would reduce the 50-percent evaluation to 40 percent, thus paying additional compensation for this level of disability. The Disabled American Veterans and others have urged the Congress to make the dependency allowance available for any veteran rated 10 percent or more disabled. The committee felt there was ample justification to provide the additional benefit for those veterans rated 40 percent; however, the committee was not convinced that current data before the committee justified the payment of the dependency allowance for those rated below this level.

Testimony received at the subcommittee hearings reflected a general agreement that the added payments for dependents should be reserved for the seriously disabled. The committee feels that the reported bill is a logical extension of the current law, recognizing the fact that a disability rated at 40 percent, which includes below-the-knee amputation, is of such severity as to warrant the payment of the additional benefit.

Additional disability compensation for dependents was first authorized by Public Law 80-877, approved July 2, 1948. That act was the product of extensive study and consideration by the Congress on the subject of payment of additional benefits because of dependents of veterans entitled to disability compensation. The legislative history indicates that one of the reasons for limiting the benefits provided by that act to persons 60 percent or more disabled was based on the fact that veterans of this group, because of the serious nature of their disabilities, are not generally in a position to adequately supplement their compensation payments by income from substantial employment. Upon further consideration of this subject in 1949, the necessary degree of disability for entitlement to additional compensation was reduced to 50 percent by section 4 of Public Law 81-339.

This committee concluded that existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 40 percent disabled because such veterans generally are less able to secure suitable regular employment to adequately support themselves and their dependents.

SUMMARY OF H.R. 10173

H.R. 10173, the "Veterans' and Survivors' Pension Improvement Act of 1978," as reported, would create a new pension system applicable to all veterans of Mexican Border Service or subsequent wars, their widows, or children, who, subsequent to January 1, 1979, the effective date of the new program, are or become eligible for a VA non-service-connected pension. This new program attempts to restructure the needs-based pension program to provide greater assistance to those in need and to remove a number of inconsistencies, anomalies, and problems which prevent the current program from operating in all cases in the equitable manner intended by Congress. It is intended that the new pension system, as authorized by the reported bill, should:

First, assure a level of income above the minimum subsistence level allowing veterans and their survivors to live out their lives in dignity.

Second, prevent veterans and widows from having to turn to welfare assistance.

Third, provide the greatest pension for those with the greatest needs.

Fourth, guarantee regular increases in pension which fully account for increases in the cost of living.

In the case of a veteran, H.R. 10173 would provide for the payment of pension at the following annual rates (in each case reduced by the amount of the veteran's annual income and by the income of a dependent spouse or child [except earned income of such child] which is reasonably available to the veteran):

Veteran without dependent spouse or child	$4,000
Veteran, over age 80, without dependent	4,804
Veteran with one dependent (spouse or child)	5,200
Veteran, over age 80, with one dependent	6,004
Veteran in need of regular aid and attendance without dependents	6,160
Veteran in need of regular aid and attendance with one dependent	7,360
Veteran permanently housebound without dependents	4,804
Veteran permanently housebound with one dependent	6,004
Increase for each additional dependent	600

The bill would provide pension at an annual rate of $3,000 for a surviving spouse without a dependent child. For such a surviving spouse with one dependent child, the annual pension rate would be $3,900, increased by $600 for each additional child. The annual rate of pension for a surviving spouse in need of regular aid and attendance would be $4,488 for a spouse without a child, and $5,388 with a child, increased by $600 for each additional child. As under the current pension program, there would be no separate rate of pension payable for a surviving spouse in housebound status. The applicable annual rates would be reduced by the amount of the surviving spouse's annual income and the income (except earned income) of a child in the surviving spouse's custody.

The annual rate of pension payable to each eligible child, whenever there is no surviving spouse, would be $1,200, plus $600 for each additional child, payable in equal shares. The annual rate for each child, not in the custody of an eligible surviving spouse, would be $600. The pension payable for each such child would be reduced by the amount of such child's annual income, excluding earned income.

The bill would generally require that all income, from whatever source derived, be counted for purposes of determining entitlement and the amount of pension payable, subject to the following exclusions:

a. donations from public or private relief or welfare organizations;

b. payments under chapters 11, 13, and 15 of title 38, United States Code (compensation for service-connected disability or death, dependency and indemnity compensation for service-connected death, and pension for non-service-connected disability or death, respectively);

c. amounts equal to amounts paid by a spouse for the expenses of a veteran's last illness, and by a surviving spouse or child for the veteran's just debts, the expenses of the veteran's last illness and burial expenses that are unreimbursed through the receipt of Veterans Administration burial benefits;

d. amounts equal to amounts paid by a veteran for the last illness and burial expenses of a deceased spouse or child, or by a spouse of a living veteran or a surviving spouse of a deceased veteran for the last illness and burial of a child of the veteran;

e. fire insurance policy proceeds;

f. profit from the sale of real or personal property, other than in the course of a business;

g. amounts in joint accounts in banking institutions acquired by reason of the death of the other owner; and

h. amounts equal to amounts paid by a veteran, spouse, or child for unreimbursed medical expenses which exceed 5 percent of such person's yearly income (not otherwise excluded);

i. payments of Veterans Administration educational benefits uder chapters 31, 34 and 35 of title 38, U.S.C.

The measure would require net worth determinations of a veteran, spouse, surviving spouse, child, or surviving child for entitlement to the pension. The determination would be dependent on the net worth of the veteran or surviving spouse and of any dependent for whom the veteran or surviving spouse is receiving increased pension. Pension payments would be denied or discontinued if the net worth of the veteran, spouse or surviving spouse is such that it is reasonable that some portion thereof be consumed for the maintenance of the veteran, surviving spouse, or surviving child. If a child's estate is such that some portion thereof should be consumed for the child's maintenance, the child would not be considered a dependent, nor have entitlement as a child.

Additionally, the measure would require all persons in receipt of pension to file annually with the Veterans Administration a report showing the total income which such person (and any spouse or child for whom additional benefits are paid) received during the preceding year, the end-of-the-year net worth of such person (and of any spouse or child), and such person's estimated total income and any expected increase in the value of the estate for the then current year.

H.R. 10173 would also provide for the automatic annual increase of the pension rates simultaneously with, and in the same percentage amounts as, Social Security cost-of-living increases in any calendar year after 1978. The measure would also provide for the reduction or discontinuance of pension benefits, by reason of a change in income (other than through a Social Security cost-of-living increase), effective the last day of the month in which any such increase became effective.

Another feature of H.R. 10173 would allow recipients under the "old law" and current pension programs to continue to receive the dollar amount of pension received at the time that the bill would become effective (Jan. 1, 1979).

Mr. Speaker, H.R. 11886, H.R. 11888, and H.R. 10173 are bills that fill the vital needs of deserving elderly and disabled veterans and their dependents. Accordingly, I urge my colleagues to fully support their passage.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for his remarks.

What we have done, we have talked to Members of Congress who testified during our hearings, and we tried to get the complaints on the pension program. One of the programs that most Members came to us with will be corrected in this bill. It pertains to the social security matter, when a veteran on a pension program draws a social security check and he also draws a small veteran's pension check. We have given a cost-of-living increase in the social security, and then we have turned around 6 months later, because of a quirk in the law, and because of income limitations we have taken away from his veteran's check this cost-of-living increase that we gave the veteran on his social security check. I guess every Member of the House has had this type of complaint. Under this legislation, this is corrected. This is a strong step forward. This will never happen again, where we give a veteran a little raise on his social security check and take it away on his pension check.

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

Mr. MONTGOMERY. I yield to the gentleman from Connecticut (Mr. GIAIMO), who worked with us on this legislation.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Mississippi (Mr. MONTGOMERY) and the gentleman from Texas (Mr. ROBERTS), the chairman of the committee, and all of the members of the committee for coming out with what I think is a reasonable proposal here in helping the veterans of America and still having due consideration for the necessities of holding the line in our budget activities and in our spending activities.

Mr. Speaker, in this bill, as I understand it, we have taken care of the social security problem the veterans have been troubled with for many years. When they would get an increase in social security, they would lose it in the veterans benefits. We have also taken care of helping with additional money the veterans over 80. I think this measure will go a long way to help the World War I veterans in relieving the hardships which they suffer. I commend the committee for its actions in bringing this worthwhile legislation before the House.

As I said, Mr. Speaker, we have worked very closely in the Committee on the Budget with the members of the Committee on Veterans' Affairs. I know what a hard job it has and I think the committee has done it well.

Mr. Speaker, I think this legislation is reasonable and should be supported.

Mr. MONTGOMERY. Mr. Speaker, I certainly thank the gentleman from Connecticut (Mr. GIAIMO).

Mr. Speaker, we did work very closely with the Committee on the Budget on this matter.

As I said, I think we have a reasonable approach to the problems which he has mentioned about the World War I veterans.

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

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

Mr. CARNEY. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Mississippi (Mr. MONTGOMERY) and wish to thank him and the committee chairman for the good job they have done.

Mr. Speaker, the knotty problem of people getting a slight increase in social security and then having it taken away from their veterans' pension causes more hard feelings than practically anything I have seen since I have been a Member of Congress.

The gentleman in the well is to be commended, and I hope every Member votes for this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. WYLIE), the ranking member of the Subcommittee on Compensation, Pension and Insurance.

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 10173. As the ranking Republican on the Compensation, Pension, and Insurance Subcommittee, I have been involved with this bill from the outset, and while I intend to vote for it, I would like to make clear my reasons for doing so, as well as my hesitations about the measure. We have spent an enormous amount of time on this legislation and its companion legislation.

I believe that major pension reform is absolutely necessary. The present veterans pension law is in many ways unfair. It often distributes pensions of different amount to similarly situated veterans. For instance, a veteran with no income whatsoever receives a total pension of $2,364 a year, while a veteran with $2,000 outside income receives a pension of $1,140, for a total of $3,140 a year. The legislation before us today establishes an income floor principle, where all outside income counts, and eliminates these disparities by guaranteeing the same total amounts for all pensioners who are similarly situated as to family size and extent of disability. I strongly endorse this long-overdue refinement.

The present pension system also contains social security tradeoffs that leave many veterans and widows feeling the Government has given with one hand and taken away with the other, as a rise in social security payments due to cost-of-living adjustments causes a reduction in pension. This legislation eliminates such an occurrence by creating an automatic index, where pension floor levels will be adjusted whenever social security payments are raised due to cost-of-living increases, which I approve.

These two much-needed reforms are paramount in my mind, and I believe they provide justification for all Members to vote for this legislation. At the same time, however, I would like to express my strong reservations about the cost of this legislation. I introduced an

amendment during the subcommittee markup that would have provided substantial increases in pension amounts above current law, yet still remained cost-effective. It was the judgment of the subcommittee that my amendment should not carry. This legislation will cost almost a billion dollars above current law for only 9 months of fiscal year 1979. By 1983 it will be costing more than $3 billion a year above current law, and that figure will continue to grow throughout the remainder of this century. So I would like to remind my colleagues that, as with all entitlement programs, we are not merely obligating the taxpayers of this country to spend a billion additional dollars. We are obligating them to spend an additional $101 billion between now and the year 2000.

I have heard many colleagues speak of the need to aid the elderly, and I feel very strongly that we have an obligation to help those who are no longer in a position to help themselves. This year alone, the Federal Government will spend $153 billion on the elderly. This is more than we are spending on defense, and it is in the form of entitlement programs that will in all likelihood continue to grow in the future. We must keep an eye on this if we are to avoid doing a greater disservice to these same elderly persons—by overspending, government fuels inflation and destroys the value of the nest-eggs so many responsible people have managed to accumulate during their productive years.

With these reservations, Mr. Speaker, I intend to vote for H.R. 10173, and I recommend it to my colleagues as the best under the circumstances.

Mr. ROBERTS. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker and Members, I am asking that you join me in voting against H.R. 10173—before us under suspension—so we can send it to Rules and have it come back to us under a regular rule.

As both Chairman RAY ROBERTS and Congressman MONTGOMERY stated, this is one of the most important bills they have seen since coming to Congress.

I agree with them both. That is one of my points, I feel that this is too important a measure—too big of a price tag ($100 billion from 1979 through 2000)—to be considered under the suspension procedure, a procedure used only for the most routine of bills.

Though its proponents will tell you that H.R. 10173 costs only $959 million, as page 41 of the committee print explains, I have here an OMB report that shows H.R. 10173 carrying a price tag of $6.3 billion in 1990 and one of $10 billion in the year 2000. That is over $100 billion total from 1979 thru 2000.

Second, the Veterans' Committee adopted a seemingly well intentioned amendment—$70 per month to veterans of all wars when they reach age 80.

I am told this was to offset our drive for a specific pension for World War I veterans—because it attempts to do "something" for "some" World War I veterans (about 200,000)—even though it ignores over 400,000 (or over 60 percent) of the total surviving World War I veterans.

And, this amendment is very costly.

This $70 in 1979 would increase in cost each year as it too is indexed to the cost of living. If we assume a 5-percent rate of inflation, this $70 in 1979 would increase to $94 by 1985—to $120 by 1990—to $153 by 1995.

So—starting in 1995—though practically all World War I veterans would be gone—we would still be paying hundreds and hundreds of thousands of other veterans (all over 80) more than our H.R. 9000 ever authorized ($150). Where H.R. 9000 would pay a flat $150 monthly, the committee's payment would be $153 in 1990—would be $195 in the year 2000—and in the year 2020, for example, this payment will be a staggering $515 per month and rising.

The total cost of this amendment in the bill before us today is really unknown. I have asked OMB and the VA to get this information for us. I have the VA Administrator, Max Cleland's answer—dated June 16, 1978, and he shows a price tag of one-half billion annually by the year 2000—in just the committee amendment. I ask unanimous consent to have Mr. Cleland's letter printed in the RECORD at this time.

The letter follows:

VETERANS' ADMINISTRATION,
Washington, D.C., June 16, 1978.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: This is in response to your June 7, 1978 letter, in which you requested the long-range costs of the so-called "Edgar amendment" to H.R. 10173, 95th Congress. I am pleased to be able to respond to your inquiry at this time.

The "Edgar amendment," as you know, would eliminate the current 25 percent "add on" to the amount of a veteran's pension payment upon his attainment of age 78, substituting therefor a provision increasing the basic support level of pension by $804 for those veterans who have attained age 80. The long-range cost estimates of this proposal, provided by the Office of Management and Budget, are as follows:

[In millions]

Fiscal year:	Cost
1980	$ 71
1985	67
1990	120
1995	180
2000	500

I trust that the foregoing will prove to be of assistance to you.

Sincerely,

MAX CLELAND,
Administrator.

Mr. Speaker, by the most conservative estimate, however, in 1995—when H.R. 9000 would have sunset—the committee's amendment—just this one small part that was added at the last minute to help some World War I veterans—will cost $173 million in 1995, $500 million in 2000, $900 million in 2005 because that is when the full force of World War II veterans come in, and soon thereafter our Treasury will have to put out nearly $1 billion each year—with no end in sight. That $1 billion per year for just this one small part of H.R. 10173.

No. 3: If this item on suspension is voted down today—I intend to offer H.R. 9000, with minor changes—such as to make it an authorizing measure—not entitlement—that will require it then to go to Appropriations.

This would avoid any conflict with the budget ceiling.

Also—if my amendment were adopted—by deleting the committee amendment—added by the committee at the last minute—it would result in savings in this bill of $55 million in 1979—of $69.8 million in entitlements in 1980—$62.4 million in 1981—$60.4 million in 1982—and $58.7 million in 1983.

This committee amendment totals over $300 million through 1983—over $2 billion by the year 2000—then, nearly $1 billion per year, thereafter.

Mr. Speaker, I again ask you to join me in voting against H.R. 10173 under suspension so that we can send it back to rules and have it back under a regular rule, so that we can authorize a World War I pension, and then pass it, and then send it to the other body.

Remember a "no" vote will save us $55 million this year, will help us in our efforts to authorize a World War I pension, and will still allow us to have the major portions of H.R. 10173 approved.

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

Mr. ANDERSON of California. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding because I would like to ask my colleague a question. I know that over the years there have been Anderson of California amendments to the budget bills and to the appropriation bills, and I think the record will show that I have supported many of them and am in favor of them. However, Mr. Speaker, I am not sure that we will be achieving the purpose the gentleman would seek to achieve by opposing this bill, defeating this bill and then offering the bill with a rule. I am not sure that we would be serving the veterans of the country. So I would ask my colleague the gentleman from California (Mr. ANDERSON) this question: Supposing we do adopt his suggestion and we defeat this bill, what assurances do we have that the bill would then actually come back, or would that be the end of the bill?

Mr. ANDERSON of California. I surely cannot see that the committee will keep the bill from coming back to the floor.

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

Mr. ANDERSON of California. Mr. Speaker, I would ask if I might have an additional minute.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for yielding me the additional time.

To continue what I was saying, Mr. Speaker, I just cannot see the Committee on Veterans' Affairs bottling this bill in their committee. Chairman ROB-

ERTS said earlier that H.R. 10173 is the most important piece of veterans' legislation since he has been here, as does the ranking minority Member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT). I just cannot see it not coming back before us. H.R. 10173 has so very many important provisions in it that it will come back. I would think that then we would have a chance to do some ironing out in some of these areas that have been bothering us.

Another thing that has bothered us for a long time is that we do not get these veterans bills on the floor early enough so we can amend them.

Mr. ASHBROOK. My only problem is with regard to the fact that these votes which have preceded the action here today have taken place and if the Committee on Veterans' Affairs does not include the World War I veterans pension based on the provisions of the Anderson of California amendments, what assurances do we have that they will bring it back.

Mr. ANDERSON of California. If they were to bring the bill back before us with a rule, and then if we did not adopt our "World War I pension" authorizing amendment I would support the bill that remains.

Mr. ASHBROOK. I thank my colleague for his answers and comments.

Mr. ROBERTS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, I rise in strong support of the pension reform bill that we are considering under suspension of the rules today.

I appreciate the comments of my colleague, the gentleman from California (Mr. ANDERSON) and as an original cosponsor of H.R. 9000, which is our colleague's bill to help World War I pensioners, I feel now, for the very reasons that he articulated on budget constraint, that we should support the committee bill at this time.

The gentleman has pointed out that his move to kill this bill under suspension of the rules would provide a savings of $55 million in 1979 fiscal funding but the gentleman failed to point out that if we tack on H.R. 9000, or the World War I pension bill that the gentleman supports, to this veterans reform bill, over 5 years, it would cost $9 billion. In the first year we will have to spend $1.5 billion on World War I pensions alone.

Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. This bill is a major reform of the pension system for veterans. I believe that this bill adequately addresses the legitimate complaints about the system which have been voiced for so long.

As a member of the Subcommittee on Compensation, Pensions, and Insurance, I was an active participant in both the hearings and the markup sessions dealing with this bill. I am pleased to say that this legislation enjoys bipartisan support among our committee, where each and every issue affecting pensions for veterans with non-service-connected disabilities was discussed. I would like to briefly summarize the bill's provisions and explain why I urge my colleagues to support it.

First, H.R. 10173 requires that the Veterans' Administration supplement a veteran's income so that it totals $4,000. For example, if a veteran receives $3,500 per year from a private pension, the VA would provide an additional $500, to total $4,000. Or if a veteran receives $2,500 per year in social security, the VA would provide $1,500. One dependent would raise the maximum pension to $5,200 with $600 for each additional dependent. Present law provides only $60 each for not more than two dependents.

One of the most important provisions of this bill will solve the problem of reductions in veterans' pensions due to cost-of-living increases in social security. H.R. 10173 provides automatic pension increases to keep pace with the rise in the cost of living by indexing pension rates to the Consumer Price Index on the same basis as social security.

Mr. Speaker, now we come to what seems to be the most controversial portion of the bill. I have been a supporter of an additional pension for World War I veterans since I came to Congress. Therefore, I offered an amendment, which passed in full committee, to provide a veteran with an additional $804 per year when he reaches the age of 80. At that age, the Veterans' Administration would supplement his income up to $4,804 per year rather than $4,000. The income of a married veteran would be supplemented up to $6,004. Veterans of all wars would be eligible for this provision.

Congressman GLENN ANDERSON is to be commended for his efforts on behalf of World War I veterans. He has probably been their strongest advocate in Congress. I can assure you that our subcommittee considered carefully his proposal that his bill, H.R. 9000, be adopted as an amendment to H.R. 10173. The reason that H.R. 9000 was not adopted was because of its cost. Our committee felt that it could not amend H.R. 10173, which will already cost approximately $850 million, by attaching H.R. 9000 which would have cost an additional $1.5 billion in 1979. The reason that the Anderson proposal is so high is that it provides a $150 per month pension for World War I veterans and their widows whose incomes are as high as $15,000 a year.

According to OMB, my amendment would cost $55 million in fiscal year 1979. The cost estimates that we have indicate that this figure would rise to $58.7 million in fiscal 1983 and possibly as high as $200 million in the year 2000. However, I would remind my colleagues that veterans of all wars will be eligible for the added income at age 80.

Finally, I believe that there are a few more figures offered by Mr. ANDERSON which deserve clarification. It is true that in the year 2000 H.R. 10173 may cost as much as $10 billion. However, if we do not change the existing pension system and continue with $5 per month pensions and pension reductions as social security benefits increase, the current system would cost $9.8 billion in 2000.

I believe that H.R. 10173 is a positive and realistic reform of the veterans' pension system. I urge my colleagues to support it so that we can put to rest the inequities of the system which we have neglected for far too long.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield briefly?

Mr. EDGAR. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

I think the gentleman has put his finger right on the problem we had in the committee. By the fiscal restraints we have we tried to figure out which was the best way we could help the World War I needy veteran, and we adopted the gentleman's amendment which does take care of these World War I veterans.

I would like to say if the Members vote against this bill, they are voting against the social security problem that has been corrected in this legislation, plus moving veterans out of the poverty level in this bill. So I would certainly hope that the House would follow the lead of the subcommittee and the full committee in that this bill was voted out unanimously, with the gentleman's amendment, helping World War I veterans.

Mr. EDGAR. I thank the gentleman for his comments and thank our chairman for his expeditious handling of this important issue before our committee. I think we have handled all of the pension reform issues carefully, all of the legislative initiatives, including the World War I pension benefits, and I think we came out with an equitable compromise that fits in with the budget process.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

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

Mr. ANDERSON of California. I thank the gentleman for yielding.

I commend the gentleman for his thoughts and his remarks on the World War I veteran. I was just wondering whether he was aware that of the 600,000 surviving World War I veterans only 231,000 of them would be getting any benefits under H.R. 10173 because they are the ones who draw this welfare that the VA chooses to call "pension." Most of these receive checks today of from $5 to $10 a month. So when we give then a 25-percent increase on a $10 pension we are not really giving very much. It totals about $30 a year. I think we all ought to square this real life situation with the gentleman's comments. Most World War I veterans tell me that this bill that we are talking about today, H.R. 10173, does really nothing for them. They are the ones who would like to have us come back and really do something for them, by authorizing a separate World War I pension.

Mr. EDGAR. The gentleman from California is only partially right in his comment. There are presently 250,291 World War I veterans currently receiving a pension that is at the $2,300 level. At the $4,804 level there will be additional World War I pensioners who will be

placed on the roll and who will receive a veterans' benefit based on need, based on our commitment.

Second, there is more than a 25-percent increase. What it simply says is that at age 80 a veteran who is in the neediest of categories will in fact receive an increment. I think the very heart of this reform pension goes to the World War I benefits, and I think that the benefits that they will receive—the neediest of veterans—will be far greater than the gentleman indicates.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I appreciate the concern of the gentleman from California (Mr. ANDERSON) and I know how sincere and dedicated he is to the welfare of veterans, particularly World War I veterans, and I hope he also appreciates that the members of the Veterans' Affairs Committee take a back seat to no one in the Congress in their efforts to look after the well-being of those who have served honorably in our Nation's wars.

However, as the voters in the gentleman's own State made abundantly clear just a few weeks ago, we are on the brink of overloading the average taxpayer in this country. The typical taxpayer already works more than 4 months of every year just to pay taxes. And it became necessary in the area of pension reform to make some very difficult choices—it is unrealistic to believe that both the pension reform measure, and the World War I pension, could be passed by the Congress. The combined 5-year expense of these two bills alone—just in expenditures above current law—is more than the entire Veterans' Administration budget for this year.

And, as between these two measures, it is clear that H.R. 10173 benefits those with the most need. It eliminates some very distressing inequities and it greatly benefits those World War I veterans who are without other income. I would urge my colleagues to face the reality that we are not going to have both measures, and to vote in favor of H.R. 10173.

Mr. Speaker, let me once again go over the provisions of this bill which will substantially revise the veterans pension program as we know it today. Although not limited to veterans of a single war, this bill is undoubtedly the most meaningful bill for World War I veterans to be considered by this Congress. Pension reform is long overdue, and I welcome this opportunity to express my strong support for the measure that is presented for our consideration today.

I also want to commend the distinguished chairman of the Subcommittee on Compensation, Pension and Insurance, Mr. MONTGOMERY, and the distinguished gentleman from Ohio, Mr. WYLIE, the ranking minority member of the committee, for presenting to this body a bill that will authorize a substantial increase in monthly pension payments, particularly to those veterans who are in the twilight of their years. It accomplishes that worthy purpose, Mr. Speaker, without singling out veterans of any war for special attention.

Instead, it establishes a minimum level of need for veterans of all wars that exceeds the poverty level set forth by the Census Bureau as well as the levels of the President's proposed welfare program. Then, in recognition of the special needs of the aging veteran population, Mr. Speaker, H.R. 10173 authorizes a supplemental pension of $804 per year to be added to the basic monthly payment when a veteran pensioner reaches the age of 80 years.

Mr. Speaker, for a number of years the major veterans organizations have been urging the committee to create the mechanism by which veterans' pensions could be increased automatically with increases in the cost of living as measured by the Consumer Price Index.

The veterans organizations have also been urging a revision of the pension program so that it is less sensitive to modest increases in social security payments.

This bill addresses both of these issues by providing for an automatic annual adjustment in the monthly rates of pension at the same time as social security increases are triggered by the rising cost of living. Thus, no pensioner—veteran or widow—will have his or her pension reduced because of the receipt of a cost-of-living increase in social security payments. Instead both pension and social security would be increased at the same time by the same percentage.

The Veterans' Administration, under a mandate contained in Public Law 94-432, has accomplished a comprehensive analysis and evaluation of the non-service-connected pension program. Despite the fact that the Veterans' Administration has indicated that it cannot support this bill in its present form, the Administrator of Veterans' Affairs has stated that "H.R. 10173 addresses the major deficiencies and inequities of the current pension program."

Admittedly, this bill is costly. It will put an additional $8.6 billion into the pockets and purses of the Nation's pensioners over the next 5 years. Its cost, however, must be considered in the light of the substantial relief it will provide to the financial plight of the aging World War I veteran.

Mr. Speaker, this is a generous bill. Its approval will permit the aging veteran to live in the dignity that his war service has earned for him. I shall support the bill and urge my colleagues to do likewise.

Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS), a member of the committee.

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. This reform legislation is long overdue and I cannot commend too highly our colleagues SONNY MONTGOMERY and CHALMERS WYLIE for their diligent efforts in behalf of our Nation's veterans, and the lengthy testimony received prior to reporting to the House this bill which will create a new pension system applicable to all veterans, their widows, and children, who are or become eligible for a non-service-connected VA pension.

The new system will—

Allow veterans to live out their lives in dignity;

Prevent them from having to turn to welfare assistance;

Provide the greatest pension to those with greatest need; and

Guarantee regular increases in pension benefits which fully account for increases in the cost of living.

For the first time, all eligible veterans will be assured of a level of assistance that places them above poverty and welfare levels.

While some may not agree with the final totals enumerated in the bill, all must breathe a sigh of relief when they realize that no longer will Members be receiving annual letters from constituents unhappy over a decrease in their VA pension solely because of an increase in their social security benefits. This bill indexes the VA pension rates to the Consumer Price Index so that those receiving benefits under this legislation will always receive the full cost-of-living increase in both VA and social security benefits. No veteran or survivor will suffer any pension reduction solely because of cost-of-living increases in social security benefits. Thus, when social security rates are increased, individuals electing to receive benefits under this bill would always receive the full cost-of-living increase in both pension and social security benefits.

While the bill will also assure all VA pensioners of a level of income significantly above the poverty level, it will also provide additional assistance to our veterans over 80 years of age—of particular importance to our World War I veterans.

Mr. Speaker, I hesitate to take any more time but I want to reiterate my great appreciation to all members of the Subcommittee on Compensation, Pension, and Insurance for putting forth this important legislation for our consideration today and I urge my colleagues to support the bill as reported by the committee.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I rise to offer my support to the bill we are now debating. H.R. 10173 is a pension measure which has long been in the works. The Subcommittee on Compensation, Pension, and Insurance under the direction of the distinguished gentleman from Mississippi (Mr. MONTGOMERY) studied the non-service-connected pension program in complete detail. The result of their labors is this legislation. I will not dwell on the history of the program because it has been outlined in the report which accompanies the bill. Nor will I elaborate on how and why the Committee on Veterans' Affairs reached a final decision on this bill. What I would like to do is elaborate on what this bill will do. Through the years, the Congress has put together the current pension program. From time to time, changes in the law have become necessary. These periodic changes have been good in meeting short-term problems, yet in the long run they have caused some inequities in the program. The anomalies and inconsistencies which currently appear throughout the

law causes serious problems in administering the program. Even more problematic is explaining it to the pensioners. In its study of the current program, the Veterans' Administration devoted an entire chapter to anomalies, inconsistencies and inequities. As a result, most of the recommendations for change centered on those problems.

This bill has been labeled as a reform measure. I do not know if it is truly reform, but it definitely makes needed improvements. The earnings limitation is increased from $2,364 to $4,000 a year for single veterans and from $2,544 to $5,200 for veterans with one dependent. Remembering that this program is based on need and that the income level of the individual veteran dictates the amount of pension is tantamount in understanding the changes made by this bill. We would like to see no one existing below the poverty level. This bill will insure that, plus it will also assist those who need the assistance the most. The new income levels combined with other sections of this bill will guarantee that our veterans and their survivors will receive assistance to maintain a level above the poverty line.

Now I would like to turn to what I think is one of the most important sections of this bill. There is not a Member of this House who has not received tens of letters from constituents claiming, "I get a raise in social security and lose my veterans' pension." That line coupled with those such as, "how can it be fair when the Government gives with one hand and takes away with the other," have appeared in my mail since I came to Congress almost 6 years ago. The indexing mechanism which ties social security cost-of-living increases to the pension program is most welcome. This procedure will insure that no pensioner will ever receive a decrease in veterans' pension solely because of the social security cost-of-living increase.

Before closing, I would also commend the gentlemen who served on the subcommittee for accepting the additional pension for those veterans who reach the age of 80. I do not believe it is necessary to elaborate on the special needs of our older veterans. Increased medical costs cause severe hardships. The foresight of the subcommittee is to be commended.

Considering the need for this legislation, I urge all of the Members to vote for H.R. 10173.

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

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

Mr. PHILLIP BURTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to commend the chairman of the full committee, the gentleman from Texas (Mr. ROBERTS), the gentleman from Mississippi (Mr. MONTGOMERY), and all the Republican and Democratic members of the committee who were responsible for bringing us this very important reform of this program, a reform which has been long overdue.

The SPEAKER pro tempore. The time of the gentleman from South Dakota (Mr. ABDNOR) has expired.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, as I said, this reform is long overdue, and it is a necessary one for this program.

Finally, let me say that those who served our country and the widows of those veterans will no longer be subject to having to go the ignominious route of participating in the Federal SSI system. It is unthinkable that we had in the past such a clumsy, cumbersome, unfair, and expensive dual administrative function for these very low-income veterans.

Mr. Speaker, I applaud the committee for its very wise and helpful consideration and for the results it has achieved in this area.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Speaker, I rise today in support of America's three-quarters of a million World War I veterans, their spouses and survivors. Over 5 years ago I authored the first true pension bill for World War I vets.

The legislation before us provides a pension to all veterans over 80 of $804 a year. My legislation would provide $150 a month to all World War I veterans, regardless of age, but with a $15,000 income ceiling. The substitute is not only necessary, it is the right, proper and decent action for Congress to take. I only wish we could vote on my legislation today.

Five years ago, after a veterans meeting in my district, one of my constituents came to me and asked why World War I veterans were overlooked whenever pension reform came before Congress. After looking into the situation, I found not only were these veterans overlooked, but a case could be made for discrimination. Only World War I veterans with service-connected disabilities participate to any degree in benefits awarded other veterans. The rest are afforded very few of the benefits common to veterans of other wars and conflicts.

When discharged from the service in 1919, for example, World War I veterans received train fare home and a mustering out bonus of $60. After years of protest, Congress in the 1930's enacted legislation giving each veteran adjusted service certificates in an effort to compensate for low wages paid during the war. The average value of those certificates was $547.50.

World War I veterans did not have educational assistance programs, help in finding employment, or the availability of VA hospitals. In many instances their educational handicap (sixth grade is the average educational level) prevented them from achieving any economic status. They came home in 1919 to the economic decline of the early 1920's with resulting high unemployment. Social security meant little or nothing to these men since most were too old to build up maximums in the system.

World War I veterans are covered by two pension systems, both based on need. The first system, in existence prior to July 1, 1960, allowed a veteran to receive a maximum of $78.75 if his income did not exceed $3,300 if he were single and $4,760 if he had dependents. The second system, now in effect, sees a determination of veterans' incomes made by the Veterans' Administration. Included in this determination is all income received by him, and in some instances, his wife. The pension is terminated if he has other earnings which add up to $3,770 a year if he is single, or $5,070 if he has dependents.

At issue here is not the small amount of money—although it is pitiful—but the idea that the pension is based on need. Of the 4,744,000 men who served in World War I only 770,000 are alive today. Less than half draw a VA pension—approximately 37 percent are eligible while 63 percent are not.

Veterans' pensions are not welfare and should not be administered as such. Veterans' groups, and many of us in Congress, have long fought for an unrestricted pension awarded to all those who served in World War I—regardless of age or disability. Today we have a chance to make that dream a reality. H.R. 10173 is the first piece of legislation to adopt this concept and I commend the Veterans' Affairs Committee, and especially my colleague, Mr. MONTGOMERY, for their efforts. But H.R. 10173 is just not adequate.

In my State, for example, which has the third largest veteran population in the country, the vast majority of citizens 75 and older fall into the income bracket between $1 and $2,999—59 percent are men and 83 percent are women. Only 20 percent of the men and 9 percent of the women 75 or older receive an income of between $3,000 and $4,999. The economic plight of our older Americans is severe—the plight of our World War I veterans is doubly severe because they have, in effect, been cheated.

Again, I commend the committee for their work. But it is not enough. I will support this bill as a partial step in the right direction. I will continue to fight for what the World War I veterans deserve—a true pension—a pension they have earned.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER), who has been a valued member of our committee.

Mr. FISH. Mr. Speaker, will the gentlewoman yield?

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

Mr. FISH. Mr. Speaker, I rise to urge the unanimous support of all my colleagues for all three of the veterans' bills being considered today. H.R. 11886 increases disability compensation rates for service-connected veterans by 6.5 percent and increases the rate of dependency and indemnity compensation for their survivors by 6.5 percent. It also clarifies the tax exempt status of veterans' compensation and increases compensation for triple amputees.

H.R. 11888 changes the minimum disability rating a veteran must have in order to receive additional compensation for dependents from 50 percent to 40 percent. It addresses as well the particu-

larly severe problems of those veterans with amputations below the knee—recognizing their need for an additional benefit. This supplement will help those veterans with substantial disability, who often have difficulty finding suitable and steady employment, and need help to meet the necessary daily expenses of supporting their families.

H.R. 10173 finally solves the problem of reductions in non-service-connected veteran's pensions from social security cost-of-living increases.

With consideration and passage of these vital measures, I believe that the Congress has finally recognized our obligation to the veterans of our great Nation. These three bills comprehensively address the myriad of problems encountered by the American vet.

I would particularly like to address my remarks to H.R. 10173, the "Veterans' and Survivors' Pension Improvement Act" and I commend our distinguished chairman, subcommittee chairmen and ranking members for their excellent work on a most comprehensive piece of legislation. This bill will assure that VA benefits will never be reduced solely as a result of cost-of-living increases in social security.

The indexing of VA pension rates to the Consumer Price Index, on the same basis as social security, illustrates the sensitivity of the committee to an inequity that has hurt non-service-connected pensioners particularly. This bill solves the problem of reduction in veterans pensions resulting from social security increases. After January 1, 1979, when social security benefits go up, veterans' pension beneficiaries will always be assured the full cost-of-living increase in both pension and social security benefits.

The review of the pension program by the Veterans' Committee and their solution resolves questions involving the inherent inequities of the old law and assures that every veteran pensioner will be the recipient of a level of income above the poverty level. Henceforth, the VA will see that a veteran pensioner's income is at least $4,000.

Mr. Speaker, I would also like to compliment veterans groups for their tireless efforts in bringing this matter to the attention of the public and the Congress. I supported the House Veterans' Committee in their attempts to provide the Veterans' Administration with a workable budget for fiscal year 1979 in anticipation of the passage of this landmark legislation.

I urge my colleagues to pledge their support in this struggle to provide quality services and reasonable compensation for our American veterans.

Mrs. HECKLER. Mr. Speaker, I rise in support of H.R. 10173, the Veterans and Survivor Pensions Improvement Act of 1978. I commend the leadership of the full committee for reporting this legislation, and the leadership of the Subcommittee on Compensation, Pension, and Insurance for developing this bill.

There are many important reforms in this bill which I believe will serve all veterans and will reflect with credit on the Veterans' Committee and the Congress.

For example, H.R. 10173 contains as one of its central provisions legislation I introduced last year to end the absurd practice by which each time a pensioner's social security payment is increased, his or her pension is reduced by the identical amount. It would also assure that all pensioners on the rolls on the date of enactment would receive at least the dollar amount of pension being received at the time the bill becomes effective. This means that no pensioner would receive a decrease in pension because of income from future social security increases.

H.R. 10173 would automatically index cost-of-living increases for pensioners. This means that those drawing pensions would receive automatic increases each year. Under current law, Congress is required to take affirmative action periodically to provide those increases.

And, H.R. 10173 would assure that no pensioner will subsist at below the poverty level. This legislation will substantially improve the standard of living for all veterans and eligible survivors. To serve the interests of those most in need, the rates contained in this bill are above those of assistance proposed in the President's welfare reform initiative.

But as one who cares very deeply about the particular problems of World War I veterans, I must say that, quite frankly, I am less than completely satisfied by H.R. 10173. I feel that we should have developed provisions that would make the bill more finely tuned to the needs of World War I veterans.

H.R. 9000, for example, would provide all World War I veterans with the option of accepting a $150 monthly pension. This is more realistic than the amendment adopted in committee that would extend benefits to veterans in the pension program now at the age of 80. However, almost half of the World War I veterans are not covered by the present pension program because at the time the legislation affecting them was passed they had to be in "dire need" to qualify, a standard that other veterans did not have to meet.

Mr. Speaker, I do feel, however, that reform in the program of veterans' pension benefits is needed, that the increments contained in this legislation are deserved, and that the Congress would do well to adopt this legislation.

I would like to say that I am encouraged by the very genuine expression of concern by all the members of the Committee on Veterans' Affairs for the problems of our 600,000 remaining World War I veterans. I am encouraged that the very distinguished chairman of the subcommittee, the gentleman from Mississippi (Mr. MONTGOMERY), who has so conscientiously developed this bill, has promised that there will be further consideration and an inquiry into the problems of World War I veterans during the next Congress. I know that the gentleman will hold true to his word.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 30 seconds to the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Speaker, I rise in support of H.R. 10173 but I must state that I listened with interest to the remarks of our colleague from California (Mr. ANDERSON).

I wholeheartedly support the need to increase pension benefits to veterans and their widows. The mere increase in our Nation's cost of living warrants such. Furthermore, I would like to commend the gentlemen from Texas, Arkansas, Ohio, and Mississippi, for having produced this piece of legislation. However, this legislation does fall short of total equity for all veterans.

I do regret that H.R. 10173 fails to incorporate a provision dealing with pensions for World War I veterans and their widows. There are over 400,000 individuals or widows in this Nation who faithfully served our Nation in World War I. Yet these faithful few are once again neglected. This body has continuously recognized a need to provide for veterans of all conflicts following World War I, yet it has overlooked these, the most needy. Surely when the "call to arms" came to go "over there," these individuals never considered personal needs, only those of our Nation. Now, however, they are the ones in need. These individuals require our attention to their needs.

On January 4, 1978, I introduced H.R. 792, legislation to amend chapter 15 of title 38 of the United States Code to provide for the payment of a pension to World War I veterans and to provide that retirement income such as social security shall not be counted against any pension and to provide that such pension shall be increased by a further 10 per centum where the veterans served overseas. This proposal is endorsed by the national 4th Infantry Division Association, the Veterans of World War I Association, my area's Broward County Veterans' Services Division, and various other veterans' organizations.

My colleagues, I feel that we perhaps should permit this legislation to be considered under the normal procedure which would allow the offering of amendments. Surely our World War I veterans are entitled to a vote by this body as to whether we consider their service to our Nation as justified. I do realize that the Congressional Budget Office has estimated the cost of such provision at $2 billion. But these veterans and their widows did not look at the cost when they entered the "War to end all Wars?" Surely my colleagues' benevolence is such that we will at least grant these individuals full consideration of their needs.

To this end, I urge my colleagues on both sides of the aisle to vote for this suspension because the pending legislation is warranted and because we will I hope provide equally for all veterans.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 30 seconds to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Speaker, I rise today in strong support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. This bill would raise pension levels to insure all veterans' pension recipients a decent standard of living. Under the bill the maximum annual pension rate for a single veteran would be increased from $2,364 to $4,000, and pension rates would be automatically tied to the Consumer

Price Index. In addition, it would cure the inequitable situation that occurs when a VA pensioner receives an increase in social security. Currently, that person suffers a reduction in his veterans' pension as a result of the VA's treatment of social security increases.

Mr. Speaker, last year I introduced H.R. 904, a bill which would eliminate this inequity by passing through the social security increase to the pensioner. As you well know, Mr. Speaker, I successfully obtained the cosponsorship of 176 of my colleagues in the House. Many other Members introduced similar legislation. I was very happy that the Veterans' Affairs Committee incorporated this measure in the pension reform bill, and I made my feelings known by cosponsoring H.R. 10173 and testifying on its behalf before the Veterans' Affairs Subcommittee on Compensation, Pension, and Insurance last February.

Mr. Speaker, let me outline to the Members of this body my reasons for supporting this bill. Today, veteran pensioners who also receive social security benefits are deprived of the full cost-of-living increase which is granted social security recipients annually. The amount of income used to determine VA benefit levels is called countable income. This figure excludes such forms of assistance as welfare and food stamps, but it includes 90 percent of a person's social security payments. Thus, as the general price level rises and social security recipients are given a cost-of-living increase, the Federal Government quickly recovers part of the increase bv reducing that person's veteran's pension.

In short, social security cost-of-living increases often push recipients into a higher income bracket, and many individuals who also receive a veteran's pension suffer a reduction in that pension. In many cases, the pension has been terminated. This form of giving with one hand but taking away with the other is especially important because of the number of pensioners it affects. Of the nearly 5,470,000 persons receiving a veteran's pension about 80 percent receive social security payments also. Many of these pensioners relv on these two benefits as their sole source of income. It is said that this procedure never leaves the pensioner with less overall monthly income—that the decrease never more than offsets the increase, but often leaves the recipient with a slight increase in monthly income. Such thinking fails to realize that when we speak in terms of real income—that is, buying power—the beneficiary is often worse off.

My bill and the pending bill, H.R. 10173, would eliminate this inequity by making certain that increases in social security would be "passed through" to those who receive a veteran's pension as well.

The social security cost-of-living increase is granted to offset the cruel bite of inflation. When the Government takes it away, the recipient is increasingly pressed for ways to make ends meet, since his monthly cost-of-living rises even through his income remains about the same. This is especially crucial in this case, where so many of those affected are surviving on the fixed income of veterans' pension benefits and social security.

I commend you, Mr. Speaker, for addressing this and other problems with the veteran's pension in this legislation, and I urge my colleagues in the House to support it.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HALL).

Mr. HALL. Mr. Speaker, the Veterans' and Survivors' Pension Improvement Act of 1978, as amended, attempts to meet the objectives of an equitable needs-based pension program by establishing a one variable system.

For the first time, all eligible veterans and survivors will be assured of a level of assistance that places them above the official poverty level index and national welfare standards.

Utilizing this basic structure, the Veterans' Administration will pay all eligible veterans and survivors pension on an annual basis, or in monthly installments, an amount to insure that the pensioner achieves the minimum level of support established by Congress. If a veteran without dependents, for example, has no income, the Veterans' Administration will pay him $4,000 a year. If he has some nonpension income he will receive in veterans' pension the difference between income available to him and the congressionally mandated level of support.

Generally, with limited exceptions, no distinction is made as to the source of nonpension income and all such available income will be calculated in determining the amount of pension the veteran will receive under the needs-based program. Thus, in order to aline pension payments more closely to a pensioner's available resources, and, hence, to actual need, the vast majority of the 18 income exclusions contained in the current pension law are eliminated. Certain exclusions with respect to unusual situations which do not conflict with the basic principles of the pension program are continued. For the most part, these exclusions were recommended by the Veterans' Administration in draft proposals previously submitted to the committee. They were directed toward those funds expended which are in the nature of one-time or pass-through type receipts, for example, unusual unreimbursed medical expenses and fire insurance proceeds.

Another important feature of the new pension program as reported is the provision for regular cost-of-living adjustment in the basic level of support establishment under this bill. This provision, which has occasioned much thought and discussion, provides that whenever social security benefits are increased automatically as a result of changes in the Consumer Price Index, the annual rate of pension will also be increased by a like percentage. Enactment of this will eliminate the push-pull effect that characterizes the present system when social security benefits are increased. Further, the possibility that inflation will rob pensioners of benefits which are irretrievably lost, even though the law is subsequently amended to adjust the rate, is eliminated. And it is clear that veterans and widows living on fixed incomes are those who are hurt the most by inflation.

The Veterans' Administration has assured the committee that under the new pension program, no veterans or survivor will suffer any pension support reduction solely because of cost-of-living increases in social security benefits.

Mr. Speaker, I realize that this legislation does not please everyone. Having served on the Veterans' Affairs Committee that considered this legislation and having heard and considered testimony from all sections concerning the plight of the veteran and his dependents and survivors, I believe this bill offers the best that can be obtained at this time for the veterans of all wars.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. AMMERMAN).

Mr. AMMERMAN. Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978. A great deal of effort has gone into this piece of legislation in an attempt to provide for more equitable treatment of disabled veterans and their dependents. H.R. 10173 is the product of a number of years of study and consideration by the Veterans' Administration and the House Committee on Veterans' Affairs, as well as Members of the 93d, 94th, and 95th Congresses.

This bill would restructure the needs-based pension program to provide greater assistance to those in need, and to remove a number of inconsistencies so that the program will operate in an equitable manner. It would assure that every veteran and his survivors receive a level of income above the minimum subsistence level, allowing them to live their lives in dignity and preventing veterans and their survivors from having to turn to welfare assistance.

This legislation is based on the principle that the greatest pensions should be provided to those with the greatest needs. It would also guarantee regular increases in pensions that fully account for increases in the cost of living.

The latter provision will prevent recurrences of the situation in which individuals saw their veterans benefits go down when social security benefits went up to reflect increases in the cost of living.

Mr. Speaker, during the short time I have served here, I have seen the House spend considerable time on the subject of a pension for veterans of World War I. Some of the proponents of a World War I pension are urging defeat of this bill today so that it can be later brought up and amended to include a special World War I pension. However, I feel that this bill does address itself to the problems of the World War I veterans while at the same time it does not create a special precedent-setting category which could cause serious problems for future Congresses. This is a commendable effort by the Veterans' Affairs Committee to handle a delicate and serious problem in a most judicious manner.

In that connection, it should be noted that under this bill veterans aged 80 and

older would receive an additional $804 annual benefit in addition to the basic pension of $4,000. That would help improve the situation in which many World War I veterans find themselves because they are the veterans who fit into that category.

As a cosponsor of H.R. 10173 and a strong supporter of those Americans who have defended our country, I urge the passage of this legislation. We must continue to monitor the needs of the Veteran and meet them through thoughtful legislation such as H.R. 10173. In that way the Veterans' Administration may continue in its mission as stated by Abraham Lincoln:

To care for him who shall have borne the battle, for his widow and his orphan.

● Mr. DON H. CLAUSEN. Mr. Speaker, I intend to vote for H.R. 10173, the "Veterans' and Survivors' Pension Improvement Act of 1978," which is being considered today under Suspension of the Rules.

While this procedure does not allow for the offering of any amendments, the bill as written represents a number of major improvements in the present pension system which will help all pensioners, especially those the most in need.

In particular, the bill offers a final solution to the problem we have faced every year when individuals receiving a veteran's pension have their pensions reduced as a result of an increase in their social security benefits. The bill automatically indexes pension increases to the same schedule now provided by law for social security, thus eliminating the requirement that the Congress each year take action to provide cost-of-living increases for veterans. It also assures that no pensioner will ever receive a reduced pension check as a result of increases in social security.

I have received numerous letters from veterans who have had their pensions either reduced or eliminated as a result of having social security counted as income in computing their pension. Their social security check goes up but their veterans pension is reduced leaving them no better off than they were before and in some cases even worse off. Inflation continues to eat away at their purchasing power while their total income remains fixed.

I have sponsored legislation to remove social security from the formula used to compute income. I commend the members of the Veterans' Affairs Committee, in particular the distinguished chairman of the Subcommittee on Compensation, Pension and Insurance (Mr. MONTGOMERY) and the chairman of the full committee (Mr. ROBERTS) for their willingness to address this inequity. The bill offers a carefully developed and simple solution to a very difficult problem and for this reason I support the legislation.

A number of members are urging me to vote against the bill in order to attempt to force the committee to bring the bill back to the House with an amendment providing for a pension program for World War I veterans or under a procedure which would permit an amendment to be offered adding this program to the bill.

As a cosponsor of H.R. 9000, the World War I pension bill, I have worked for enactment of legislation providing for this type of direct assistance to our oldest veterans and have voted for the amendment to the budget resolution providing for the necessary funding authority for such legislation. However, the legislation before us offers many major improvements in the pension program which should go ahead at this time. Sending the bill back to committee may delay it and may prevent our enacting any pension reform legislation this year. I intend to continue to press for separate legislation providing for a World War I pension.

H.R. 10173 does not totally disregard the older veterans. It does address their needs and recognizes that elderly veterans do incur increasing expenses, such as medical expenses and special dietary needs. The bill increases the basic rates and income limits for veterans age 80 and above by $804. A veteran over age 80 without dependents is assured an income of $4,804 annually. A veteran over age 80 with one dependent is assured an income of $6,004 annually. The average age of World War I veterans is 82.1 years which means that this provision will benefit those World War I veterans who are eligible for a pension.

I urge my colleagues to support this legislation.●

● Mr. ALEXANDER. Mr. Speaker, I rise in support of H.R. 10173, and as a cosponsor of this bill wish to comment that it is long overdue.

For the past three Congresses, I have introduced legislation to insure that no VA pensioner would have this pension check reduced as a result of increased social security benefits. I am pleased that this is a key provision of H.R. 10173.

Mr. Speaker, a number of this Nation's senior citizens rely on other pension benefits in addition to their social security just to make ends meet. It simply does not make sense for the Congress to increase the level of social security benefits to help retirees cope with the cost of living when that action results in a cut in other benefits they may be receiving.

I also applaud the other major provisions of H.R. 10173, namely an increase in the rates of pension to insure that no eligible veteran or survivor will be required to subsist at a level below poverty and a provision mandating an automatic indexing of VA pension increases similar to the schedule now provided by law for social security.

Mr. Speaker, as a representative from a State that is second in percentage of its populace over the age of 65, I am keenly aware of the inequities in present law and urge my colleagues to support this needed pension reform bill.●

● Mr. OTTINGER. Mr. Speaker, I am pleased to join my colleagues, the gentleman from Texas, RAY ROBERTS and the gentleman from Mississippi, SONNY MONTGOMERY, in support of the Veterans' and Survivors' Pension Improvement Act of 1978, H.R. 10173.

This legislation provides sorely needed reform of the veterans' pension system. Its most important provision at last rectifies the situation by which social security increases are automatically nullified for veterans' pension recipients by a commensurate decrease in their veterans' pensions.

H.R. 10173 will not only increase pension rates for veterans, but will require that pensions be indexed to the Consumer Price Index to provide for the automatic cost-of-living increases on the same basis and effective the same day as social security. Under this system, all qualified veterans will receive full cost-of-living increases in both social security and pension benefits. I congratulate the committee for these long overdue reforms.

The bill also provides badly needed assistance to World War I veterans, another long overdue reform which I have long advocated.

I strongly support this bill, and I am confident that the majority of my colleagues will agree.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 10173.

I want to commend the members of the House Committee on Veterans' Affairs for their efforts in reporting out and bringing to the floor this important piece of legislation. They have been diligent and responsive to the needs of the veterans.

This bill might be considered a realistic restructuring of the pension program for non-service-connected disabled veterans, and others. Since I testified before the committee on behalf of this bill, I have been receiving letters of veterans from Puerto Rico expressing their interest and support for this legislation. I feel that the time for doing them justice is long overdue.

Furthermore, this bill will put an end to the practice of giving with one hand and taking with the other. No longer will the pensioned veterans have to suffer the injustice of the reductions in their pensions as a result of the increased social security payments. H.R. 10173 would provide for an automatic annual increase of the pension rates simultaneously with, and in the same percentage amount as, social security cost-of-living increases. This is a significant accomplishment for which various veterans organizations have been claiming a long time ago.

Meritorious as this legislation is in its attempt to restructure the needs-based pension program I want to join my colleague GLENN M. ANDERSON in his plight on behalf of World War I veterans and their widows. As cosponsor of H.R. 9000 I feel that further action should be taken to make justice to World War I veterans, but by defeating H.R. 10173 we would be doing at this time a disservice to all other veterans benefited by it.

The increase in the basic rates and income limits for veterans age 80 and above by $804 as contemplated in H.R. 10173, is a token recognition to our senior veterans, it would only be a minimal help to cover in part their increasing medical expenses. In my opinion, H.R. 9000 is the only realistic solution for making justice to World War I veterans.

However, I want to point out that if the House does not refer H.R. 10173 back to the Rules Committee as proposed by Mr. ANDERSON, the House Committee on Veterans' Affairs should consider having further hearings on H.R. 9000 at the earliest possible date.

As cosponsor of H.R. 10173 I urge you, at this time, to support this measure and vote for its approval.●

● Mr. TEAGUE. Mr. Speaker, I rise in support of H.R. 10173, the Veterans and Survivor Pensions Improvement Act.

Congress has enacted a program of pension assistance for veterans and their survivors in grateful recognition of the extra contribution by veterans and their survivors in the Armed Forces during a period of war. The criteria governing the entitlement to a pension has always been based on age, disability, and need. Pension payments are a dignified supplement intended to help a veteran during his hour of need. In this way, our Government has not forgotten the sacrifice made by veterans when called upon to serve in the Armed Forces during war time.

We are considering a bill, H.R. 10173, which continues to incorporate the basic criteria of the pension program. First the veteran must have served during a period of war. Second, the veteran must be totally and permanently disabled to such an extent that the veteran is no longer gainfully employed. Third, the veteran will be paid a pension check based on need. The less income a veteran has, the greater will be the veteran's pension payment. When a veteran or his survivor exceeds the maximum income limitation, the pension payments stop.

Admittedly, the program envisioned by H.R. 10173, is a more generous pension program than the one enjoyed by veterans and their dependents today. However, the increased income limitations take into consideration, and will largely offset the costs of the many new assistance programs which have come into being during the last 10 to 15 years. I am referring to welfare programs for all citizens, food stamp assistance, increased social security assistance and others.

Another problem which has continuously faced the Congress, is the counting of social security income as part of the income limitation for entitlement to a veteran's pension payment. Each time the Congress has increased social security payments, it has also provided a corresponding increase in both the veterans' income limitations and payments. Because of the structure of the current pension program, and despite an increase in Veterans' Administration pension payments to offset the social security increases, many veterans have had their pension payments reduced, or in some cases, lost their benefits altogether as a result of increased social security and other income.

Under H.R. 10173, an individual's pension will never be reduced because of future social security increases. For those persons who are presently receiving a pension, the bill will allow them to continue to draw a pension at the current level. Pension payments will not be reduced when social security payments are increased in the future.

Whenever social security payments are increased, persons who elect to receive pension payments under H.R. 10173 will receive a cost-of-living increase in both their pension and social security benefits on the effective date of the increase. H.R. 10173 provides that the pension payments will be tied to the Consumer Price Index so that there will be an automatic increase in pension payments on the same basis as presently provided for when there is an increase in social security benefits.

In this way, therefore, H.R. 10173, will eliminate the agony of hundreds of thousands of veterans who have experienced a reduction in their veterans pension payments because of an increase in their social security payments.

No person's pension will be reduced in the future because of social security increases under the provisions of this bill.

Mr. Speaker, shortly after I came to Congress, following World War II, the House was faced with legislation to pay veterans of World War I a special pension. A decision was made at that time to reject such a pension. One of the reasons was because the amount of the pension to be paid a World War I veteran, would have been almost as much as the compensation payments being paid to a 100-percent service-connected disabled veteran of all wars. Another reason the Congress rejected the bill to pay a special pension to veterans of World War I was based on the principle that there should be but one pension program for veterans of World War I and World War II. Again this Congress, the Committee on Veterans Affairs has considered a number of bills to pay veterans of World War I a special pension payment. The committee has rejected these proposals and has reported H.R. 10173 which addresses itself to veterans of World War I, World War II, the Korean conflict, and the Vietnam conflict. In this way, the committee is continuing to adhere to the principle that we should legislate on the basis that a veteran served during a period of war rather than legislating for a special group of veterans who served in a particular conflict. H.R. 10173, however, does have a provision which is especially attractive to World War I veterans. It provides that when a veteran reaches the age of 80 or older, that the pension rate will be increased on the same basis as is presently provided for veterans who are so disabled that they are considered to be housebound. The average age of World War I veterans is 80. Thus, all World War I veterans who qualify under H.R. 10173, will be eligible for a larger pension payment than veterans of a lesser age.

These, Mr. Speaker, are some of the reasons for which I rise in support of H.R. 10173 today. There are many who have advocated that the veterans' pension program should be eliminated. Others have recommended that the veterans' pension program be merged with the social security program. We know that the World War I veterans are unhappy that their proposal, H.R. 9000, has not been made a part of this bill. On the other hand, we are hearing that the program is too generous and that the rates are excessive. I believe that H.R. 10173, is the best answer to all of the criticisms of the pension program. Like all legislation, this bill represents a compromise.

I want to congratulate the chairman of the Subcommittee on Compensation, Pension, and Insurance, Mr. MONTGOMERY, for his contribution on holding hearings on all pension bills referred to the subcommittee, and ably assisted by the Honorable CHALMERS WYLIE of Ohio, the ranking minority member of the subcommittee. I also want to congratulate the chairman of the full committee, the Honorable RAY ROBERTS, and the ranking minority member of the full committee, Mr. HAMMERSCHMIDT, for their contribution and their help in bringing this bill to the floor.

Approval of H.R. 10173 by the House will go a long way toward solving many problems which have caused so many Members much concern during recent years, and at the same time, vastly improve the pension program which will meet the critical needs of permanently and totally disabled and elderly veterans and their dependents.

I urge the House approve H.R. 10173.●

● Mr. BEDELL. Mr. Speaker, I rise in support of H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978, and I ask permission to revise and extend my remarks.

H.R. 10173 is a necessary and constructive piece of legislation which would do much to restore greater equity in the treatment of our Nation's veterans by providing for a major revision of the non-service-connected pension program effective January 1, 1979. The thrust of this pension reform bill is to restructure the needs-based pension program to provide greater assistance to those in need and to correct certain problems which currently impede the operation of that program.

There are several important highlights of H.R. 10173 which merit mention.

First, the bill would increase pension rates substantially. This change would assure a level of income above the minimum subsistence level for eligible veterans and their survivors.

Second, the bill would require that all income, both earned and unearned, be counted for the purposes of determining entitlement and the amount of pension payable, thus providing the largest pension for those with the greatest needs.

Third, the bill would provide additional pension benefits when an eligible veteran reaches the age of 80 years. At that time, his maximum support level would be increased by $804 per year. This provision is designed to provide additional assistance to World War I and other elderly veterans.

And fourth, H.R. 10173 would assure that VA benefits will not be reduced solely as a result of cost-of-living increases in social security benefits by indexing pension rates to the Consumer Price Index and providing for automatic cost-of-living increases on the same basis and effective day as social security. Thus, when social security benefits are in-

creased, individuals who receive non-service-connected pensions would always receive the full cost-of-living increases in both pension and social security benefits.

Mr. Speaker, I would like to take a moment to address this particular section of H.R. 10173. It is a very significant provision whose implementation is long overdue.

I am very pleased that today the full House finally has an opportunity to correct a blatant injustice in our pension law—namely, that provision which currently allows reductions in veterans' benefits in certain cases when social security benefits are increased. The problem is simple. Social security cost-of-living increases often push recipients into a higher bracket. A result, many individuals who also receive other Federal pensions, such as veterans, suffer a corresponding reduction in that pension, thus effectively negating or at least diminishing the effect of their social security cost-of-living adjustment.

In my view, there is no justification for allowing this situation to continue. One of the first bills I introduced in Congress was designed to remedy this problem by requiring that social security cost-of-living increases be disregarded as factor in determining allowable income for those receiving benefits from any other Federal or federally assisted program, until such time as there is a general adjustment in such program.

Last year, the Congress enacted legislation which provided that no veteran or survivor would receive a total decrease in VA pension benefits and social security as a result of those cost-of-living increases. While a step in the right direction, that law did not go far enough. In my judgment, it is simply not acceptable to state that no individual will suffer a loss in "total aggregate income" because his or her social security payments, and to leave it at that. If a cost-of-living increase is designed to offset the effects of inflation, it makes no sense to juggle benefits so that a recipient's total aggregate income remains relatively constant despite the fact he or she received a social security cost-of-living increase.

I feel very strongly that all veterans should receive their full cost-of-living increase, and not be penalized at all. I see no justification whatsoever for the Federal Government to grant cost-of-living increases for social security recipients on the one hand, and then take them away from veterans and their survivors on the other. For too many senior citizens, the social security cost-of-living increase has become a cruel hoax. It is time to put an end to this charade once and for all, and, if enacted, H.R. 10173 will do just that.

Mr. Speaker, the Veterans' and Survivors' Pension Improvement Act of 1978 is sound legislation. I urge its prompt passage by the House.●

● Mr. MINISH. Mr. Speaker, I would like to urge all of my colleagues to support H.R. 10173, the Veterans' and Survivors' Improvement Act of 1978, which is before us now under suspension of the Rules.

This legislation offers valuable relief to the many veterans and survivors on fixed incomes and I am most pleased that the bill contains a so-called social security passthrough.

As a cosponsor, for many years, of legislation to eliminate veterans' pension reductions whenever social security benefits increase, I feel that this provision is long overdue.

I am sure that every one of us has received a continuous stream of mail from veterans and their survivors who have had their pensions reduced to ridiculously low amounts over recent years, because of social security increases.

Mr. Speaker, H.R. 10173 not only would raise pension rates substantially, but also would provide automatic cost-of-living increases on the same basis and effective the same day as social security. The pensions would be indexed to the Consumer Price Index.

Additionally, the legislation increases pension maximums from the present $2,364 to $4,000 per year.

Mr. Speaker, although I support this bill, I would like to express my regrets that more adequate compensation has not been provided for veterans of World War I. An overwhelming majority of the Members of the House have expressed support for legislation to provide a $150 monthly pension for all World War I veterans. Such a gesture on our part is the least we should be willing to do for those who fought and died to preserve democracy.

The Veterans Committee has provided an $804 annual pension addition for some veterans over the age of 80. I really believe we should do more, for some 400,000 World War I veterans will not be eligible for this.●

● Mr. MITCHELL of New York. Mr. Speaker, it is with pleasure that I rise to express my support for H.R. 10173, The Veterans' and Survivors' Pension Improvement Act, designed to revise the non-service-connected pension program. This legislation, effective January 1, 1978 automatically indexes pension rates to the Consumer Price Index on the same basis as social security increases. It also increases the outside earnings limitation from $2,364 to $4,000 per year for single veterans and from $2,544 to $5,200 a year for veterans with one dependent. This program is still based on need and the amount of pension will still be dictated by the veteran's income level.

The indexing mechanism which ties social security cost-of-living increases to the pension program is most welcome. Pensioners will be most happy to know that there is a social security cost-of-living increase, there will not be a subsequent reduction in non-service-connected benefit checks. The bill also provides that when a veteran reaches 80 his outside income limitation increases from $4,000 to $4,804, and that he would qualify for benefits under H.R. 11891, which will soon come before the House for consideration.

I am confident you will agree with me that this legislation is needed to correct an inequity that has prevailed for too long. This proposal deserves our support.●

● Mr. MILLER of Ohio. Mr. Speaker, I support H.R. 10173, a bill to improve the nonservice-connected pension program for veterans of all wars.

The bill creates a new veterans' pension system that assures veterans and their survivors will live their lives in dignity with incomes above the minimum subsistence level.

For example, veterans with no dependents and no income would have their pension increased from the current $2,364 level to $4,000 annually. All other categories of veterans and their survivors would have their pension rates similarly adjusted on the basis of need. In doing so we can prevent the veteran or his widow who are in need from having to turn to welfare for help.

Finally, pension rates would automatically be adjusted to provide cost of living increases just as social security benefits are indexed. Importantly, this measure allows that when social security benefits are increased, the VA pensioner would get the full increase in his VA pension as well as social security benefits.

I commend the committee for its thorough evaluation of the current system and the much needed changes it has reported to make pension entitlements fairer and more adequate. Yet the bill does not incorporate H.R. 9000, the World War I Pension Act, which I cosponsored with the gentleman from California (Mr. ANDERSON). In its absence, 60 percent of the World War I veterans presently receiving no monthly VA payment would not be eligible for pension under the committee bill. That is a regretable and serious flaw.●

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

Mr. Speaker, the gentleman from Mississippi has very effectively pointed out the need for passing this pension reform measure. The reasons are obvious.

First, the bill would eliminate the problem of pension benefits being reduced every time social security benefits are increased.

The bill would automatically index pension rates to the Consumer Price Index on the same basis as social security benefits which means that recipients would no longer have to wait until Congress provides such cost-of-living increases as has been the practice in the past.

The bill would raise maximum pension rates thus assuring eligible veterans a decent standard of living. No longer would any wartime veteran be required to live on income less than the poverty level. No longer would he or she be required to supplement benefits by welfare payments.

Finally, Mr. Speaker, the bill would provide a special benefit for veterans who are permanently and totally disabled upon reaching age 80.

Although the benefit would go to any wartime veteran upon reaching such age, it is specifically designed to substantially increase the Federal benefit to the more needy World War I vet-

eran. This provision is supported by all of the veterans' organizations including the World War I Veterans.

Mr. Speaker, this is a very good bill and it should be adopted unanimously by the House. It is a reasonable bill costwise and I can assure my colleagues that the cost of the bill is within our budget allocation.

Mr. Speaker, the issue concerning this veterans pension bill can be stated simply as a question. Do we want a veterans pension reform bill or do we not? That is what it boils down to.

The gentleman from California wants to add his provision for a flat $150 per month for World War I veterans to the bill now before you. Mr. ANDERSON testified before our subcommittee when pension reform was being considered. Other Members favoring his proposal also testified and we were very glad to discuss the merits of another World War I bonus; however, neither the subcommittee or the full committee were persuaded by their arguments. The bill before you now, H.R. 10173, was recommended to the full committee without a dissenting vote, and the full committee ordered the bill reported to the House without a dissenting vote.

During our hearings, many witnesses said they believed H.R. 10173 was not generous enough to needy veterans. Others felt it was too generous. What we have, I believe, is a reasonable bill that is responsive to the mandate of the House. We were asked to come up with legislation that would once and for all end pension reductions brought about by social security increase. This bill does that. We were also asked to bring pensioners income above the poverty level. It will be done if this bill is enacted.

Mr. Speaker, Mr. ANDERSON'S proposal could add $1,400 million to the cost of the pension program. There is little doubt the President would veto such a measure. I understand he feels the reported bill is more costly than he would like.

These are the realities of this situation, Mr. Speaker. We are entering a time when the American people are no longer asking for fiscal restraint by government. They are demanding it. H.R. 10173 is a reasonable bill that will accomplish the goals this House has set for itself on veterans' pensions. I say to all Members—if you want pension reform this year, let us pass this bill.

Mr. Speaker, Mr. ANDERSON proposes that we kill this bill and send it back to the committee so that there can be further consideration of another bonus for World War I veterans. We have devoted much time to that proposal and the committee has rejected authorizing a further bonus for specific wartime veterans. In the eyes of the committee, a veteran is a veteran regardless of the wartime period in which he served; therefore, it is my opinion that if the proposal offered by Mr. ANDERSON is adopted, pension reform is dead for this year. Make no mistake about it, and I urge my colleagues to adopt H.R. 10173, as amended.

● Mr. HEFNER. Mr. Speaker, the reported bill, H.R. 10173, is the result of much hard work on the part of many people and I want to commend the members of our subcommittee, the distinguished chairman, Hon. SONNY MONTGOMERY, and the chairman of the full committee, the Honorable RAY ROBERTS, for the help he gave us in getting this bill to the floor.

The measure will solve many of the problems that have caused many of us so much concern during the past several years, especially the problem resulting from a reduction in pension benefits every time social security benefits are increased.

Basically, the bill would automatically index pension rates to the consumer price index on the same basis as social security benefits. Thus, if the reported bill is enacted, when social security rates are increased, individuals electing to receive pension benefits under the proposed bill would receive the full cost-of-living increase in both pension and sccial security benefits on the same date.

I can assure you, my colleagues, that under this bill an individual's pension would never be reduced because of future social security increases.

Second, the proposed bill would substantially raise maximum pension rates, assuring an annual income support level for all pensioners substantially above the poverty level. It would raise the maximum annual rate for a single veteran with no income from $2,364 to $4,000. For a veteran with one dependent and no income, the maximum rate would be increased from $2,544 to $5,200. In addition, each child would receive $600.

Third, the proposed bill would allow pensioners on the rolls to continue to draw pension at the current level if it would be more advantageous for such individual to remain under the current program. Pension rates would be frozen for those who elect to remain at the current level, and they would not have their pension reduced when social security is increased. It should be noted, however, that those who choose to remain under the current program will always have the option of converting to the proposed new program at any time such individual chooses to do so.

Fourth, the proposed bill would consider all family income for pension purposes, except a few one time, passthrough payments such as unreimbursed unusual medical expenses; proceeds of fire insurance; expenses of last illness and burial of a veteran, child of a veteran or spouse; just debts of the deceased veteran and VA educational benefits.

Fifth, the proposed bill would increase from $500 to $1,000 the amount above which veterans receiving aid-and-attendance benefits may exceed the income limits and still continue to be furnished drugs and medicines by the Veterans' Administration.

Finally, the bill takes special notice of the needs of the aged veterans. As you would guess, most of these are veterans of World War I. The special provision would provide for a basic pension rate for veterans who are age 80 or older at a level $804 above base rates for younger disabled veterans. This means that a veteran with neither wife or child would be guaranteed an income of $4,804 annually between his Veterans' Administration pension and his other countable income. The corresponding base rate for a veteran with one dependent would be increased from $5,200 to $6,004 annually.

The bill is designed to be effective January 1, 1979, and has an estimated fiscal year 1979 net cost of $730 million. While the cost thus estimated is well within our budgetary allocation, that does not tell the whole story for the future.

We have been able to get only incomplete estimates of the Government-wide savings the bill would generate. Since the pension proposed would provide a one-stop service for veterans and dependents at levels exceeding such programs as supplemental security income, aid to families with dependent children and welfare in almost all States, savings would be at least $122 million in fiscal year 1979 growing to more than $552 million in 5 years.

Mr. Chairman, I am confident that H.R. 10173 addresses the major inequities in the current law. It will, in my opinion, substantially improve the standard of living for all veterans and eligible survivors, especially those most in need.

In closing, Mr. Speaker, I urge all of my colleagues to vote for the passage of this bill.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 10173, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and to include extraneous matter on the bill, H.R. 10173.

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

There was no objection.

TAXATION OF FRINGE BENEFITS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12841) to prohibit the issuance of regulations on the taxtion of fringe benefits, as amended.

The Clerk read as follows:

H.R. 12841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRINGE BENEFIT REGULATIONS.

(a) IN GENERAL.—No fringe benefit regulation shall be issued—

(1) in final form on or after May 1, 1978, and on or before December 31, 1979, or

(2) in proposed or final form on or after May 1, 1978, if such regulation has an effective date on or before December 31, 1979.

(d) DEFINITION OF FRINGE BENEFIT REGULATION.—For purposes of subsection (a), the term "fringe benefit regulation" means a regulation providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the Internal Revenue Code of 1954.

SEC. 2. COMMUTING EXPENSES.

With respect to transportation costs paid or incurred after December 31, 1976, and on or before December 31, 1979, the application of sections 62, 162, and 262 and of chapters 21, 23, and 24 of the Internal Revenue Code of 1954 to transportation expenses in traveling between a taxpayer's residence and place of work shall be determined—

(1) without regard to Revenue Ruling 76-453 (and without regard to any other regulation, ruling, or decision reaching the same result as, or a result similar to, the result set forth in such Revenue Ruling); and

(2) with full regard to the rules in effect before Revenue Ruling 76-453.

SEC. 3. TREATMENT OF CERTAIN STATUTORY SUBSISTENCE ALLOWANCES RECEIVED BY STATE POLICE OFFICERS BEFORE JANUARY 1, 1978.

(a) GENERAL RULE.—If—

(1) an individual who was employed as a State police officer received a statutory subsistence allowance while so employed, and

(2) this section applies to such allowance, then, for purposes of the Internal Revenue Code of 1954, such allowance shall not be included in such individual's gross income.

(b) ALLOWANCES TO WHICH SECTION APPLIES.—For purposes of this section, this section applies to any statutory subsistence allowance which was received—

(1) after December 31, 1969, and before January 1, 1977, to the extent such individual did not include such allowance in gross income on his income tax return for the taxable year in which such allowance was received, or

(2) during the calendar year 1977.

(c) OTHER DEFINITIONS.—For purposes of this section—

(1) STATE POLICE OFFICER.—The term "State police officer" means any police officer (including a highway patrolman) employed by a State (or the District of Columbia) on a full-time basis with the power to arrest.

(2) INCOME TAX RETURN.—The term "income tax return" means the return of the taxes imposed by subtitle A of the Internal Revenue Code of 1954. If an individual filed before November 29, 1977, an amended return for any taxable year, such amended return shall be treated as the return for such taxable year.

(d) LIMITATION ON DEDUCTION.—If any individual receives a subsistence allowance which is excluded from gross income under subsection (a), no deduction shall be allowed under any provision of chapter 1 of the Internal Revenue Code of 1954 for expenses in respect of which he has received such allowance, except to the extent that such expenses exceed the amount excludable from gross income under subsection (a) and the excess is otherwise allowed as a deduction under such chapter 1.

(e) STATUTE OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the application of this section is prevented at any time on or before April 15, 1979, by the operation of any law or rule of law (including res judicata), refund or credit of such overpayment (to the extent attributable to the application of this section) may, nevertheless, be made or allowed if claim therefor is filed on or before April 15, 1979.

SEC. 4. MEALS FURNISHED FOR THE CONVENIENCE OF THE EMPLOYER.

(a) IN GENERAL.—Section 119 of the Internal Revenue Code of 1954 (relating to meals or lodging furnished for the convenience of the employer) is amended to read as follows:

"SEC. 119. MEALS OR LODGING FURNISHED FOR THE CONVENIENCE OF THE EMPLOYER.

"(a) GENERAL RULE.—There shall be excluded from gross income of an employee the value of any meals or lodging furnished to him by his employer for the convenience of the employer, but only if—

"(1) in the case of meals, the meals are furnished on the business premises of the employer, or

"(2) in the case of lodging, the employee is required to accept such lodging on the business premises of his employer as a condition of his employment.

"(b) SPECIAL RULES.—For purposes of subsection (a)—

"(1) PROVISIONS OF EMPLOYMENT CONTRACT OR STATE STATUTE NOT TO BE DETERMINATIVE.—In determining whether meals or lodging are furnished for the convenience of the employer, the provisions of an employment contract or of a State statute fixing terms of employment shall not be determinative of whether the meals or lodging are intended as compensation.

"(2) CERTAIN FACTORS NOT TAKEN INTO ACCOUNT WITH RESPECT TO MEALS.—In determining whether meals are furnished for the convenience of the employer, the fact that a charge is made for such meals, and the fact that the employee may accept or decline such meals, shall not be taken into account.

"(3) Certain fixed charges for meals.—

"(A) IN GENERAL.—If—

"(i) an employee is required to pay on a periodic basis a fixed charge for his meals, and

"(ii) such meals are furnished by the employer for the convenience of the employer,

there shall be excluded from the employee's gross income an amount equal to such fixed charge.

"(B) APPLICATION OF SUBPARAGRAPH (A).—Subparagraph (A) shall apply—

"(i) whether the employee pays the fixed charge out of his stated compensation or out of his own funds, and

"(ii) only if the employee is required to make the payment whether he accepts or declines the meals."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ULLMAN and Mr. ANNUNZIO.

The House divided, and the tellers reported that there were—yeas 22, nays 2.

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 379, nays 3, not voting 50, as follows:

[Roll No. 502]

YEAS—379

Abdnor	Daniel, Dan	Hefner
Addabbo	Daniel, R. W.	Heftel
Akaka	Danielson	Hightower
Ambro	Davis	Hillis
Ammerman	de la Garza	Hollenbeck
Anderson, Calif.	Delaney	Holt
	Derrick	Holtzman
Anderson, Ill.	Derwinski	Horton
Andrews, N.C.	Devine	Hubbard
Andrews, N. Dak.	Dickinson	Huckaby
	Dicks	Hughes
Annunzio	Dingell	Hyde
Applegate	Dodd	Ichord
Archer	Dornan	Ireland
Ashbrook	Downey	Jacobs
Ashley	Drinan	Jeffords
Aspin	Duncan, Oreg.	Jenkins
Badham	Duncan, Tenn.	Jenrette
Bafalis	Early	Johnson, Calif.
Baldus	Eckhardt	Jones, N.C.
Barnard	Edgar	Jones, Okla.
Baucus	Edwards, Ala.	Jones, Tenn.
Bauman	Edwards, Calif.	Jordan
Beard, R.I.	Edwards, Okla.	Kasten
Beard, Tenn.	Eilberg	Kastenmeier
Bedell	Emery	Kazen
Beilenson	English	Kelly
Benjamin	Erlenborn	Kemp
Bennett	Ertel	Keys
Bevill	Evans, Colo.	Kildee
Biaggi	Evans, Del.	Kindness
Bingham	Evans, Ga.	Kostmayer
Blanchard	Evans, Ind.	Krebs
Blouin	Fary	Krueger
Boggs	Fascell	LaFalce
Boland	Fenwick	Lagomarsino
Bolling	Findley	Latta
Bonior	Fish	Leach
Bonker	Fisher	Lederer
Bowen	Fithian	Lehman
Brademas	Flippo	Lent
Breaux	Flood	Levitas
Breckinridge	Florio	Livingston
Brinkley	Flynt	Lloyd, Tenn.
Brodhead	Foley	Long, La.
Brooks	Ford, Mich.	Long, Md.
Broomfield	Ford, Tenn.	Lott
Brown, Calif.	Forsythe	Lujan
Brown, Mich.	Fountain	Luken
Broyhill	Fowler	Lundine
Buchanan	Frenzel	McClory
Burgener	Frey	McCormack
Burke, Calif.	Fuqua	McDade
Burke, Fla.	Gammage	McDonald
Burke, Mass.	Gephardt	McEwen
Burleson, Tex.	Giaimo	McFall
Burlison, Mo.	Gibbons	McHugh
Burton, Phillip	Gilman	McKay
Butler	Ginn	McKinney
Byron	Glickman	Madigan
Caputo	Goldwater	Maguire
Carney	Gonzalez	Mahon
Carter	Goodling	Mann
Cavanaugh	Gore	Markey
Cederberg	Gradison	Marks
Chappell	Grassley	Marlenee
Clawson, Del	Green	Marriott
Cleveland	Gudger	Martin
Cochran	Guyer	Mathis
Cohen	Hagedorn	Mattox
Coleman	Hall	Mazzoli
Collins, Ill.	Hamilton	Meeds
Conable	Hammer-schmidt	Mikulski
Conyers		Mikva
Corman	Hanley	Miller, Calif.
Cornell	Hannaford	Miller, Ohio
Cornwell	Hansen	Mineta
Cotter	Harkin	Minish
Coughlin	Harris	Mitchell, N.Y.
Crane	Harsha	Moakley
Cunningham	Hawkins	Moffett
D'Amours	Heckler	Mollohan

Montgomery	Richmond	Symms
Moore	Rinaldo	Taylor
Moorhead, Calif.	Risenhoover	Teague
Moorhead, Pa.	Roberts	Thompson
Moss	Robinson	Thone
Mottl	Roe	Thornton
Murphy, Ill.	Rogers	Traxler
Murphy, Pa.	Rooney	Treen
Murtha	Rose	Trible
Myers, Gary	Rosenthal	Tucker
Myers, John	Rousselot	Udall
Myers, Michael	Roybal	Ullman
Natcher	Rudd	Van Deerlin
Neal	Russo	Vander Jagt
Nedzi	Ryan	Vanik
Nichols	Santini	Vento
Nix	Sarasin	Volkmer
Nolan	Satterfield	Waggonner
Nowak	Sawyer	Walgren
O'Brien	Scheuer	Walker
Oakar	Schulze	Walsh
Oberstar	Sebelius	Wampler
Obey	Sharp	Watkins
Ottinger	Shuster	Waxman
Panetta	Sikes	Weaver
Patten	Sisk	Weiss
Patterson	Skelton	White
Pattison	Skubitz	Whitehurst
Pepper	Slack	Whitley
Perkins	Smith, Iowa	Wiggins
Pickle	Smith, Nebr.	Wilson, Bob
Pike	Snyder	Winn
Poage	Solarz	Wirth
Pressler	Spellman	Wolff
Preyer	Spence	Wright
Price	St Germain	Wydler
Pritchard	Staggers	Wylie
Pursell	Stangeland	Yates
Quillen	Stanton	Yatron
Rahall	Steed	Young, Alaska
Railsback	Steers	Young, Fla.
Rangel	Steiger	Young, Mo.
Regula	Stockman	Young, Tex.
Reuss	Stratton	Zablocki
Rhodes	Studds	Zeferetti
	Stump	

NAYS—3

Collins, Tex.	Conte	Quayle

NOT VOTING—50

Alexander	Gaydos	Quie
Armstrong	Harrington	Rodino
AuCoin	Holland	Roncalio
Brown, Ohio	Howard	Rostenkowski
Burton, John	Johnson, Colo.	Runnels
Carr	Le Fante	Ruppe
Chisholm	Leggett	Schroeder
Clausen, Don H.	Lloyd, Calif.	Seiberling
	McCloskey	Shipley
Clay	Metcalfe	Simon
Corcoran	Meyner	Stark
Dellums	Michel	Stokes
Dent	Milford	Tsongas
Diggs	Mitchell, Md.	Whalen
Flowers	Murphy, N.Y.	Whitten
Fraser	Pease	Wilson, C. H.
Garcia	Pettis	Wilson, Tex.

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

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

Mr. Speaker, H.R. 12841 prohibits the Treasury Department from issuing final regulations dealing with the taxation of employee fringe benefits before 1980. It also prohibits the Treasury from issuing any ruling or regulation prior to 1980, which would change the treatment of certain commuting expenses to temporary worksites. Also, the bill provides for the exclusion from income for certain subsistence allowances paid to State police officers between 1970 and 1978.

With respect to the treatment of fringe benefits and commuting expenses, the House and Senate have already approved similar prohibitions through part of 1978. This is provided under H.R. 9251, the Tax Treatment Extxension Act of 1978. The bill, H.R. 12841, would extend the prohibitions through 1979, to give Congress additional time to review these areas. In the meantime, a Ways and Means task force will study the fringe benefit area. These provisions of H.R. 12841 will have no effect on budget receipts.

With respect to subsistence allowances, the Supreme Court recently held that cash meal allowances paid to a State trooper were includible in income. The bill would apply this decision to State police officers on a prospective basis. It is estimated that this provision will decrease budget receipts by $6 million for fiscal 1978 and $2 million for fiscal 1979.

Finally, the committee approved an amendment to provide an income tax exclusion for meals furnished an employee for the convenience of the employer although the employer imposes a partial charge for the meal.

Under present law, an employee's income does not include the value of certain meals so long as the meals are furnished on the employer's premises and for the employer's convenience. However, the Treasury regulations provide that meals do not qualify for the exclusion if an employee must pay something for the meals.

The committee amendment changes this result. It allows an exclusion for the value of meals above any amount charged if the other requirements for exclusion are satisfied. The committee amendment would not change present law in any other respect.

Mr. Speaker, I urge the House to approve H.R. 12841.

Mr. CONABLE. Mr. Speaker, I think the Members will want to listen to this. Their constituents are quite concerned about what is happening in the IRS relative to the taxation of fringe benefits, and I think this measure will be of considerable interest not only to the Members, but to their constituents.

I rise in support of H.R. 12841, which prohibits the IRS from issuing final regulations concerning fringe benefits or commuting expenses until January 1, 1980. It provides also for the more reasonable taxation of certain meal allowances received by State troopers.

H.R. 9251, previously passed by the House and Senate, prohibits the IRS from issuing final regulations concerning the tax treatment of fringe benefits until July 1, 1978. The July 1 date is fast approaching, and the Internal Revenue Service's interest in the taxation of fringe benefits remains intense. Because of the lack of uniform tax rules concerning fringe benefits, the Committee on Ways and Means has established a special task force to study this area.

In addition, the Treasury Department is continuing to study appropriate handling of fringe benefits. To allow the task force and the Treasury sufficient time to complete their studies, the bill prohibits the Treasury Department from issuing final or proposed regulations concerning fringe benefits that are effective before January 1, 1980. With respect to the fringe benefit regulations, the Treasury Department has assured the committee that—

> . . . No substantial departures from existing rulings and practice will be recommended other than on a wholly prospective basis.

H.R. 9251, the previous bill, also precludes the IRS until May 1, 1978, from determining the tax treatment of certain commuting expenses in accordance with rules contained in revenue ruling 76–453. Although this ruling has been withdrawn by the IRS, the IRS indicated that it was in the process of issuing proposed regulations concerning the tax treatment of certain commuting expenses. To date, the regulations have not been issued and the prohibition in H.R. 9251 is no longer effective. Since the Committee on Ways and Means still feels that it should study the subject of commuting expenses before any rulings or regulations are issued by the IRS, H.R. 12841 extends the commuting expense prohibition in H.R. 9251 to December 31, 1979.

The bill also contains the substance of H.R. 12645, which provides for the more equitable treatment of certain meal allowances received by State police officers by prohibiting their retroactive inclusion in income. H.R. 12645 had strong bipartisan support on the committee.

Finally, the bill also contains the provisions of H.R. 10594, which would prevent employees from being taxed on the discount value of meals served in their employer's cafeteria. This will allow the tax treatment of such meals to more accurately reflect the fact that the meals are usually furnished for the employer's convenience and not as additional employee compensation.

This bill, in short, Mr. Speaker, brings together several measures relating to fringe benefits. It postpones any effort by the IRS to tamper with current regulations and current practices until the end of 1979.

H.R. 12841 affirms the superior role of the Congress in establishing Federal tax policy. I urge its immediate passage.

Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I rise in support of H.R. 12841 and urge my colleagues to join me in voting for this bill.

As you know, the first two sections of this bill are designed to prevent the Internal Revenue Service from acting before 1980 to change the status of fringe benefits and commuting expenses.

I strongly support section 3 of this bill, which is designed to prevent the retroactive application of a recent Supreme Court decision, which includes within gross income, cash meal allowances paid to State troopers while on duty.

The Kowalski case involved a member of the New Jersey State Police and has left current and past members personally liable for thousands of dollars in back taxes.

In addition, police officers in about 14 other States face similar liability for past years. As a result, some of these officers and their families face financial ruin. Many will have to mortgage their homes or seek outside employment.

I have received letters from troopers who will now be unable to send their children to college. This is unfair, inequitable, punitive, discriminatory and must be corrected.

The Supreme Court has spoken on the taxation of cash meal allowances and the State police will comply fully with the law. But they should not be penalized retroactively for what was lawful in the past.

Preventing retroactivity will make a minimal difference in tax revenue, but it will make all the difference in the world in the morale and the economic viability of these troopers.

I want to emphasize that we have some of the finest men and women in the country in our State police, and this ruling, that so detrimentally affects their morale, should certainly not be allowed to stand. The only way it can be corrected, the only way we can restore their morale, the only way we can restore their economic viability, and the only way we can prevent financial hardship for many of these troopers is through this legislation.

Mr. Speaker, I urge every Member of this body to join me in voting for this very important legislation.

Mr. ULLMAN. Mr. Speaker, I wish to commend the distinguished chairman of the Subcommittee on Miscellaneous Revenue Measures, the gentleman from Louisiana (Mr. WAGGONNER), for bringing this bill to us in a timely way, and I yield 1 minute to the gentleman.

Mr. WAGGONNER. Mr. Speaker, I thank my chairman of the full committee for yielding to me this time.

Mr. Speaker, I simply want to urge my colleagues to support this proposal which is under suspension today as a much needed piece of legislation.

When these fringe benefits are no longer allowed, it should be done by legislative action rather than by bureaucratic decision. We need to restrain the IRS, and this legislation will accomplish that until the Congress acts in this field and decides what it wants to do by way of legislative action.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. COTTER).

Mr. COTTER. Mr. Speaker, I rise in support of H.R. 12841, a bill to prevent the IRS from issuing new regulations in the so-called fringe benefit area.

I just want to tell the House that this legislation should not even be necessary but is a direct result of overzealous reinterpretation of existing law by the IRS. The IRS has been and is planning to redefine traditional non-taxed worker's benefits as taxable income.

For the benefit of my colleagues I will provide a copy of the U.S. News and World Report on this issue at the end of my remarks.

The job of this bill is threefold. First it would preclude the IRS from issuing any new regulations in the fringe benefit area before 1980. This will allow Congress and the relevant committees a chance to review these new regulations before they go into effect. My own concern, Mr. Speaker, is that the IRS is now considering the taxation of parking lots and on-the-job education. Such a change would effect thousands of working men and women. In my own area, every major company provides parking facilities for its workers and under the IRS proposal these individuals would have increased tax liability for this benefit which has never been taxed in the past. If the Congress wants to tax employer-provided parking, which usually is done for the convenience of the employer, then the Congress, not the IRS should act. It is my view that the Congress did not intend that these benefits be taxed.

In committee I offered the motion to take care of another problem. On November 29, 1977 the Supreme Court in the Commissioner against Kowalski case, ruled that the cash meal allowance for State troopers was actually taxable income and that troopers who did not pay tax on it would be liable for both the tax and the penalty.

The reason that this decision was so harsh is that lower courts had been divided on the taxability of the meal subsidy. My amendment makes the Kowalski decision prospective. It would allow those who did not pay a tax on the meal allowance, or took a deduction for the allowance to be free of any tax liability or penalty for the period 1970 to 1976.

Finally, Mr. Speaker, I offered the amendment which is included in Chairman ULLMAN's motion to clarify the tax status of meals that employees receive in employer subsidized cafeterias. Again the IRS was auditing major companies in order to tax individual employees for the subsidized part of cafeteria meals. It is incomprehensible to me that the IRS believes that the Congress wanted it to go after subsidized cafeteria meals. These cafeterias are for the most part serving the convenience of the employers and are well within the exemption of section 119. Under the committee amendment the IRS would be precluded from acting in this area. Therefore I urge my colleagues to support H.R. 12841.

The article follows:

FORTY FRINGE BENEFITS IRS WANTS TO TAX

New rules that would impose taxes on dozens of employee fringe benefits are about to be unveiled by the Internal Revenue Service.

Just about every employee in the country appears to be a potential target. Congress, which would not have to pass on the actions now in the works, can be expected to howl—and maybe even move to thwart IRS plans.

The boxes on these pages indicate how extensive the tax-free perks of executives and other employees are—and how sizable they can be.

Fringes for millions. At least 40 benefits are under scrutiny, and they reflect an astonishing variety. Many perks, such as price discounts allowed for retail clerks, are the privilege of millions of individuals.

Some, such as free tuition for children of college staff members and free or nearly free air travel for families of airline employees, can mean thousands of dollars in tax-free benefits in a year.

While many business executives are enjoying the use of company cars and airplanes, car salesmen are getting full-time use of demonstrator models and millions of other employees are benefiting from subsidized lunchrooms and free parking spaces—all tax-free.

If all these fringe benefits were to be taxed, the added revenues would run into the billions.

The position of the IRS is that, legally, all of these benefits are taxable compensation to employees.

The Internal Revenue Code, officials point out, defines income for tax purposes as "all income from whatever source derived," including "compensation for services."

That section, the Supreme Court has ruled, "is broad enough to include in taxable income any economic or financial benefit conferred on the employee as compensation, whatever the form or mode by which it is effected."

Officials point out, however, that there are two kinds of exceptions to that dictum. Many of the most important fringe benefits—pension and profit-sharing programs, exempted from current taxes by acts of Congress.

In addition, three major perks have been made tax-free by specific rulings or regulations issued by the IRS. These are: free or reduced tuition for children of college employes, free or nominal fares for employes of airlines, railroads and bus lines, and reimbursement of supper money for employes when they work overtime.

However, Internal Revenue Commissioner Jerome Kurtz warns that, for those three benefits, "IRS is legally empowered to change these rules to bring them more into line with the law as it has been developed by the courts over the years."

IRS officials are preparing to act on their own, without seeking legislation from Congress.

What to expect. Tax-agency lawyers are drawing up proposed new regulations that, if adopted, will tax many fringe benefits for the first time.

How inclusive will the proposed rules be? Commissioner Kurtz answers: "I would hope that we can draft rules including most items."

Not all fringe benefits will come under the tax law, to be sure. Many will specifically be made tax-exempt under carefully spelled out guidelines. Some small fringe benefits, for example, will be made exempt because they are not worth trying to tax. Just as the law itself now exempts Christmas gifts valued at $25 or less, the new rules will exempt fringes of strictly nominal value. Reimbursement for an occasional dinner bought by an employe working overtime, for example, might come under that exception.

Some other benefits are to remain tax-free because they are too difficult to evaluate. For example, the market value of free parking at a downtown office building is easy to determine, but a space outside a plant miles from any city might be hard to price.

What the IRS is trying to do in writing the landmark regulations on fringes, Commissioner Kurtz says, is "to screen out small, hard-to-handle, difficult-to-value items." But on a vast array of fringes, workers, executives and other recipients may well find themselves liable for tax payments.

Why is the IRS moving to tax fringe benefits that traditionally have been tax-free?

Because, says Kurtz, "basically, fringe benefits are taxable income under the law," and the IRS is bound to enforce that law.

The problem, he explains, is that the law does not spell out the tax treatment for most fringe benefits. As a result, some or all of them are likely to be subjected to taxes in specific cases when they show up in an audit of an individual's tax return.

Tax lawyers and accountants say this means that any individual's tax may depend on which Internal Revenue district he lives in, or on the mood of the agent who audits his return.

Seeking answers. In an effort to get the fringe issue settled, the Treasury in September, 1975, wrote a set of proposed new regulations setting out standards for determining the taxability of fringe benefits. However, recognizing the explosive nature of the issues, officials did not formally propose the new rules, but simply published them in the form of a "discussion draft."

The move met such a storm of protest from Congress and elsewhere that the draft was suddenly withdrawn on Dec. 17, 1976, by then-Secretary William Simon. He said the blanket approach to the fringe-benefit problem was all wrong.

And Congress, playing for time, wrote legislation forbidding the IRS to issue new fringe-benefit regulations before mid-1978. That measure has yet to become law, but the IRS has committed itself to adopt no new regulations on the subject before July 1.

As a result, the IRS is not even issuing any new fringe-benefit rulings to inquiring taxpayers or responding to revenue agents who request advice in cases that are under audit.

But the pledge to defer the actual adoption of new regulations is not being allowed to prevent the IRS from drawing up and proposing such rules for public study and comment. The plan is to issue these in a few weeks.

Washington's silence has not kept revenue agents in the field offices from demanding added taxes when fringe benefits show up on audits of returns. Some of the resulting disputes find their way to the Tax Court. When they do, the IRS usually wins.

Dealer pays up. Take the case of the auto dealer who was ordered to pay taxes on the value of his free use of one of his company's executive cars. Knowing that dealers and their executives all over the country enjoy free use of company cars without any tax liability, the man was outraged. But the court could find nothing in the law or regulations to let him off free.

In another case, the Supreme Court held that cash reimbursement of troopers' expenses for lunch while they are on duty is taxable income, even though tax law says reimbursement for meal expenses on overnight business travel is not counted as income.

Opponents of the IRS position argue that, because Congress has had many years in which to make fringes clearly taxable, the agency is usurping authority in going ahead on its own.

But Commissioner Kurtz insists that the IRS simply wants to get the issue settled—to make fringe benefits clearly taxable or tax-free under law.

By proposing new regulations imposing taxes on most such perks, Kurtz hopes to push Congress into writing legislation that spells out clearly the tax treatment of all such benefits.

But with Congress already balking on President Carter's tax-reduction-and-reform program, the IRS effort may draw nothing from Congress but another "stop" order on taxing employe perks.

IN THE TAX COLLECTORS' SIGHTS

(Scores of employe fringe benefits go untaxed without any provision for them in law. Now the IRS wants to tax most of them. Here are 40 examples of perks under scrutiny:)

1. Price discounts for store clerks.
2. Free trips in the U.S. and, in many cases, abroad for employes of airlines, railroads and bus lines.
3. Free tuition for spouses and children of university faculty members and other employes.
4. Free parking on employers' premises.
5. Overdraft privileges for bank officers and directors, often at low or no interest.
6. "In kind" benefits such as free or cut-rate telephone and power service for retired employes of phone companies and other utilities.
7. Use of company cars by executives and other employes, including use of demonstrators and "executive cars" by salesmen and executives of auto dealerships.
8. Cars and chauffeurs provided for high executives of federal, state and local governments.
9. Travel reimbursement for employes going between home and temporary work sites—say, an accountant driving to or from a client's office.
10. Season tickets to football, baseball and other games, used by employes.
11. Free tickets to the theater and concerts.
12. Christmas gifts—worth more than the $25 exempt by law—from employers.
13. Beach cottages and other vacation facilities maintained by companies for free use by employes.
14. Conferences at resorts for "sales leaders," spouses.
15. Employment-agency fees and expenses of interview trips paid by prospective employers.
16. First-class air travel when first class is not essential to the business of company officers and directors.
17. Rebates to employes who buy their firms' products.
18. Free subscriptions and low-cost gift subscriptions for employes of magazines and other periodicals.
19. Executive use of assistants and other staff members on personal matters.
20. Residences provided free for executives.
21. Free receptions and entertainment for wives at trade conventions—some of them overseas.
22. Education in the form of free on-the-job training.
23. Loans to employes at low or no interest to buy company stock or for other purposes.
24. Employer's credit cards used by employes to shift interest costs to the firm.
25. Old-age homes provided by companies for their retired employes.
26. Executive memberships in lunch and country clubs.
27. Home improvements for executives that are paid for by employers.
28. Financial counseling and accounting services provided by companies for executives.
29. Employe cafeterias and executive dining rooms offering subsidized prices.
30. Lunch and dinner money provided for employes in all sorts of situations.
31. Deferred pay for executives who each year elect to forgo a specific amount of their salaries and channel it into tax-sheltered investment accounts.
32. Executive trips on company planes to resorts.
33. Annual medical checkups, with health-unit services.
34. Company picnics, Christmas lunches, parties.
35. Bodyguards for corporate executives.
36. Taxi fares for employes coming or going after dark.
37. Tennis, squash courts, swimming pools, other recreational facilities provided by companies for free use by employes.
38. Free bus transportation to plants in distant locations or offices in unsafe neighborhoods.
39. For Americans working overseas, such benefits as education for children, residences, decoration and furnishing of homes, maid and valet services, meals and entertainment at nominal cost at military or government posts.
40. For members of Congress, haircuts, shoeshines, discounts on merchandise, transportation and meal reimbursements, limousines, parking, personal work by secretaries, day-care facilities, picture framing—and one free steamer trunk each session.

ABROAD, IT'S FULL SPEED AHEAD FOR MOST TAX-FREE PERKS

Unlike the U.S., there is little pressure in foreign countries to end their equivalent of tax-deductible three-martini lunches—or to start taxing other fringe benefits.

However, some changes in perks are being made by corporations. Japanese executives, for example, may double up in company cars instead of riding alone.

But even in Britain, where the Labor government might be expected to trim perks, there is no clamor to do so. One reason: Union chiefs, who are close allies of the government, collect a tidy assortment of fringes.

Says a London civil servant: "Union leaders get low salaries, but they also get London flats, chauffeur-driven cars, and give some of Britain's best and biggest parties."

Only in Canada is there anything like the agitation in the U.S. for a tax crackdown on fringes.

Elsewhere, fringe benefits are considered essential to morale. Taxes on high incomes are often confiscatory, and perks lessen the demand for pay raises.

From a survey by the magazine's international staff:

LONDON.—The range of benefits for a British executive is wide and imaginative—from a car and gasoline credit card to a clothing allowance.

Executives receive interest-free loans to pay for their children's private schools. Bargain mortgage rates are available for home loans.

Unless a firm is entertaining foreigners, it has less freedom than in the past for expense-account hospitality. Yet companies pick up the tabs for race-track boxes and hunting privileges, both of which are used with or without foreign guests.

PARIS.—Fringe benefits are catching on in a big way here. The reason: Government-imposed ceilings on salaries force companies to find other ways to reward executive talent.

Some companies pay an individual more than one salary. By crediting some payments to a subsidiary abroad, the firm evades France's salary ceiling of $6,200 a month.

There are other nominal perks, such as use of a car and plane, and memberships in clubs. Executives get bonuses for overseas trips.

ROME.—Increasingly popular among Italian companies: providing housing for executives. Firms doing this are no longer troubled by employes' reluctance to accept transfers because of high rents in big cities.

An increasing number of firms are giving tax-free annual bonuses in addition to the

use of cars, club memberships and expense accounts.

GENEVA.—Compared to his counterparts elsewhere in Europe, the Swiss executive is a poor cousin in fringe benefits. Salary counts for more here than expense accounts.

Further, tax authorities scrutinize business expenses carefully. Use of a company car, for instance, would be considered taxable income.

TOKYO.—Fringe benefits are so deeply ingrained in Japanese business life that they will probably never be seriously curtailed. Expense accounts alone are expected to cost companies 30 billion dollars this year.

The general rule: A high executive's expense allowance should exceed his pay.

Free cars and housing, the latter even for lower-ranking employes, are common.

A profit squeeze is bringing changes. Executives are giving up their rent-free vacation homes.

BUENOS AIRES.—For the Argentine businessman, "black money" is an increasingly popular fringe benefit.

It's cash—paid under the table, not reported to the tax man, free of any deductions. Says one executive: "It is the only way you can get the kind of people you need."

OTTAWA.—Innovations in fringe benefits range from paid sabbatical leaves to memberships in health clubs to paid outside financial counseling.

But the government has moved against some lavish perks.

One casualty: Company-owned hunting lodges aren't deductible anymore; firms are closing them.

HOW FRINGES CAN ADD UP

(Here are the Bosleys, a hypothetical family of five: Jim, a university professor; wife, June, an airline reservations clerk; daughter, Sally, a department-store clerk; twin sons.)

The Bosleys live in a large campus house on which the university pays maintenance and utility costs. Tax-free benefits—about $1,000.

Because of their father's position, the sons pay no college tuition. Tax-free benefit—about $8,000.

Each year Jim, June and the boys travel abroad on free airline tickets and pay reduced hotel rates because of June's airline job. Tax-free benefit—about $3,000.

Sally buys all sorts of family items at a substantial discount at her department store. Tax-free benefit—about $750.

Both parents have free parking spaces at their jobs. Tax-free benefit—about $1,000.

The couple frequently enjoys meals and entertains often at the faculty club, paying reduced rates. Tax-free benefit—about $950.

Jim and June use other university facilities—golf course, exercise gym, tennis and squash courts—free or at reduced cost. Tax-free benefit—about $800.

Total annual tax-free benefits: $15,500.

Mr. CONABLE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I thank my colleague, the gentleman from New York (Mr. CONABLE), for yielding this time to me.

Mr. Speaker, I rise in support of H.R. 12841, and I most particularly wish to speak to the issue that has been addressed by my colleague, the gentleman from New Jersey (Mr. RINALDO). That is the issue of removing the retroactive penalty on the trooper allowances that has created a very serious problem in the State of New Jersey and in other States.

I think it is more severe in New Jersey because the allowance is far more significant. But this elimination of retroactive penalties, I think, is just simple justice.

There is just one other small part which does bother me with respect to this same situation. It is my understanding that this legislation does not provide those same troopers, who have already borrowed money, to pay their taxes in the same period, and I believe they should have a rebate. That should be taken care of at some time.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, I rise in support of H.R. 12841. There appears to be no end to how far this administration is willing to go in trying to impose new taxes on the people of this Nation.

Within my State of Missouri, the Internal Revenue Service (IRS) has been working to tax everything, everybody, and every transaction. IRS has worked to tax automobile salesmen, real estate agents, airline employees, office workers for parking spaces, and just about every honest working person within the Sixth Congressional District.

In some respects, it is easy to see the problem IRS has had in defining income, and it is the intention of Congress that income be taxed equally. But, when you take recent interpretations by IRS and extend them to their logical conclusion, you find an unbearable situation.

The Internal Revenue Service should not take it upon itself to attempt to establish new policy definitions for income. That is the role of this body, and if there is sufficient indication that fringe benefits are being abused as a way to circumvent income taxation, then Congress should review the situation.

I call on the House to adopt this important legislation to stop IRS from selective taxation of fringe benefits. This Congress needs to stop allowing the administration to constantly find new ways to tax middle America. We must recognize that every taxpayer receives fringe benefits in one form or another and acknowledge that IRS is not the proper body to decide whether or not to expand taxation of those fringe benefits.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I would hope that, as the Committee on Ways and Means looks into this whole area of fringe benefits, it carefully analyze and examine the inequity that exists with respect to many working people concerning things like prepaid legal services, prepaid medical, all of those things which presently cause a worker who is under a negotiated contract, where these fringe benefits are negotiated, to in effect receive those services without having them be treated as income, whereas the non-negotiated contract person, who has the same expenses, is unable to take them as deductions, so therefore, for all intents and purposes, they are treated as income. I think there are gross inequities in this area. I hope that when this is being studied there will be a thorough study and we will get more equity in the tax system.

Mr. CONABLE. Mr. Speaker, I would like to thank the gentleman for his comments. I think that is an entirely appropriate area for study of our task force, and when this is being looked into I can assure the gentleman that his remarks will be noted.

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I rise in support of this legislation. It is important that we pass this bill today. We tried under the Tax Treatment Extension Act of 1978 (H.R. 9251) to provide that no regulations were to be issued in final form after October 1, 1977, and before July 1, 1978, providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the code. While that bill was passed by the House on October 25, 1977, and by the Senate on May 11, 1978, it now seems that a proper review of these issues requires a longer period of time than would be available under H.R. 9251.

We need to be sure that the Internal Revenue Service gets the message that policy that would govern the income tax treatment of fringe benefits is one that should be announced by Congress and no final regulations should be issued until 1980.

This whole area of fringe benefits is a complicated matter and obviously needs considered study and then further recommendations. Chairman AL ULLMAN has appointed me as the chairman of the Task Force on Employee Fringe Benefits with Mr. COTTER, Mr. MIKVA, Mr. JENKINS, Mr. BRODHEAD, Mr. DUNCAN, and Mr. GRADISON. I accept this appointment as a considerable challenge to meet the objections so that the little employee will not be deprived of fringe benefits that he has historically had and to which he is entitled, while at the same time fringe benefits are not used to hide what should be taxable compensation. The problem of finding the line separating the two may be difficult but our task force accepts the challenge.

The bill also will allow Congress additional time to study any proposed change in regulations by the IRS changing the treatment of transportation expenses between a taxpayer's residence and place of work. It will also apply the Supreme Court's Kowalski decision affecting meals for State police officers on a prospective basis only. The immediate case affects New Jersey only, but this type of case could affect other States also, including my own State of Texas.

I consider it an honor to have been appointed chairman of this distinguished task force and meanwhile urge passage of this bill that will stop any change in the taxation of fringe benefits by the Treasury Department, or alter the treatment of fringe benefits through the issu-

ance of revenue rulings or revenue procedures.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I, too, would urge my colleagues to support H.R. 12841. This legislation will underscore the message that Congress has been trying to give to the executive branch, and that is that the tax policy of the United States shall be set by the Congress and not by the unelected bureaucracy. That is the message of this legislation.

This is the second expression that this Congress has been able to make on this particular subject. Similar legislation that I helped draft last year passed the House and Senate. This bill will postpone any change in the tax policy on fringe benefits and commuter expenses until 1980. I urge its adoption.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I rise in strong support of H.R. 12841, which would delay any effort by the Internal Revenue Service to tax various fringe benefits.

This legislation also would remedy the very serious financial hardship which is facing State police officers across the Nation as the result of a recent Supreme Court decision. That case, Commissioner against Kowalski, ended almost 25 years of relatively consistent judicial opinion that meal allowances paid to State police officers are not taxable. As a result, they are now liable for taxes on their meal allowances back through 1971.

There can be little question but that the retroactive enforcement of this decision for the past 6 tax years will result in a very serious hardship. In my home State of New Jersey, I am personally aware of many troopers who have already been audited and assessed for as much as $4,000 in back taxes as a result of the Kowalski case. Assessments could go as high as $7,000 in the case of some individuals.

Needless to say, for troopers who have an average take-home pay of between $10,000 and $12,500 per year, the burden of such high assessments will be crushing. It will inevitably force many troopers deeply into debt. Similar hardships may result in other States as well.

I do not question the wisdom of the Supreme Court in deciding that meal allowances should be taxable. I very seriously question, however, the policy of enforcing this decision retroactively to a time when it was not in force, and the law was quite clearly different.

The legislation before us today would relieve this heavy burden by providing that taxation of State police meal allowances will apply only to future tax years, and not to the previous 6 years. This is a fair and equitable resolution of this problem, and strongly urge my colleagues to support H.R. 12841.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ROE.)

Mr. ROE. Mr. Speaker, on behalf of the New Jersey State troopers and their families, I rise in strong support of H.R. 12841 before the House today to prevent the grossly unfair retroactive application of a ruling of the Internal Revenue Service which places a heavy tax burden on our New Jersey State Police threatening many of them with potential bankruptcy, jeopardizing their life savings and equity in their homes. This tremendous tax burden has fallen not only upon New Jersey's State Police but as many as 9,000 troopers in 15 States across the Nation are affected. There is immediate need for action. In some States there will be no retroactive application; in other States, troopers face retroactive tax obligations dating back 3 years; and in New Jersey there will be a retroactive application of 10 years. Members of the New Jersey State Police have indeed been singled out for unduly harsh treatment.

Mr. Speaker, we are talking about a dire financial strain on the families of our State police officers to say nothing of the staggering blow to the morale and esprit de corps of the representatives of this highly trained crime-fighting force of public safety officers whose outstanding record of performance and commendable service engenders a debt of gratitude from all of us for their valor and courage in line of duty on behalf of all of the people of our community, State, and Nation.

Mr. Speaker, this bill H.R. 12841 is a vitally important remedy of fairness and with your permission I would like to present to you for insertion at this point in our historical journal of Congress a copy of the in-depth testimony submitted to the Senate Committee on Finance on the Senate's companion measure by the distinguished Superintendent of the New Jersey State Police, Col. Clinton L. Pagano, on behalf of the men under his command which succinctly outlines this entire issue for the benefit of all Members of the House and Senate. Colonel Pagano's statement reads, as follows:

STATEMENT OF COL. C. L. PAGANO, FOR PRESENTATION TO THE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE COMMITTEE ON FINANCE, U.S. SENATE, JUNE 19, 1978

I appear today to support the passage of S-3134, a bill to provide that certain statutory subsistence allowances received by state police officers will not retroactively be included in gross income. The purpose of this proposed legislation is to lift an unbearable retroactive tax burden that has been imposed upon thousands of state police officers across the nation. This severe hardship that will befall state police troopers comes as a result of the Internal Revenue Service application of the rule recently announced by the Supreme Court of the United States in *Commissioner of Internal Revenue* v. *Robert J. Kowalski* (Argued October 12, 1977, Decided November 29, 1977).

In *Kowalski*, the Supreme Court held in a split decision that the State of New Jersey's cash subsistence allowances to its state troopers to reimburse them for the cost of meals consumed while on active police duty constituted income and that the allowance could not be excluded from income under the special provisions of Internal Revenue Code, Section 119 (relating to the value of meals furnished for the convenience of the employer) because the allowance was provided in cash. The *Kowalski* rule would apply prospectively only under the proposed legislation.

Since the establishment of the New Jersey State Police in 1921 and until the Supreme Court's announcement of the *Kowalski* rule, meals and meal allowances furnished to New Jersey Troopers had never constituted income. Thus, this rule reverses a statutory result in New Jersey that has stood for over 50 years.

From 1921 to 1949, the State of New Jersey provided meals to the troopers of the state police at the state operated barracks. The Bureau of Internal Revenue never challenged the exclusion of these meals from income. In 1949, the State of New Jersey eliminated the meals served at the various barracks and instituted a cash meal allowance for administrative reasons. The Bureau of Internal Revenue immediately challenged the exclusion of the allowance from income, but the exclusion was upheld by the U.S. Court of Appeals for the Third Circuit in *Saunders* v. *Commissioner of Internal Revenue*, (1954), reversing the U.S. Tax Court. The Bureau of Internal Revenue did not seek review by the Supreme Court of the U.S.

The State of New Jersey continued to provide the meal allowance, and the Internal Revenue Service on audit of Kowalski's federal income tax return for 1970—20 years after the Saunders audit—disallowed any exclusion of the meal allowance and any deduction for meal expenses. Kowalski filed a petition in the United States Tax Court disputing the determination of the IRS. In October, 1975 the Tax Court decided that the meal allowance was not excludable under either Section 61 or Section 119 of the Internal Revenue Code, but that two-thirds of the meal expenses was deductible, since Kowalski had spent two-thirds of his time on overnight active duty. The Tax Court's opinion was joined in by nine judges. Six other judges (including Judge Sterrett, the trial judge) dissented on the ground that the meal allowance was fully excludable under Section 61 of the Code and one other judge dissented on the ground that the meal allowance was fully deductible. Kowalski appealed, and in November, 1976 the Third Circuit reversed the decision of the tax court on the basis of its prior decision in the Saunders case in 1954 and on the basis of Judge Sterrett's dissenting opinion in the tax court. Thus, the IRS lost, once again, in the U.S. Court of Appeals for the Third Circuit in a unanimous per curiam opinion.

In February, 1977, the IRS petitioned to the Supreme Court of the United States for review of the decision of the Third Circuit. The Supreme Court granted the petition for review in March, 1977. The case was argued on October 12, 1977 and decided November 29, 1977. At this time the IRS decision was sustained by a divided court, in spite of the fact that cash subsistence allowances paid to personnel of the armed forces and certain other federal employees are excluded by the Internal Revenue Service from their income without statutory authority. This is weak support for recognizing a substantial benefit for the Military and denying it for the paramilitary New Jersey State Trooper counterpart.

Thus, as I previously stated, the *Kowalski* rule has reversed an income tax result of over 50 years standing with the New Jersey State Police. Until the U.S. Supreme Court's announcement of the *Kowalski* rule, the New Jersey Troopers assumed, and it was affirmed on two occasions by the U.S. Court of Appeals for the Third Circuit, that the trooper's meal allowance was non-taxable. As a result of the Supreme Court De-

cision, the Internal Revenue Service has begun to audit individual returns of state troopers in order to claim back taxes on meal allowances. These audits are expected to reach eventually as many as 9,000 troopers in 15 states across the nation.

I understand that in some states the IRS has decided that it will apply *Kowalski* only for the future: In other states, troopers face retroactive tax obligations dating back only three years, the maximum period of tax liability ordinarily open under the statute of limitations. However, the troopers in New Jersey are being forced to pay taxes on meal allowances retroactive as far as 1970 because, at the request of the IRS and in order to forestall tax assessments, these troopers agreed to extend the statute of limitations pending the outcome of the *Kowalski* case.

The Supreme Court's *Kowalski* decision and the determination of the Newark District of Internal Revenue Service to collect taxes on meal allowances paid over the past seven years place thousands of state troopers and their families on the brink of financial ruin. In spite of the fact that the Tax Court allowed Trooper Kowalski a deduction equal to two-thirds of his meal allowance, the Newark District is limiting the deduction for many other troopers to a much smaller amount.

Such assessments will surely in many cases spell the difference between fiscal solvency or personal bankruptcy of the individual troopers whom the Supreme Court admitted in its decision "are not handsomely paid to begin with." Many of these troopers will have to seek outside employment to meet this tax liability, and such outside employment may affect their primary occupation. Since the Kowalski decision and the Internal Revenue Service's action, the requests for outside employment to my office from sworn members of the Division have shown a marked increase. As the Superintendent, I am very concerned for the morale and well-being of the men of my command. The crushing tax assessments they face under the current rule will surely place added mental and physical strains on our troopers and their families that can only destroy their morale and jeopardize their effectiveness. Unless action is taken upon this proposal, I feel a great many people across this nation will needlessly suffer severe financial harm.

I am also very concerned with the inequity of placing upon my men a vastly disproportionate share of the retroactive application of the Kowalski rule, owing to the zealous tenacity with which the Internal Revenue Service has concentrated its efforts in New Jersey. This legislation would insure that the state police troopers and their families receive the fair tax treatment they deserve, and I strongly urge its endorsement by this Committee.

Mr. ROE. Mr. Speaker, H.R. 12841 is no "tax break" or special treatment legislation but truly is a recognition of providing an equitable tax structure for all of our citizens. This retroactive application of a 1977 court decision will result in great hardship to over 2,300 New Jersey troopers, including those who have retired since 1971. I have received many letters from our State troopers—not one objects to the taxation of their subsistence allowance in the future if that is the court's decision. Their plea is to help them from having to pay back taxes on income tax returns filed in good faith over the past years on the basis of a series of favorable court decisions and statutory allowances available to them during those years. I strongly urge my colleagues to support H.R. 12841.

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

I would like to make one last comment.

We hear a lot of rhetoric nowadays about closing loopholes for the rich. I want to say that this practice on the part of the IRS of trying to extend the taxable wage base by including within taxable wages fringe benefits is potentially a way of raising substantial additional taxes, not at the expense of the wealthy, but at the expense of the working class American.

A much higher proportion of the working class American's income comes in the form of fringe benefits in relation to his taxable income than occurs among the wealthier people of this country, for whom fringe benefits have relatively small advantage. Consider the value of an employer-furnished parking space; percentagewise it does not add much to a high-paid administrator's wage. It may add 10 percent to the wage of a janitor.

Therefore, Mr. Speaker, I think we had better keep our minds clear as we hear all this rhetoric about closing loopholes. The effect of what the IRS has been trying to do is to increase by greater measure the taxable income of working Americans rather than that of the very wealthy.

I support this measure. Congress should retain the power to tax in fact as well as inform.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

Mr. Speaker, the gentleman from Texas (Mr. PICKLE) has been appointed chairman of a task force to look into this matter.

I urge the Members of the House to confer with him with respect to any problems they may have in this area of fringe benefits and the other related items that are under this bill.

Mr. Speaker, it is extremely important that the Congress act and that the Congress lay down the rules. What we are doing here is putting a hold on IRS authority to move forward with regulations in an area that only Congress should be moving on or should be formulating policy on.

Therefore, Mr. Speaker, this is an important bill which will give us time to act responsibly in facing up to this issue.

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

● Mr. KEMP. Mr. Speaker, I support the bill now before us. It would prohibit the Internal Revenue Service from issuing new or revised regulations designed to tax fringe benefits.

But in that this bill only extends the present prohibition for a longer—yet still temporary—period, I want to make it clear that I support a permanent prohibition to the IRS's plans to tax fringe benefits and that I think such a prohitition should be part of any tax reform measure considered by us this year.

It can come as no surprise that the IRS wants to tax more people and tax them to a greater degree. Unconcerned about the effects of higher tax burdens borne by the American people upon those people or their Government, the IRS has been unrelenting in its attempts to get every dollar it can. Taxing fringe benefits is a way, a major way, in which it intends to do just that. For some time, the IRS has been planning to issue specific regulations requiring that employees' fringe benefits be made taxable.

I first helped bring this to the attention of the House and public in August of last year. Senator HATCH and I introduced resolutions to disapprove any such IRS actions. Those resolutions had broad bipartisan support, and they spurred the Committee on Ways and Means into last year's legislation which prevented the IRS from issuing such regulations before July 1, 1978. That legislation became law, but that date—July 1—is upon us.

It was with that thought in mind—the rapidly approaching date on which the IRS would no longer be prohibited and would be free and prepared to issue the new regulations—that my able colleague from Colorado (Mr. ARMSTRONG) and I offered an amendment to the appropriations bill for the Department of Treasury and Internal Revenue Service to extend the prohibition. When this matter was on its way to the floor, for consideration of the full House, we were assured by the chairman of the Committee on Ways and Means that that committee would report out a bill and deal with the matter in that way. The following week this was done, and it is the bill now before us.

Last year's resolution, last year's law, this year's amendment to the appropriations bill, and the bill now before us were all made necessary by the persistent efforts of the Commissioner of Internal Revenue, Jerome Kurtz, to make all fringe benefits taxable. Until now, almost all fringe benefits have been regarded as tax free.

Let there be no mistake about it. If the IRS were to tax all fringe benefits, it would constitute a massive increase in taxes on virtually every working American.

Just look at what the IRS tax, and this list is by no means an inclusive one:

Store discounts for employees.

Employer-subsidized food at company cafeterias, etc.

Employer-provided or employer-paid parking.

Discount air fares for flight attendants, travel agents, airline employees, and their families.

Discount rail fares for railroad employees, travel agents, and their families.

Employer-paid or employer-contributed-to—

A. Health insurance.

B. Life insurance.

Medical and dental care, including infirmaries and consultations

Demonstrator vehicles for car salesmen.

Company-paid transportation to and from work, including partial payments on employee-owned automobiles for that purpose.

Value of discounts through the use of PX and other commissary privileges.

Use of company-owned recreational facilities.

Use of company-owned equipment.

Use of regular and WATS line telephone services of employers.

Lower-interest loans for bank and savings and loan employees.

Free or reimbursed cleaning service for uniformed employees.

Free or lower-cost checking services for bank employees.

Company-paid vacations.

Telephone discounts for employees of telephone companies.

Stock option value differentials.

Tuition paid for children of company employees.

Food grown and then consumed themselves by farmers and their families.

Discounts obtained through employee group plans.

Employer contributions to pension, annuity, and retirement funds.

Employer contributions to funeral costs of employees, even if killed in a work-related assignment.

Aspects of these benefits may be dealt with, of course, in already existing provisions of the Internal Revenue Code and regulations.

Mr. Speaker, as one can see, the greatest burden would fall on those people least able to pay additional taxes on income they never really received. They would have to pay more taxes—a higher percentage of their wages—without any increase in the wages to offset that tax increase. It would be a net loss for every taxpayer.

Unless the IRS is stopped, there is no limit to what the Government may tax from the people. Taxes are already too high and are strangling individual incentive. Instead of raising taxes by including fringe benefits in taxable income, we ought to be finding ways to lower taxes for all Americans, such as the Kemp-Roth permanent tax rate reduction bills, H.R. 8333 and S. 1860.●

● Mr. MAGUIRE. Mr. Speaker, I will reluctantly vote for H.R. 12841 concerning the taxation of fringe benefits, certain commuting expenses, and meal allowances for State troopers before January 1, 1978.

My decision is determined entirely by the provision relating to State police meal allowances. This situation demands early congressional remedy, and this bill appears to be the only one which promises rapidly to rectify a clear injustice.

As my colleagues know, the Supreme Court decision of Commissioner against Kowalski as applied by the Internal Revenue Service threatened to treat State police in New Jersey considerably worse than those in identical circumstances elsewhere. In addition, taxes amounting to thousands of dollars a person would be levied retroactively over a 7-year period.

Quite simply, both the appearance of justice and justice itself would be compromised if this decision were allowed to stand unmodified.

But, Mr. Speaker, my vote today emphatically does not suggest approval of the other provisions of this bill. The IRS has moved responsibly to incorporate fringe benefits in taxable income over the past few years, only to be impeded by Congress.

Clearly the intention of the philosophy underlying the Internal Revenue Code was that: First, income constructively received should be taxed; second, income need not be in the form of cash alone, and third, the IRS should have broad responsibility to make interpretative technical rulings to meet the spirit and letter of the tax law.

We all know that fringe benefits are not equally available to all workers, and are particularly unavailable to the nonunionized or the working poor. For this reason, I take special exception to this provision of H.R. 12841.●

● Mr. MINISH. Mr. Speaker, I wish to express my support, with some reservations, for H.R. 12841. This bill is intended to correct an unfair situation involving the State police of a number of States, including New Jersey.

The problem, briefly, is as follows. The State Police of New Jersey receive a $15 per day meal allowance. This adds up to about $3,000 per year. In late 1977, the U.S. Supreme Court, in its Commissioner of Internal Revenue against Kowalski decision, ruled that this meal allowance is income and should be taxed as such. In taking this action, the Supreme Court overruled several lower court decisions which, under various theories, excluded troopers' meal allowances from Federal taxation. As a result of this decision, many New Jersey troopers are faced with paying taxes going back 7 years, on up to $21,000 in income. Estimates of the taxes owed by some troopers run to $4,000. If the troopers, most of whom earn less than $18,000 per year, are forced to pay these back taxes, they will be subject to a severe and unfair hardship. This situation is repeated in a number of other States whose State police receive a meal or subsistence allowance.

H.R. 12841 would go at least part way toward relieving this problem. It provides that if a State trooper excluded his meal allowance from income under section 61(a), of the Internal Revenue Code, the back taxes which he owes will be forgiven. However, the bill may not deal with the situation in which the trooper listed his meal allowance as income and then deducted the allowance under section 119 of the tax code. Unfortunately, most New Jersey troopers deducted their meal allowances under section 119, and thus may not be helped by H.R. 12841 as presently drafted.

Therefore, I support H.R. 12841, as far as it goes, but hope that the problems of the State troopers who are not covered will be dealt with in conference. I am sure that it was not the intent of the Ways and Means Committee or of the cosponsors of this bill to distinguish among State troopers based on how they filled out their income tax returns. The State troopers have acted in good faith throughout this controversy and they all deserve our help.●

● Mr. BURKE of Massachusetts. Mr. Speaker, I rise in support of H.R. 12841, a bill to prohibit the Internal Revenue Service from issuing regulations relating to the taxation of fringe benefits. The prohibitions in sections 1 and 2 of the bill against the issuance of regulations in the area of fringe benefits and commuting expenses will allow Congress to study these areas and adopt the appropriate rules rather than having these rules decided by the administrative interpretations of the tax law. In addition, section 3 of the bill will prevent retroactive application concerning the taxation of cash meal allowances to State troopers and will prevent hardship to these policemen and their families which might otherwise be caused by the imposition of these taxes for past years. This provision is fair and equitable.

Finally, I strongly support the committee amendment to the bill which would overturn the Treasury interpretation concerning the taxation of employer-furnished meals. The amendment will allow tax-free status to these meals furnished for the convenience of the employer notwithstanding that a partial charge is required to be paid for the meals by the employee. This provision is based on a bill, H.R. 10594, which I introduced earlier this year.

Mr. Speaker, I urge the House to approve H.R. 12841.●

● Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 12841. My support, Mr. Speaker, is based on a desire to see some sort of consistent tax policy applied to fringe benefits. Right now all fringe benefits are not strictly taxed. The question of the taxation of fringe benefits has been approached with a myriad of conflicting statutes, regulations, administrative rulings, and opinion letters. If we are to include fringe benefits in taxable income, let us at least adopt a uniform policy.

Mr. Speaker, the question of whether or not fringe benefits confer economic or financial gain is not an easy one. Both the House and the Senate, however, have agreed that the important tax policy questions posed here should be answered with tax legislation, not administrative action. Congress must exert a positive control over tax policy. A very large segment of the American people will be affected by fringe benefits regulations. It would be a dereliction of our duty not to exercise the type of oversight exemplified by this bill. Mr. Speaker, I support H.R. 12481 and I urge my fellow Members to do likewise.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 12841, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ULLMAN Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 12841.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Oregon?

There was no objection.

INTERNATIONAL INVESTMENT SURVEY ACT AMENDMENTS

Mr. BINGHAM. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 12589) to authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976, and for other purposes.

The Clerk read as follows:

H.R. 12589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the International Investment Survey Act of 1976 (90 Stat. 2059) is amended to read as follows:

"SEC. 9. To carry out this Act, there is authorized to be appropriated $4,000,000 for the fiscal year ending September 30, 1979.".

SEC. 2. Section 4(d) of the International Investment Survey Act of 1976 is amended by striking out "his findings and conclusions" and all that follows through the end of the subsection and inserting in lieu thereof the following: "to the Congress an interim report of his findings and conclusions not later than two years after the date of enactment of this Act and a final report of such findings and conclusions not later than three years after such date of enactment.".

SEC. 3. Section 8(b) of the International Investment Survey Act of 1976 is amended—

(1) by striking out "It shall be the responsibility of the Council on International Economic Policy to" and inserting in lieu thereof "The President shall"; and

(2) by striking out "Council's" and inserting in lieu thereof "President's".

SEC. 4. The amendment made by the first section of this Act shall take effect on October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. BINGHAM and Mr. ANNUNZIO.

The House divided, and tellers reported that there were yeas 12, nays 0.

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 3, not voting 45, as follows:

[Roll No. 503]

YEAS—384

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clawson, Del
Cleveland
Cohen
Coleman
Collins, Ill.
Conable
Conte
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Deaney
Dellums
Derrick
Derwinski
Devine
Dicks
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncallo
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steers
Steed
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Teague
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—3

Collins, Tex.
McDonald
Quayle

NOT VOTING—45

Alexander
Armstrong
Beilenson
Brown, Ohio
Burton, John
Clausen, Don H.
Clay
Cochran
Conyers
Corcoran
Dent
Dickinson
Diggs
Edgar
Erlenborn
Flowers
Garcia
Harrington
Holland
Horton
Johnson, Colo.
Krueger
Le Fante
Leggett
Lott
McCloskey
Meyner
Michel
Milford
Nix
Pettis
Pressler
Quie
Rodino
Rostenkowski
Runnels
Ruppe
Shipley
Simon
Tsongas
Waxman
Whalen
Wilson, C. H.
Wilson, Tex.
Young, Tex.

Mr. McDONALD changed his vote from "yea" to "nay."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from New York (Mr. BINGHAM) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

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

Mr. Speaker, H.R. 12589 would permit important studies of foreign investment, both outward and inward, both portfolio and direct, to go forward through fiscal year 1979 by authorizing the necessary funds.

Recognizing the importance of the impact of foreign investment on such vital elements of the U.S. economy as employment, availability of capital, and farmland prices, the Congress enacted the International Investment Survey Act of 1976. Both organized labor and the business community recognized the need for the studies provided for in that act. The cost of such studies has proved to be much greater than anticipated.

The 1976 act authorized $1 million for work on these studies in fiscal year 1978 and the same for 1979, a level of funding which has proved to be totally inadequate. H.R. 12589 would add $3 million to the fiscal year 1979 figure, making available a total of $4 million.

The Subcommittee on International Economic Policy and Trade held hearings to review the need for these studies and the requested authorization figures. The committee is fully persuaded that the studies are not only valuable, but essential, and that the $4 million authorized in H.R. 12589, which reflects the administration's request approved by OMB, is

needed to carry on these studies in the coming year. The subcommittee declined to approve similar authorization requests for fiscal years 1980 and 1981, because it felt that the amounts had not been adequately justified, and because the committee wants carefully to monitor the progress of these studies, which in some respects have been lagging badly.

It is important to bear in mind, Mr. Speaker, that the United States is virtually the only industrialized nation in the world that does not require reporting on inward and outward foreign investment. It seems obvious that we need to know the amounts, the kinds, and—most important—the effects of such investment. This Congress makes decisions virtually every week that affect foreign investment, either directly or indirectly, yet we know very little about that investment or the effects our policy decisions may have on it and on the other aspects of the economy affected by it.

The legislation before us, Mr. Speaker, will move us a step closer to remedying that appalling lack of vital information.

H.R. 12589 also extends for 1 year the deadline for completion of one of the studies mandated by the International Investment Survey Act of 1976, a feasibility study on monitoring foreign investment in U.S real estate, including farmland, from October of this year to October 1979.

Concern about the impact of foreign investment, both outward and inward, has intensified since 1976. Newspaper reports suggest that Arabs and other foreign nationals are buying up farms and making major purchases of industries and even scarce natural resources in the United States. At present we have no way of knowing the extent and implications of such purchases.

Organized labor tells us that increased investment abroad by American firms costs thousands of jobs in the United States and contributes to a shortage of capital here. Business says just the opposite—that investment abroad generally creates additional jobs at home. At present the facts are simply not available on which to determine which view is correct or whether Congress should encourage or discourage investment abroad.

The need for the studies mandated by the International Investment Survey Act and for which funding is authorized by H.R. 12589 is clear. The amount authorized for the coming fiscal year is modest, considering the complexity and difficulty of the task of carrying out these studies.

The Committee on International Relations reported H.R. 12589 without dissent and recommends its passage.

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

Mr. Speaker, I also rise in support of H.R. 12589.

Mr. Speaker, H.R. 12589 would permit important studies of foreign investment both inward and outward, both portfolio and direct, to go forward in fiscal year 1979 by authorizing the requisite funds.

Recognizing how important the impact of foreign investment can be on vital elements of the American economy, the Congress enacted the International Investment Survey Act of 1976. The Committee on International Relations is fully persuaded, as is the business community and are labor organizations, that the studies mandated by that act are valuable and essential.

The committee reported H.R. 12589 without dissent and I urge my colleagues to support its passage.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I rise in support of H.R. 12589.

I do not share the apprehension of some of my colleagues about the investment by foreigners in U.S. property, including cropland, nor do I have the apprehension of some about the investment of U.S. funds abroad. I have always felt that the free movement of money across international borders is generally in the interest of both parties. In fact, the investment of foreign funds in the United States is a compliment to our system.

However, I do think there is great value to obtaining information. I think we ought to know what is happening in this area, and I think we ought to know the extent of the investment of U.S. funds abroad and, conversely, the extent of investment of foreign funds in this country.

Therefore, Mr. Speaker, I feel the completion of this survey is very much in the national interest.

Mr. Speaker, this is a very straightforward bill which would authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976.

In response to concern about the volume and implications of both foreign investment in the United States and of investment abroad by Americans, the Congress in 1976 passed the International Investment Survey Act. That legislation requires the executive branch to collect and publish information on international capital flows, to conduct periodic studies and analyses on those flows, and to study the feasibility of monitoring foreign direct investment in American agricultural, rural, and urban real estate.

This was unusual legislation in that it had simultaneous support from both business and labor. Everyone seems to feel that his cause will be supported by the collection of better statistics. There can certainly be no doubt that the national interest will be served by such collection which can only be effective under a comprehensive implementation of the act.

The Committee on International Relations has been especially concerned about the effects of foreign acquisitions on the price of U.S. farmland and attaches great importance to the land-investment monitoring feasibility study being done by the Agriculture Department in accordance with the 1976 act. That Department has testified that a completion date earlier than October 1979 would be impossible to meet, and this bill would accordingly set that deadline for October 1979. However, the committee expects to scrutinize the interim 1978 report with great care to evaluate the progress which has been made. This study, as well as the others mandated by the act, will help meet the need for data on these issues and will provide a basis for responsible legislation if such legislation proves necessary. I urge my colleagues to support this bill.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 12589, to amend the International Investment Survey Act of 1976.

During the 93d Congress, I joined with my colleagues on the Committee on International Relations in sponsoring the Foreign Investment Study Act of 1974. This legislation authorized studies of foreign direct and portfolio investment in the United States. The result was the first realistic picture of foreign investment in this country. Upon expiration of this act, the International Investment Survey Act of 1976 was enacted, placing its authority on a permanent basis.

H.R. 12589 authorizes appropriations for fiscal year 1979 under the 1976 act. This legislation will enable us to maintain the ability to effectively deal with the increasing concerns over the expansion of foreign investment in this country. Through this mechanism, we can continue to collect data on foreign investment to determine its effect on the U.S. domestic competitive position and on domestic employment and the effects of foreign acquisition on the price of U.S. farmland.

The first survey conducted by the Department of Commerce in 1975 under the authority of the 1974 act, calculated that possible foreign ownership of farmland to be 4.9 million acres or less than 1 percent of the Nation's 1.3 billion acres of private land. These initial estimates provided valuable assistance in relieving the strong concerns at that time regarding the size and scope of Japanese investments.

Recently, a new concern has arisen strengthening the need for a continuation of monitoring systems provided in this bill. Due to a favorable exchange rate, many foreign investors find American farmland an attractive investment. The major concern is that these foreign purchases are bidding up prices of land beyond the level at which U.S. family farmers can afford to pay. In a GAO report released this month, it was indicated that their attempt to determine the extent of foreign purchases resulted in inconclusive findings, stating that "reliable data is difficult to obtain." H.R. 12589 would help provide this needed data.

As a sponsor of both the original leg-

islation and the bill before you, I urge my colleagues to support H.R. 12589 and thereby help provide the wherewithal to meet the continuing need for monitoring foreign direct investment in the United States and of U.S. investment abroad.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in support of H.R. 12589 which authorizes a continuation of studies into the extent and implications of foreign investment in the United States. Of most significance, however, are the bill's provisions directing a study into systems that would allow our Government to monitor foreign investment in U.S. agricultural land.

The United States has outproduced the rest of the food-growing world for years. The family-owned farm structure, the hallmark of American agriculture, is primarily responsible for this remarkable record. For example, an American farmer feeds 57 others; a Soviet farmer feeds 7. Thus, any threat to concept of the American farm is striking at the heart of America.

Foreign investors threaten to concentrate farm ownership and operation, and ultimately deprive our Nation of its greatest source of power—American agriculture. The number of farms in the United States has declined from 4 million in 1960 to 2.8 million in 1976. And the farm population has decreased from 15.6 million in 1960 to 8.9 million in 1975. Ten years ago, the size of an average farm was 210 acres; in 1977 it is 310 acres. During these same periods, there is extensive evidence that foreign investors have ambitiously and vigorously entered U.S. agricultural land markets.

USDA figures indicate that more young families are trying to establish themselves in the farming industry. Between 1970 and 1975, the number of persons between 16 and 35 who were self-employed in agriculture increased by about one-third over the previous 5-year period. These are the youth who will carry on America's unmatchable family farm tradition. But if foreigners with unlimited resources enter the agricultural land markets, it will be impossible for this rising generation to find sufficient resources to acquire quality farmland. Gradually America's greatest resources, its farmland and its family farmers, will be foreign property. This process is already underway. Rising land prices have contributed to the farmer's present plight. United States land values have gone up 300 percent in just the last 5 years.

Let us look a moment at the forces causing this secret foreign invasion. Due to unbridled Government spending and budget deficits, inflation is eroding the value of the American dollar. Foreigners, therefore, see the purchase of agricultural land as a hedge against inflation. In some cases, foreigners buy the land as a haven in case of land reform or political crisis in their own land. But certainly it cannot be overlooked that these foreigners expect that their investment will also give them a base of economic and political power within our country. Whatever their motivation, this invasion, clever and unseen, may pose a serious threat to our Nation.

What appalls me most about this situation is that no one has an accurate grasp of the magnitude of the problem. A very inadequate Department of Commerce investigation survey made in 1974 set foreign investment in U.S. land, property, plants, and equipment at the $45 billion level. This survey, whose figures predate the oil embargo in many cases, made a very cursory review of foreign-land holdings. It questioned 6,000 foreign investors who were likely to own U.S. real estate. It disclosed that 334 corporations or individuals owned around 4.9 million acres. But the survey only counted holdings of 200 acres or more and certainly did not cover all alien investors. We are left only with the indication that foreigners are interested in American land, without any specifics on the degree of their involvement.

My investigations indicate that foreign investment has mushroomed since that 1974 study. For instance, columnist Jack Anderson's staff substantiated that Dutch investors have purchased 6,000 acres in Utah and are seeking 4,000 or more in that State. They also learned that 25,000 acres in Georgia and one of Oregon's largest agricultural farms valued at $5.7 million is in foreign hands.

Dr. James Paulding, a professor at Northeast Missouri State University studying alien ownership, states that 5 percent of Missouri's 32.6 million acres of farmland are foreign-owned, in other words, about 1.6 million acres.

In California, one of the most active areas for foreign investment, Amrex Corp. of San Francisco will sell $260 million worth of agricultural lands in 1977 alone, according to its president, Gerald Jackson.

In New York City, Daniel Bodini of Eastdil Realty claims to have sold 200,000 acres in the Midwest last year to aliens. He expects to double that amount this year.

There is a general consensus, however, that the major dealers in foreign land investment are Northern Trust and Continental Illinois, two large Chicago banks. These banks will not release any information about their clients, but Northern Trust's 1976 report indicated that it manages 450,000 acres in 35 States. Based on their reputation, the majority of that is undoubtedly owned by foreigners.

Amnivest Corp.'s vice president, Michael Hirsch, admits that he arranged the sale of 25,000 acres of farmland to foreigners.

Absolutely accurate figures on the amount of farmland held by foreigners is not presently available, because most aliens insist on secrecy in their land dealings. Many of their home countries have laws against removing large sums of money from the country. Others fear that widespread knowledge of their holdings would stir animosity against them, both in their home country and the United States.

For these reasons, foreigners generally deal through several intermediaries to cover the origin of their money. Typically their investment enterprise will be handled by a corporation set up in the Netherlands Antilles as a front to handle the transaction. The Antilles' reputation for lax taxation and a "no-questions-asked" attitude makes it the ideal location for an investment corporation.

As an example of the great pains taken to avoid discovery, one German investor contacted a Canadian realty firm, which contacted a Wyoming broker, which contacted a Chicago bank, which employed a statewide Kansas broker, which hired a local broker, which finally arranged the sale of a 2,500-acre farm. It is difficult to trace actual ownership when it passes through many hands.

Congress, however, has not been utterly blind to this problem. On October 11, 1976, Congress passed the Foreign Investment Survey Act. Section 4(d) of that act required the President to submit to Congress his findings on "the feasibility of establishing a system to monitor foreign investment in agricultural, rural, and urban real property." That study was to be complete by October 11, 1978. Unfortunately, the Department of Commerce and USDA got into a squabble over who should take the lead in conducting the study. OMB was supposed to settle the argument, but delayed its decision. Finally USDA proceeded with the study. The President sent over a supplemental request to begin the study in January with his fiscal year 1979 budget. Clearly, the study is somewhat behind schedule.

While I am not happy that H.R. 12589 will postpone for another year the availability of this critical information about foreign investment in U.S. land, I am convinced that we must go forth with this study. We must learn the extent of this foreign encroachment soon. Let me state briefly why foreign investment in U.S. farmland bodes ill for our Nation.

Aliens do not have proper incentives to practice sound conservation. Since they are only investing surplus funds, their primary concern is a swift and lucrative return. They are undoubtedly tempted to bleed the land dry without putting anything back into it. In addition, aliens are not concerned about the community where their holdings may be located. They do not support local businesses or civic activities. Instead they leave the local community to fend for itself, thus undermining the rural community structure which has built this Nation.

I recommend several approaches to getting a clear grasp of this problem. I am looking into legislation that would require any alien investor to report his land holdings presently and any future purchases to USDA. This would give us

a picture of the magnitude of the problem. With a definitive understanding of the amount of alien investment, Congress would then be able to rationally decide if stricter measures are needed to restrict foreign ownership. I also think it would be wise to have the Congressional Research Service of the General Accounting Office undertake an independent analysis of this problem.

Absolutely accurate figures on the amount of alien ownership is not currently available, but a trend toward foreign control of U.S. farmland is undeniable. This trend needs to be accurately assessed. We must stop the erosion of the U.S. dollar which is causing this foreign invasion and protect the family farm—our Nation's most valuable resource.

H.R. 12589 is only a study, and a study that should have been nearly finished. I call the attention of my colleagues to the implications of a foreign-owned food belt in the United States. We need reliable information as soon as possible. And once we have that information in hand, we need to have the courage to address this serious situation.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise in support of this bill and express my concern over the purchase of American farmland by foreign investors. It would appear that these investors recognize what many U.S. citizens and political leaders do not; that there is nothing more basic to our economic strength than our farmland resources. Indeed, during the last year, an estimated 30 percent of all foreign investment in the United States—some $800 million—was invested in farmland. The problem is, when coupled with purchases of raw farmland by large domestic corporations, and others, this investment in farmland has helped to fuel a sharp increase in the price of farmland and this in turn leads to instability in the agriculture sector as a whole. Between the spring of 1972 and the spring of 1978, according to the Agriculture Department, farmland prices rose from a nationwide average of $219 per acre to $490 per acre—an increase of 124 percent or about 20 percent per year. This is a price escalation at a rate about 2½ times the rate of inflation.

Inevitably, one must ask why this steep price escalation has occurred. Why has the price of American farmland—and I mean by this the farmland outside the fringe of the major metropolitan areas—suddenly escalated in price so that it costs almost as much to buy land for farming purposes as it did to buy land for development purposes just a few years ago. How can one explain this phenomenon, and what does it mean?

So far, most analysts of the situation see a combination of two factors at work—at least insofar as the foreign investors are concerned. One frequently suggested factor is the desire on the part of wealthy Europeans to put their money into something solid and enduring. These investors may fear the possibility of radical changes in the prevailing economic system of Western Europe, and are, therefore, seeking safer investments in the relatively conservative political environment of the United States. The other frequently voiced explanation is that we have entered a period of intense speculation in American farmland by large investors in this country and abroad. According to this opinion, Europeans see American farmland as underpriced—given the fact that farm land prices may be twice as much per acre in Western Europe. Seeing what they feel to be a good deal, therefore, they are flocking to invest in American land. This speculation—like speculative endeavors anywhere—may drive the price of farmland beyond its productive value, with unpredictable but possibly dangerous implications for the agricultural economy.

I would suggest, however, that there is a third factor at work here. Foreign investors—and large domestc investors, for that matter—recognize something about the American farmland base that our Nation as a whole has not yet adequately perceived. That is, prime agricultural land is an inherently limited resource, and its value will inevitably increase with each passing year. What is happening today is simply a specific application of Will Rogers timeless advice to "buy land—they ain't making anymore of it."

But I would add a further thought to the aphorism in terms of farmland: Not only are they not making anymore prime farmland, but they are taking away a substantial chunk of what we have got left each year in order to provide urban development, water reservoirs, highways, energy facility sites, and so forth. Land conversion consumes about 3 million acres of rural land in the United States each year, and another 2 million acres of rural land are idled in order to be held for possible future urban development. Not all of this land is high quality farmland, of course, but enough of it is or could be used for farmland to prompt increasing concern about the ultimate impact on American agricultural production if the process continues indefinitely.

My point is not—as some would have it—that all farmland or potential farmland be permanently kept in farm uses. Certainly, this is neither feasible nor desirable. We will need more land—including high-quality farmland in some instances—to meet inevitable future development needs of our growing Nation, but we need to reduce the indiscriminate development of prime farmland when other land of less value as a resource is available.

One does not have to be an economist to recognize the implications of this for foreign investors. Our prime farmland is the largest and most productive block of agricultural land on the face of the Earth. Our agricultural exports—amounting to some $24 billion per year—have become an increasingly important factor in the world food supply, and in partially offsetting our enormous trade deficit stemming from the increasing cost of foreign oil. In fact, some have drawn not terribly flattering parallels between the price of our agricultural exports and the price of OPEC oil. Yet, unlike oil, which must be used up in order to be useful, we are willfully depleting our naturally renewable farmland base by converting it to other uses. To the foreign investor, who sees the tremendously import role of American food to the world, and who comes from densely urban countries where the consequences of limited land availability have long been apparent, our farmland must indeed seem the best deal around.

If this is a plausible explanation about why foreign investors are interested in—and probably will continue to be interested in—American farmland, then what will this mean for the future of American agriculture? The whole subject is so complex that no definitive answer may be given at this time. Suffice it to say, however, that the price escalation is likely to aggravate the instabilities in the farmland base that have prevailed 1970's.

One of the most likely consequences stems from the fact that foreign investors—used to far higher farmland prices than those that prevail in the United States—are often willing to pay more for U.S. farmland than are American farmers. Consequently, local farmers may be effectively forced out of the market. This could have an untoward impact on one of America's most enduring traditions—the small family farm.

But there is another, less obvious impact that may stem from the precipitous increase in farmland prices. This land may not be overpriced from a European perspective, but it is from the perspective of the American farmer. And when speculation in farmland prices begins, so does a curious phenomenon called the "impermanence syndrome." When the price of farmland increases beyond what local farmers would pay if they intended to farm the land, the rural equivalent of redlining may begin. Local farmers, anticipating urban pressures, may be less willing to invest in long-term farm improvements. After all, what businessman would make major investments in buildings and other permanent improvements when the business is located on land likely to be condemned for a highway? Disinvestment by local farmers, in turn, may force local farm support industries to go out of business or move elsewhere.

The process is difficult for even the most dedicated small farmer to resist. But when the landowner is a large corporation—an absentee landowner with little commitment to the land itself—the pressure to convert the land to more profitable uses (such as urban development) may be met with little or no resistance at all. Unfortunately, we are already seeing in this country a development pattern called "buckshot urbanization"—in which housing developments and factories, aided by the secondary interstate highway system are spreading far beyond the traditional urban fringe into the very heart of rural America. Inevitably, the consequences of buckshot

urbanization are a reduction in the quality of farmland, and the viability of the local farm economy.

But if continued speculation in farmland could have such adverse impacts, what should be done about it? First of all, I think it needs to be said that farmland speculation is just one problem among many that affect the farmland base. It is a symptom, if you will, rather than a cause, of a systemic disease that plagues the American farmer. Like all systemic diseases, one can treat the symptoms without rooting out the cause. That is why I feel it would be dangerous to take too narrow an approach to the issue.

This Congress has before it legislation (H.R. 11122 in the House and S. 2757 in the Senate) which is intended to deal with the problem in the context of other land issues. The legislation would permit intensive study of the farmland base as a whole—including farm price and ownership issues—while at the same time not imposing a premature knee-jerk solution to the problem. At the same time, it would aid States and local governments in testing innovative methods for dealing with farmland conversion problems.

Mr. Speaker, this bill is an important first step to give us important information in this area, but I would remind the House it is only one part of a much larger problem.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill H.R. 12589.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings of this motion will be postponed.

SOLAR PHOTOVOLTAIC ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1978

Mr. McCORMACK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12874), to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies, as amended.

The Clerk read as follows:

H.R. 12874

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 "Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) the United States of America is faced with a finite and diminishing resource base of native fossil fuels, and as a consequence must develop as quickly as possible a diversified, pluralistic national energy capability and posture;

(2) the current imbalance between supply and demand for fuels and energy in the United States is likely to grow for many years;

(3) the early demonstration of the feasibility of using solar photovoltaic energy systems for the generation of electricity could help to relieve the demand on existing fuel and energy supplies;

(4) the use of solar photovoltaic energy systems for certain limited applications has already proved feasible;

(5) there appear to be no insoluble technical obstacles to the widespread commercial use of solar photovoltaic energy technologies;

(6) an aggressive research and development program should solve existing technical problems of solar photovoltaic systems; and, supported by an assured and growing market for photovoltaic systems during the next decade, should maximize the future contribution of solar photovoltaic energy to this Nation's future energy production;

(7) it is the proper and appropriate role of the Federal Government to undertake research, development, and demonstration programs in solar photovoltaic energy technologies and to supplement and assist private industry and other entities and thereby the general public, so as to hasten the general commercial use of such technologies;

(8) the early development and export of solar photovoltaic energy systems, consistent with the established preeminence of the United States in the field of high technology products, can make a valuable contribution to the well-being of the people of other nations and to this Nation's balance of trade;

(9) the widespread use of solar photovoltaic energy systems to supplement and replace conventional methods for the generation of electricity would have a beneficial effect upon the environment;

(10) to increase the potential application of solar photovoltaic energy systems in remote locations, and to minimize the need for backup systems depending on fossil fuel, programs leading to the development of inexpensive and reliable systems for the storage of electricity should be pursued as part of any solar photovoltaic energy research, development, and demonstration program;

(11) evaluation of the performance and reliability of solar photovoltaic energy technologies can be expedited by testing of prototypes under carefully controlled conditions;

(12) commercial application of solar photovoltaic energy technologies can be expedited by early commercial demonstration under practical conditions;

(13) innovation and creativity in the development of solar photovoltaic energy components and systems can be fostered through encouraging direct contact between the manufacturers of such systems and the architects, engineers, developers, contractors, and other persons interested in utilizing such systems; and

(14) it is contemplated that the ten-year program established by this Act will require the expenditure of $1,500,000,000 by the Federal Government.

(b) It is therefore declared to be the policy of the United States and the purpose of this Act to establish during the next decade an aggressive research, development, and demonstration program involving solar photovoltaic energy systems. Further, it is declared to be the policy of the United States and the purpose of this Act that the objectives of this research, development, and demonstration program are—

(1) to double the production of solar photovoltaic energy systems each year during the decade starting with fiscal year 1979, measured by the peak generating capacity of the systems produced, so as to reach a total annual United States production of solar photovoltaic energy systems of at least two million peak kilowatts, and a total cumulative production of such systems of four million peak kilowatts by fiscal year 1988;

(2) to reduce the average cost of installed solar photovoltaic energy systems to $1 per peak watt by fiscal year 1988; and

(3) to stimulate the purchase by private buyers of at least 90 per centum of all solar photovoltaic energy systems produced in the United States during fiscal year 1988.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) a "solar photovoltaic energy system" is a system of components which generates electricity from incident sunlight by means of the photovoltaic effect, and which shall include all components, including energy storage devices where appropriate, necessary to provide electricity for individual, industrial, or governmental use;

(2) the term "solar photovoltaic energy system" may be used interchangeably with the term "photovoltaic system";

(3) a "hybrid solar photovoltaic energy system" is a system of components that generates electricity from incident sunlight by means of the photovoltaic effect and, in conjunction with electronic and, if appropriate, optical, thermal and storage devices, provides electricity, as well as heat and/or light for individual, commercial, industrial, or governmental use;

(4) "photovoltaic effect" refers to the physical phenomenon exhibited under certain circumstances by some materials in which a portion of the light energy striking the material is directly converted to electrical energy;

(5) "facility" means any building, commercial or industrial complex or other device constructively employing photovoltaic systems; and

(6) "Secretary" means the Secretary of Energy.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF SOLAR PHOTOVOLTAIC ENERGY SYSTEMS

SEC. 4. (a) The Secretary is directed to establish immediately and carry forth such research, development, and demonstration programs as may be necessary to meet the objectives of this Act as set forth in section 2(b), and as a part of any such program shall—

(1) conduct, and promote the coordination and acceleration of, research, development, and demonstrations relating to solar photovoltaic energy systems and components thereof, and

(2) conduct, and promote the coordination and acceleration of, research, development, and demonstrations for systems and components to be used in applications that are dependent for their energy on solar photovoltaic energy systems.

(b) In carrying out the provisions of subsection (a), the Secretary is authorized—

(1) to establish procedures whereby any public or private entity wishing to install solar protovoltaic components and systems in any new or existing facility may apply for Federal assistance in purchasing and installing, in such facility, photovoltaic components or systems which are certified under subsection (c) as meeting the performance criteria prescribed under such subsection;

(2) to select, as soon as he deems it feasible, a number of the applicants under paragraph (1) and enter into agreements with them for the design, purchase, fabrication, testing, installation, and demonstration of photovoltaic components and systems. Such

selection shall be based on the need to obtain scientific, technological, and economic information from a variety of such systems under a variety of circumstances and conditions; and

(3) to arrange, as part of any agreement entered into under paragraph (2), to provide up to 75 per centum of the purchase and installation costs of photovoltaic components or systems. Such arrangements shall be contingent upon terms and conditions prescribed by the Secretary, including an express agreement that the entity with whom the agreement is entered into shall, in such manner and form and on such terms and conditions as the Secretary may prescribe, observe and monitor (or permit the Secretary or his agents to observe and monitor) the performance and operation of such system for a period of five years, and that such entity (including any subsequent owner of the property) shall regularly furnish the Secretary with such reports thereon as the agreement may require.

(c) The Secretary shall determine, prescribe, and publish in the Federal Register, after notice and hearing in accordance with the applicable provisions regarding rulemaking prescribed under section 553 of title 5, United States Code—

(1) within twelve months after the date of the enactment of this Act, interim performance criteria for photovoltaic components and systems to be used in appropriate applications, and procedures whereby manufacturers of photovoltaic components and systems shall have their products tested in order to provide certification that such products conform to the performance criteria established under this paragraph: and

(2) within thirty months after the date of the enactment of this Act, definitive performance criteria for photovoltaic components and systems to be used in appropriate applications, and procedures whereby manufacturers of photovoltaic components and systems shall have their products tested in order to provide certification that such products conform to the performance criteria established under this paragraph. Such criteria may be annually revised by the Secretary, as he deems appropriate, subject to the same procedural requirements as those applicable to the initial determination of these criteria.

(d)(1) The Secretary is authorized, as soon as possible after the publication of the performance criteria prescribed under subsection (c)(1) or (c)(2), to select on the basis of open competitions—

(A) a number of readily available photovoltaic components and systems meeting the performance criteria prescribed under such subsection;

(B) a number of design concepts for various types of applications which demonstrate adaptability to the utilization of photovoltaic components and systems and which meet such performance criteria as described in such subsection; and

(C) a number of designs for applications selected under subparagraph (B), so that each design includes specific provisions for the utilization of solar photovoltaic components and systems selected under subparagraph (A).

(2) The Secretary, in accordance with the applicable provisions of sections 7, 8, and 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, and with such program guidelines as the Secretary may establish, shall—

(A) enter into such contracts and grants as may be necessary or appropriate for the development for commercial production and utilization of photovoltaic components and systems meeting the performance criteria prescribed under subsection (c)(1) or (c)(2), including any further planning and design which may be required to conform with the specifications set forth in such criteria;

(B) select, as being compatible with the design concepts chosen under paragraph (1)(B) of this subsection, a reasonable number of photovoltaic components and systems meeting the performance criteria prescribed under such subsection; and

(C) enter into contracts with a number of persons or firms for the procurement of photovoltaic components and systems meeting the performance criteria prescribed under subsection (c)(1) or (c)(2), including adequate numbers of spare and replacement parts for such systems.

(e) The Secretary is authorized to award contracts for the design integration between the application concepts and the photovoltaic systems procured by the Secretary under subsection (d)(2)(C), and for the demonstration of prototype solar photovoltaic systems, and, when appropriate, for the utilization of such systems in existing facilities. Title to and ownership of the facilities so constructed and of photovoltaic systems installed hereunder may be conveyed to purchasers of such facilities under terms and conditions prescribed by the Secretary, including an express agreement that any such purchaser shall, in such manner and form and on such terms and conditions as the Secretary may prescribe, observe and monitor (or permit the Secretary to observe and monitor) the performance and operation of such systems for a period of five years, and that such purchaser (including any subsequent owner) shall regularly furnish the Secretary with such reports thereon as the agreement may require.

(f) The Secretary, in consultation with the Administrator of General Services or the Secretary of Defense or both (as may be appropriate) shall enter into arrangements with appropriate Federal agencies concurrently with the conduct of the programs under this section and section 5 of this Act, to carry out such projects and activities (including demonstration projects), with respect to Federal buildings, and facilities, as may be appropriate for the demonstration of photovoltaic systems suitable and effective for use in such applications.

(g) The Secretary shall, as he deems appropriate, undertake any projects or activities (including demonstration projects) to further the attainment of the objectives of this Act.

TEST PROCEDURES AND DEFINITIVE PERFORMANCE CRITERIA

SEC. 5. (a) The Secretary shall conduct a program for the development and demonstration of prototype photovoltaic systems, including collectors, controls, power conditioning, and energy storage systems for use in a program of testing photovoltaic systems. This program shall be managed by the Solar Energy Research Institute in Golden, Colorado.

(b) Data obtained from the testing program under subsection (a) shall be evaluated and used in establishing definitive performance criteria. These performance criteria shall be used in the demonstration program described in section 4 of this Act.

COORDINATION MONITORING, AND LIAISON

SEC. 6. (a) The Secretary, in coordination with such Government agencies as may be appropriate, shall—

(1) monitor the performance and operation of photovoltaic systems installed under this Act;

(2) collect and evaluate data and information on the performance and operation of photovoltaic systems installed under this Act; and

(3) from time to time carry out such studies and investigations and take such other actions, including the submission of special reports to the Congress when appropriate, as may be necessary to assure that the program for which the Secretary is responsible under this Act effectively carry out the policy of this Act.

(b) In the development of the performance criteria and test procedures required under section 4 of this Act, the Secretary shall work closely with the appropriate scientific, technical, and professional societies and industry representatives in order to assure the best possible use of available expertise in this area.

(c) The Secretary shall also maintain continuing liaison with related industries and interests, and with the scientific and technical community, during and after the period of the programs carried out under this Act, in order to assure that the projected benefits of such programs are and will continue to be realized.

SOLAR PHOTOVOLTAIC ENERGY ADVISORY COMMITTEE

SEC. 7. (a) There is hereby established a Solar Photovoltaic Energy Advisory Committee, which shall study and advise the Secretary on—

(1) the scope and pace of research and development with respect to solar photovoltaic energy sytsems;

(2) the need for and timing of solar photovoltaic energy systems demonstration projects;

(3) the need for change in any research, development, or demonstration program established under this Act; and

(4) the economic, technical, and environmental consequences of the use of solar photovoltaic energy systems.

(b) The Committee shall be composed of thirteen members, including eleven members appointed by the Secretary from industrial organizations, academic institutions, professional societies or institutions, and other sources as he sees fit, and two members of the public appointed by the President. The Chairman of the Committee shall be elected from among the members thereof. The members of the Committee, while attending conferences or meetings of the Committee or while otherwise serving at the request of the Chairman shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(c) The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal Government shall cooperate with the Committee in carrying out the requirements of this section, and shall furnish to the Committee such information as the Committee deems necessary to carry out this section.

DISSEMINATION OF INFORMATION AND OTHER ACTIVITIES TO PROMOTE PRACTICAL USE OF SOLAR PHOTOVOLTAIC TECHNOLOGIES

SEC. 8. (a) The Secretary shall take all possible steps to assure that full and complete information with respect to the demonstrations and other activities conducted under this Act is made available to Federal, State, and local authorities, relevant segments of the economy, the scientific and technical community, and the public at large, both during and after the close of the programs under this Act, with the objective of promoting and facilitating to the maximum extent feasible the early and widespread practical use of photovoltaic energy throughout the United States.

(b) The Secretary shall—

(1) study the effect of the widespread utilization of photovoltaic systems on the existing electric utility system at varying levels of photovoltaic contribution to the system;

(2) study and investigate the effect of utility rate structures, building codes, zoning ordinances, and other laws, codes, ordinances, and practices upon the practical use of photovoltaic systems;

(3) determine the extent to which such laws, codes, ordinances, and practices should be changed to permit or facilitate such use, and the methods by which any such changes may best be accomplished; and

(4) determine the necessity of a program of incentives to accelerate the commercial application of photovoltaic technologies.

(c) In carrying out his functions under this section, the Secretary shall consult with the appropriate government agencies, industry representatives, and members of the scientific and technical community having expertise and interest in this area.

SOLAR ENERGY DATA BANK

SEC. 9. The Secretary shall establish at the Solar Energy Research Institute in Golden, Colorado, a solar energy data bank which shall be a national solar data collection center including information pertaining to photovoltaic energy systems.

INTERNATIONAL PARTICIPATION AND COOPERATION

SEC. 10. (a) Within one year after the date of the enactment of this Act, the Secretary shall submit to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources a plan for demonstrating applications of solar photovoltaic energy systems and facilitating their widespread use in other nations, especially those with agreements for scientific cooperation with the United States.

(b) The Secretary is authorized to encourage, to the maximum extent practicable, international participation and cooperation in the development and maintenance of programs established under this plan.

ENCOURAGEMENT AND PROTECTION OF SMALL BUSINESS

SEC. 11. (a) In carrying out his functions under this Act, the Secretary shall take steps to assure that small-business concerns will have realistic and adequate opportunities to participate in the programs under this Act to the maximum extent practicable.

(b) The Secretary shall, to the maximum extent practicable, use all authority provided by law to protect trade secrets and other proprietary information submitted by small business under this Act and to avoid the unnecessary disclosure of such information.

PRIORITIES

SEC. 12. The Secretary shall set priorities, as far as possible consistent with the intent and operation of this Act, in accordance with the following criteria:

(1) The application utilizing photovoltaic systems which will be part of the research, development, and demonstration program and testing and demonstration programs referred to in sections 4 and 5 shall be located in a sufficient number of different geographic areas in the United States to assure a realistic and effective demonstration of the use of photovoltaic systems and of the applications themselves, in both rural and urban locations and under climatic conditions which vary as much as possible.

(2) The projected costs of commercial production and maintenance of the photovoltaic systems utilized in the testing and demonstration programs established under this Act should be taken into account.

(3) Encouragement should be given in the conduct of programs under this Act to those projects in which funds are appropriated by any State or political subdivision thereof for the purpose of sharing costs with the Federal Government for the purchase and installation of photovoltaic components and systems.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There is hereby authorized to be appropriated to the Secretary, for the fiscal year ending September 30, 1979, $125,000,000, inclusive of any funds otherwise authorized, (1) to carry out the functions vested in the Secretary by this Act, and (2) for transfer to such other agencies of the Federal Government as may be required to enable them to carry out their respective functions under this Act. Funds appropriated pursuant to this section shall remain available until expended: *Provided*, That any contract or agreement entered into pursuant to this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. GOLDWATER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ANNUNZIO. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. McCORMACK and Mr. ANNUNZIO.

The House divided, and the tellers reported that there were—yeas 10, nays 1.

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 5, not voting 51, as follows:

[Roll No. 504]

YEAS—376

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flynt
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—5

Collins, Tex.
Krueger
McDonald
Mikulski
Quayle

NOT VOTING—51

Alexander
Armstrong
Ashley
AuCoin
Bonker
Brown, Calif.
Brown, Mich.
Brown, Ohio
Clausen, Don H.
Clay
Conyers
Corcoran
Cornwell
Coughlin
Dent
Diggs
Fenwick
Flowers
Ford, Mich.
Forsythe
Fraser
Garcia
Harrington
Holland
Howard
Johnson, Colo.
Le Fante
Leach
Leggett
McCloskey
Madigan
Meyner
Michel
Milford
Nix
Pettis
Quie
Rangel
Rodino
Rostenkowski
Runnels
Ruppe
Shipley
Simon
Teague
Tsongas
Whalen
Wiggins
Wilson, C. H.
Wilson, Tex.
Wright

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The

gentleman from Washington (Mr. McCORMACK) and the gentleman from California (Mr. GOLDWATER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Washington (Mr. McCORMACK).

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

Mr. Speaker, I wish to first point out that there is a printing error in the Union Calendar print that the Members have before them, and I ask unanimous consent that the error be corrected. On page 2, line 14, the word "exciting" should read "existing." This is strictly a printing error. I think that the printer was excited about the bill, but I trust that there will be no objection to the correction.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, H.R. 12874 was reported unanimously from the Subcommittee on Advanced Energy Technologies and then from the full Committee on Science and Technology. It has about 100 sponsors in the House. It authorizes the same amount of money, $125 million, as does the fiscal 1979 authorization bill for the Department of Energy, which will be before the House immediately after the Fourth of July recess. This same amount has been appropriated for solar photovoltaic energy research, development and demonstration programs for 1979 in legislation that has already passed in the House.

The administration has taken no position on this bill, saying neither that it supports or opposes the legislation. However, since the bill was introduced and printed, the administration has proposed a photovoltaic program similar to but less comprehensive than the one we have before us in our bill, H.R. 12874.

The bill we are considering provides the Congress an opportunity to take positive action in the development of renewable alternative energy sources. It provides a commitment to a 10-year program that has the potential of bringing solar technology to the point where it may be competitive for commercial applications, as, for instance, the pumping of irrigation water in remote areas of this and other countries.

We on the Science and Technology Committee believe that the research, development and demonstration programs established in H.R. 12874 must be undertaken as soon as realistically possible in order to bring photovoltaic technologies, and the photovoltaic industry, to maturity at the earliest possible date.

The Subcommittee on Advanced Energy Technologies and Energy Conservation, Research, Development, and Demonstration, which I chair, has held extensive hearings on this bill and on the potential for photovoltaic systems. We received testimony from a number of qualified persons from a broad spectrum of qualified sources, and the testimony at these hearings indicated the need for the Federal Government to assume a leadership role in the development of the photovoltaic industry over the next decade. This bill establishes such a Federal involvement by laying out an aggressive, rational, 10-year, goal-oriented research, development, and demonstration program in the Department of Energy for solar photovoltaic energy technologies.

Mr. Speaker, solar photovoltaic systems convert sunlight directly into electricity. This is accomplished by a process which is clean, silent, involves no heat engine, and no moving parts.

I have a simple demonstration here. If this light bulb would serve as sunshine, the Members will see this propeller turn as a result of my bringing the light close to the photovoltaic cells, which are the black semicircles we see on top of the box. This is a simple demonstration of photovoltaic powered systems.

All of our space satellites are equipped with photovoltaic panels to provide electricity inside the spacecraft. The problem that has precluded their terrestrial use is that they are very expensive. This particular display model here, which has enough electricity to run this tiny one-hundredth of a watt motor, costs about $30. Also, our total production of photovoltaic cells in this country today is the equivalent of about three-hundredths of 1 percent of one nuclear powerplant.

We have much to accomplish. We have to improve the technology, reduce the costs, introduce methods of mass production, and mass produce cheaply enough to make these systems competitive for electrical uses for various places in the country and in the world where they are not competitive today. This is the purpose of this bill.

We must reduce the cost of these cells by 10 to 50 times to make them competitive for most purposes, and this is what the bill sets out to do. First of all, it sets into motion a 10-year, $1.5 billion research, development, and demonstration program in solar photovoltaic technologies based on a close cooperative relationship between the Federal Government and private industry. It sets clear but adjustable goals for the program to meet. These goals include improved performance, increased production, and reduced costs.

The bill proposes to double the total production of photovoltaic systems each year for 10 years, starting with fiscal year 1979. By 1988 the production will be 1,000 times what it is today, and all of the production combined by that time would equal 2 million peak kilowatts.

The bill sets forth a predictable program that clearly declares that the Federal Government is serious about this technology and is dedicated to facilitating its adoption by the private sector. To help bring this about, the bill calls for the Department of Energy to provide up to a 75-percent subsidy for purchase and installation of solar photovoltaic systems in market development demonstrations in a wide variety of uses in both the public and private sectors. The bill provides necessary and initially aggressive Federal funding assistance and phases it out over 10 years, so that by the end of that time only 10 percent will be paid for by the Federal Government.

The Solar Photovoltaic Energy Research, Development and Demonstration Act has received strong support from industry, the academic community, and various citizens' groups. It was reported from the committee unanimously.

Mr. Speaker, I request support for this legislation.

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

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

Mr. FUQUA. Mr. Speaker, I thank the gentleman for yielding. I want to thank the gentleman in the well and the subcommittee for the fine work they did in bringing this bill before us. It is a further illustration of the fact that we must use all types and sources of energy to try to cope with the problem we have.

Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. This bill provides for a focused, goal-oriented research, development, and demonstration program over the next decade relating to solar photovoltaic energy systems. These systems offer great promise for providing a significant portion of our future energy needs from an inexhaustible energy source; the Sun. Our Nation anxiously awaits to see if we can harness this solar energy application and realize the unlimited potential offered by the Sun. By the end of fiscal year 1988, we hope that industry will be able to provide us with approximately 2 million peak kilowatts of solar photovoltaic energy systems per year.

The program established under this legislation will allow us to look at the technical and economic feasibility of these systems. It will also permit us to determine the role that this technology will play as a future domestic energy source. One of the goals of this program is to reduce the average cost of installed photovoltaic energy systems to $1 per peak watt by fiscal year 1988.

The Committee on Science and Technology has carefully drafted this legislation to contain the necessary elements for successful implementation of this program. This committee has received a great deal of testimony from industry, and the research and academic community on the need for Federal involvement in the photovoltaic market. After much effort and deliberation, we have structured a piece of legislation that will specify an accelerated program for solar photovoltaic systems, leading to their widespread use in supplementing and replacing conventional methods of generating electricity. I believe that this legislation is responsive to these needs.

We and our Nation owe a debt of gratitude to our committee chairman, Congressman TEAGUE, who has helped us develop a comprehensive research and development program for not only this

energy application, but also for many other energy sources and conservation technologies that will enable us to achieve our goal of a healthy energy future. OLIN TEAGUE has devoted 32 years of his life to shaping legislation that has benefited our Nation. We owe him a great debt of gratitude for the contributions he has made in insuring our own well-being, and, in particular, in reaffirming this committee's commitment to the development of our Nation's energy sources. Without his guidance, our programs for energy conservation and development would have lacked the direction required to insure that we can solve our energy problem.

I would like to compliment Congressman MIKE MCCORMACK, the chairman of the Subcommittee on Advanced Energy Technologies and Energy Conservation Research, Development and Demonstration, and Congressman BARRY GOLDWATER, Jr., ranking minority member of this subcommittee, for the fine work they have done in formulating this legislation. Their aggressive leadership and sound work were instrumental in developing this piece of legislation so as to insure that we have created a successful program for solar photovoltaic systems. I believe that their insight in creating both a solar photovoltaic energy advisory committee and a national solar energy data bank will help in seeing that appropriate information relative to the effective uses of solar photovoltaic systems is collected and disseminated. As a result of their efforts, I am confident that we can reach the goals outlined in this bill and realize the potential of solar photovoltaic energy.

Mr. Speaker, I consider H.R. 12874 to be a responsible piece of legislation which deserves our support. We must continue the development of solar energy applications that show great promise for the future. With this legislation, we will be able to develop solar photovoltaic energy technologies in a rational and comprehensive manner. This will insure that the taxpayer's dollars are used in as efficient and effective manner as possible. I urge passage of this bill.

Mr. MCCORMACK. Mr. Speaker, I thank the gentleman from Florida for these remarks and for the leadership of the gentleman from Florida, and also the gentleman from Texas (Mr. TEAGUE) on the Committee on Science and Technology.

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

Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. H.R. 12874 represents one more opportunity for us to expand upon our reliance on alternative energy sources. This particular piece of legislation which comes before us today is one which has been developed over the past several years. It provides for the development of an exciting source of energy—the Sun. Solar energy, and in particular, solar photovoltaic energy systems, are realized by much of the scientific community as a viable potential future source of energy. Solar photovoltaic energy systems could be utilized either in a cantralized source or in a dispersed application to satisfy the energy needs of both our country and foreign nations.

H.R. 12874 provides for the development of a solar photovoltaic energy research, development and demonstration program. This program is a 10-year program estimated potentially at about $1.5 billion, leading solar photovoltiaic to a point of economic commercialization. What this program intends to do is to double our production of solar photovoltaic energy each year over a 10-year span and by fiscal year 1988, to have in place some 2 million peak kilowatts of production capacity. Another purpose of this program is to reduce the dollar cost of energy per peak kilowatt produced by solar photovoltaics down to approximately $1; whereas today, I believe it is somewhere in the area of $6 up to $12 or higher, depending on the total system used.

I believe that the Science Committee has developed the solar photovoltaics energy program embodied in H.R. 12874 in a realistic way. It has shaped a legislative program which meets the approval of most of those who are involved. The committee held comprehensive hearings and received a great deal of testimony in this matter. As a result, the program which we bring before the House today fits quite well into the Department of Energy goals and programs as far as solar energy is concerned.

I am particularly pleased with many provisions of this bill. As the gentleman from Washington (Mr. MIKE MCCORMACK), pointed out, H.R. 12874 will insure that the fiscal year 1979 authorization of $125 million will be wisely spent over approximately the next 4 to 5 years. In this regard the bill establishes a solar photovoltaic advisory committee which will allow us to bring to bear expertise in this particular field of energy development and demonstration. In addition, the bill provides for the protection of proprietary rights and especially the interests and innovations of small business.

Finally, the bill also provides for and encourages the stimulation of foreign markets.

Mr. Speaker, I believe that H.R. 12874 establishes an exciting energy program for the future. Our Nation anxiously awaits the challenge of harnessing the unlimited resources of the Sun. Some consider solar energy as an exotic and expensive form of energy; but as a result of increased interest, we have found dramatic breakthroughs in the sciences resulting in significant cost reductions in the use of solar energy technologies, and in particular, solar photovoltaic energy systems.

The photovoltaic effect, the phenomenon upon which these systems are based, is the direct conversion of the Sun's energy into electricity. By using materials such as silicon, and other semiconductor materials, and allowing these materials to be exposed to solar radiation, we can easily convert direct sunlight into electricity. If they can be economical, these systems could be of great future benefit to our Nation. I believe that we must continue to maintain vigorous energy research and development programs that show merit, such as those involving solar photovoltaic systems, to reach our goal of energy independency. For this reason, I urge support of this bill.

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

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from New York (Mr. FISH), who has been a significant contributor to this piece of legislation as well as to the concept of solar energy.

Mr. FISH. Mr. Speaker, I thank the gentleman very much for yielding.

Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978.

I wish to compliment both the chairman of the subcommittee, the gentleman from Washington (Mr. MCCORMACK), and the ranking member of our subcommittee, the gentleman from California (Mr. GOLDWATER) for bringing this legislation before us.

Mr. Speaker, H.R. 12874 provides for an accelerated 10-year research, development, and demonstration program for solar photovoltaic energy systems—the direct conversion of solar radiation to electricity. It provides for a focused solar photovoltaic program which, hopefully, will reduce the average cost of photovoltaic systems to $1 per peak watt by fiscal year 1988. In the past, photovoltaic systems have been considered economically impractical, but we on the Science Committee believe that the economic barriers to this application can now be overcome.

I also support the funding levels established by this bill, which adds $49 million to the amount requested by the administration. This will permit the establishment of a truly effective R. & D. program. This program will be more focused and likely to succeed, and will allow our Nation to reap the benefits of solar photovoltaics at an earlier date.

These systems can be used in both central and dispersed applications, supplying energy for such diverse purposes as satellites, small communities, homes and irrigation pumps. If solar photovoltaics can be produced on a wide scale at a cost-efficient price, an even wider range of applications will open up. The goals of H.R. 12874, which include stimulating the purchase by private buyers of at least 90 percent of all photovoltaic systems produced in the United States by fiscal year 1988, can be attained.

I am particularly pleased that we continue to explore the potential of alternative renewable sources of energy for meeting our future energy needs. Solar energy offers us an unlimited resource of energy, and this particular application of solar energy has the potential to meet a portion of global energy demands in a

socially and economically acceptable manner. As our country works on the development of a comprehensive energy policy, I believe that we must stress the development of those energy sources and their uses that are environmentally benign and technologically simple in their applications. In solar photovoltaics, we have a technology that meets these criteria and can also be appropriate for use in foreign markets. For this reason, I believe that we must strenuously pursue the development of solar photovoltaics.

Mr. Speaker, we must now try to overcome the obstacles facing the use of solar photovoltaic systems. Our Nation anxiously awaits to see if we can harness the full potential of the Sun. We cannot afford to wait any longer if we wish to reach our goal of energy independence. This bill provides for a national effort to increase our energy production from solar photovoltaics, so that by 1987 annual production from these systems will be 2 million peak kilowatts, 1,000 times what it is today. I believe that we should strive to reach this goal, and for this reason, I urge support of this bill.

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

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from Michigan (Mr. PURSELL), who has demonstrated a tremendous amount of knowledge in the field of energy and has contributed greatly to our efforts.

Mr. PURSELL. Mr. Speaker, I want to congratulate the majority and minority members of the committee for their excellent work on this alternative energy demonstration program for the next 10 years. I compliment all the committee members and the staff especially for putting together a bill that has, I think, great advantages, not only domestically but for all nations in the free world.

H.R. 12874 provides for a solar energy R. & D. program that this country desperately needs. It has become increasingly necessary to develop our solar energy resources to the fullest extent possible in order to reduce our dependence on foreign energy supplies. I believe that we must take actions now to insure that we will have enough energy supplies in the future to satisfy our demands.

H.R. 12874 satisfies this need. It is an attempt to establish a focused, goal-oriented program for solar photovoltaic energy development. The bill requires the Department of Energy, with the support of NASA, the National Bureau of Standards, the General Services Administration, and other Federal agencies, to implement a research, development, and demonstration program relating to solar photovoltaic energy systems, and leading to their early commercial applicability. By adding $49 million to the administration's request in this area, the bill provides the funding necessary to conduct this program in an effective manner. I believe that we have chosen an appropriate level to assure that the goals of this bill can be attained.

Of particular importance to me is the emphasis in the bill on the development of a plan for demonstrating applications of photovoltaic systems and facilitating their widespread use in other nations. These systems may offer an attractive energy option for foreign nations who will face the same pressing energy demands that we predict for ourselves. The increase in export revenues created by foreign solar photovoltaics will help stimulate our economy and strengthen our dollar.

In addition, I am particularly pleased that this bill provides for the implementation of a research, development, and demonstration program that considers long-range plans for photovoltaics. The bill commits our Nation to a 10-year program that takes into account the anticipated future role of the Federal Government throughout the program. By considering the future implications of solar photovoltaics. we will be better able to manage this program in an efficient manner, and assure the most effective expenditure of Federal funds.

Mr. Speaker, I believe that the solar photovoltaic program has to be pursued in the manner represented by this bill. Our Nation anxiously awaits the development of our solar energy resources. These resources offer us an almost unlimited potential to help meet our future energy needs. This legislation will contribute significantly toward attaining our goal of energy self-sufficiency. I support the bill, as I do the use of solar energy in general, and urge my colleagues to do the same.

Mr. GOLDWATER. Mr. Speaker, I thank the gentleman for his support.

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

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from Arizona (Mr. RUDD), who not only has a keen interest in solar energy, reflecting the concerns and the interests of the State of Arizona, but who has also certainly contributed greatly to the Committee on Science and Technology and, in particular, to the Subcommittee on Advanced Energy Technologies.

Mr. RUDD. Mr. Speaker, I thank the distinguished gentleman from California (Mr. GOLDWATER) for yielding.

I also would like to add my congratulations and my thanks to the gentleman for his leadership and for his action, and I commend the gentleman from Washington (Mr. McCORMACK) for the tremendous effort he has put into this legislation.

I would like to say that the solar photovoltaic energy research, development and demonstration program presents an exciting challenge for our Nation. Solar photovoltaic systems hold great promise for satisfying our future energy needs.

In my own State of Arizona we have several companies that are most active in the field of solar photovoltaic, principally Motorola, which has put together a new program and has continuously added to what it has done.

Mr. Speaker, I think that solar energy represents one of the real vital movements for the future in the field of energy.

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

Mr. GOLDWATER. Mr. Speaker, there have been many in this Congress who have worked hard on solar energy, and I am very happy to yield to the gentleman from Pennsylvania (Mr. WALKER), who has been one of the leaders in the Congress in this field and who has also made a significant contribution to finding alternative energy sources as a result of our increasing concern for future energy supplies.

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

I, too, would like to say that I think the gentleman from California (Mr. GOLDWATER) and the gentleman from Washington (Mr. McCORMACK), who have led the Subcommittee on Advanced Energy Technologies in the development of this bill, are to be congratulated.

I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 .This bill provides an expanded and accelerated program for solar photovoltaic energy development, leading to the widespread use of this technology. Solar photovoltaic systems show great promise for providing a portion of our future energy supplies in an environmentally sound manner, and must be vigorously pursued.

One of the goals of H.R. 12874 is to reduce the average cost of installed solar photovoltaic energy systems to $1 per peak watt by fiscal year 1988. This will help to insure that these systems are cost-competitive with other energy systems, and will encourage the widespread use of solar photovoltaics. I believe that we would be remiss if we did not further examine this energy source, which shows great potential for relieving our dependence on foreign supplies of oil.

Mr. Speaker, H.R. 12874 takes a monumental step toward determining the feasibility of using solar energy, and highlights a concept that challenges both our ingenuity and our commitment. This bill reaffirms our willingness to examine the merits of all possible energy sources. It offers us a chance to develop an energy source with an infinite resource base, one which must be seriously considered in our energy plans for the future.

Solar photovoltaic energy systems will surely play a large part in those plans, and H.R. 12874 includes the steps needed to make those plans a reality. I therefore urge support of this bill.

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

Mr. GOLDWATER. I am happy to yield to my colleague, the gentleman from California (Mr. DORNAN), who likewise has made significant contributions to this piece of legislation.

Mr. DORNAN. Mr. Speaker, it is a pleasure to join my other colleagues in congratulating my fellow Member, the distinguished gentleman from California (Mr. GOLDWATER), and I am happy to

see the tremendous bipartisan support that this bill, H.R. 12874, has had since its inception. It is reassuring to see that real teamwork can move this country into the future and put the energy issue properly where it belongs, in middle America, and not where radical groups can run away with it with a lot of half-baked claims and use this issue particularly as a radical or political issue.

I am proud to be a member of this committee, and I am proud of the way it has moved aggressively forward on the issue of photovoltaic energy.

Mr. Speaker, I thank the gentleman for yielding.

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

Mr. GOLDWATER. I am very happy to yield to the gentleman from Ohio (Mr. WYLIE), who was one of the original sponsors of this legislation.

Mr. WYLIE. Mr. Speaker, I want to commend the gentleman in the well Mr. GOLDWATER, as well as, Mr. MCCORMACK and Mr. TEAGUE, the chairman of the committee for their most worthwhile efforts in bringing this bill to the House floor today.

Mr. Speaker, I wholeheartedly support H.R. 12874. I am indeed one of the original cosponsors of this legislation. The solar photovoltaic concept draws attention to the serious problem the Nation faces posed by our depleting energy resources. We all have seen the results of studies predicting the exhaustion of our natural gas, oil, and eventually coal reserves. Whether the timetable is 20 years or 200, we know that these reserves are finite.

We who live in Ohio are perhaps a little more sensitive to this problem than those who live in other areas. For the past 2 years we have suffered from painful glimpses at a frozen crystal ball. The winter of 1977 brought a natural gas shortage that closed our industry, business, and schools. This winter's coal strike brought the same threat from a different direction.

Solar photovoltaic energy systems show great promise for providing significant amounts of energy from an inexhaustible resource—the Sun. These systems do not pollute. They show promise of easing our reliance on nations from which we import energy. In fact, this technology shows great potential as an item of export.

The Solar Photovoltaic Energy Act will hopefully realize the advantages of photovoltaic energy by providing for an aggressive energy research, development, and demonstration program. This program will help us solve the technical problems that are hindering the attainment of cost reduction goals specified in the bill.

Another goal of this bill is to "stimulate the purchase by private buyers of at least 90 percent of all solar photovoltaic energy systems produced by the United States during fiscal year 1988. With passage of the bill, this is an achievable goal. Like the Solar Heating and Cooling Act of 1974, which I also cosponsored, this bill has a termination date. It will create no new, permanent Federal bureaucracy. Like the 1974 act, it is a brief stimulus by the Federal Government to create a healthy and aggressive industry which includes small businesses. It is a stimulus to harness that industry for our national battle to overcome our energy problem.

When the 1974 Heating and Cooling Demonstration Act was passed, there were no privately owned solar homes in my district. This summer the 50th will be completed. The Solar Photovoltaic Act holds the promise of equal success. For this reason. I urge support of this bill.

Mr GOLDWATER. Mr. Speaker, I think it is important to point out the bipartisan support of our efforts in developing this particular source of energy. It has been the concern of some people that the Federal Government is injecting itself too greatly in some of these areas. I think, as the gentleman from Ohio (Mr. WYLIE) pointed out, it gets down to a matter of the cost-effectiveness of producing energy from solar photovoltaic systems. I believe that the Federal Government should play a role in stimulating a market for solar energy technologies. The development of these markets will help us reach our goal to reduce the average cost of solar photovoltaic energy systems to $1 per peak unit by fiscal year 1988. Some of our alternative sources of energy, such as solar energy, are not economically competitive with oil and gas, or even coal; and, therefore, a great deal of effort, time and money needs to be put in to massage the technologies that make use of these energy sources, and to refine them down to a point where they are competitive. Solar photovoltaic technologies, which have been with us for some time, are one such type of solar energy application that is not economically competitive today. There is no way that we can presently use these systems to replace oil and gas. But through a joint program with the Federal Government and the private sector, I think that we can put together the kind of dollars that are needed to massage solar photovoltaic technology and to refine it to the point where breakthroughs and new techniques of manufacturing will bring it down to the point where it will be economically competitive. I think that when we reach that particular time, it will be appropriate for the Federal Government to step out of this program, because I believe that the private sector will then move in and vigorously promote solar photovoltaic technologies.

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

Mr. GOLDWATER. I yield to the gentleman from Vermont (Mr. JEFFORDS), who has been in the forefront in promoting and stimulating the development of all types of solar energy applications.

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman for yielding. I also thank him for his kind words. I rise to commend him, the Chairman, Mr. McCormack, and the committee for this forward looking bill. There is so much potential to be gained from full utilization of our resources to develop the potential of solar electric, photovoltaics.

The policies and purposes as set forth in this bill articulate so well the message this House delivered 2 years ago when it substantially increased the committees recommendations at that time. I commend the committee for taking the lead at this time. I only wish the Department of Energy and, in particular, Dr. Schlesinger, would also see the potential and wisdom of moving forward at a more rapid pace in this area.

As the gentleman noted I have dedicated a considerable amount of time and effort in this area. Others have already discussed the details of the bill. I would like to discuss more fully the international potential although the main assistance to this country is mainly in the next decade. There is so much to be gained in comercialization to place us in a competitive position in the international market immediately.

In lesser developed nations where there are no existing utility grid systems and where diesel fuel costs are high, photovoltaics for rural village use can already be cost competitive. This bill will assist us to take advantage of these opportunities for markets. This will help us in many ways. It will reduce our balance-of-payment problem. It will enhance our image with the countries served. It will help build the markets to help reduce our per unit costs. This will allow the Government to get out of the subsidization position sooner.

Also, when one realizes how little of our energy funds are going into this area of great potential, one cannot wonder that the public, which all polls indicate are way ahead of us in recognizing the potential, are upset with our inaction. We now have action.

Although no one can say that the exact funding levels in this bill are on target, the numbers do seem reasonable. The figure for the next fiscal year conforms to the accelerated program that the House committees are recommending, and the total for the 10-year period covered by the bill does not seem inadequate. There may be adjustments which we will want to make as we learn more about what these technologies can and cannot do.

The concept of a staged accelerated commercialization effort, something that industry can rely on for planning purposes, and the setting of ambitious goals—all of which is accomplished by this bill—is a step forward. I commend the committee for their initiative here, and support the bill.

Mr. GOLDWATER. Mr. Speaker, I thank the gentleman for his remarks.

I would only conclude by saying that the minority and the majority, I think, have worked well on this particular piece of legislation. H.R. 12874 represents, I think, a fairly intelligent approach to managing one source of alternative energy, and a particular application of that source. I would hope that my colleagues will agree with me and support this bill.

Mr. MCCORMACK. Mr. Speaker, I

yield such time as he may consume to the gentleman from New York (Mr. OTTINGER).

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

Mr. OTTINGER. I am happy to yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Washington (Mr. McCORMACK), the chairman of the subcommittee, and the gentleman from California (Mr. GOLDWATER) for bringing this legislation to the floor.

I think that the high purpose of this bill justifies its adoption by the House. I am sure that it is going to put into motion a great deal of research to develop alternative energy systems.

I want to suggest this to my colleagues: Perhaps the time has come for us to deal with the issue of an investment credit for research and development in all areas. If we were to use that approach in this bill, a revenue loss of $125 million would produce 10 times the expenditure by private industry, or an expenditure equivalent of $1,250,000,000. I certainly urge my colleagues to adopt this legislation to help develop an alternative energy system.

I hope that later on we might consider providing an incentive for research and development across the board in a way that we can revitalize our economy and make it more competitive and productive.

Mr. Speaker, I thank the gentleman for yielding.

Mr. OTTINGER. Mr. Speaker, I thank the gentleman from Washington (Mr. McCORMACK) for yielding, and I thank the gentleman from Ohio (Mr. VANIK) for his remarks.

I would certainly like to join in the congratulations to my subcommittee chairman, the gentleman from Washington (Mr. McCORMACK), and to the ranking minority member, the gentleman from California (Mr. GOLDWATER), for taking the leadership on this legislation. I am pleased to have worked with them on it.

I also think that a word of praise ought to be said for the committee staff, particularly Henry Gaton, who contributed very constructively to this legislation.

Mr. Speaker, in my opinion, this is one of the most promising and exciting technologies for resolving our energy problems of the future. While it alone will not answer all of our energy needs—we will always have the need for some centralized energy resources—it does offer the promise of being able to produce electricity without environmental problems in the quantity that is needed at each plant and at each home in America at some date in the near future when we can get the price down to the point of being competitive with existing resources.

Mr. Speaker, this is at long last a photovoltaic program of enough vision and scope and has enough funding behind it to enable us to achieve the cost reductions that will make this outcome possible.

For that vision and for that scope I congratulate the committee because in the past the photovoltaic program has not, in my opinion, been taken with an adequate degree of seriousness.

Mr. Speaker, I do hope that the administration will give this bill the same priority we have on the committee. In the past, also, the administration has been very lax in pursuing photovoltaics. In point of fact, the administration and in particular the DOE has been far behind what industry has been doing. Industry has been making far greater progress on its own than our own research programs. Therefore, I hope the Department of Energy will really get behind this effort and will expand its program and carry it forward.

Mr. Speaker, this legislation has two important aspects: A research-and-development aspect and a very substantial photovoltaic "buy" aspect which will stimulate the private sector to be able to start mass production of photovoltaic cells.

Mr. Speaker, I hope that through this legislation we can achieve the great potential for this very promising energy resource. I strongly urge passage of this bill.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman from New York (Mr. OTTINGER).

I yield such time as he may consume to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I thank the gentleman from Washington (Mr. McCORMACK) for yielding.

I rise in strong support of the bill and in strong support of this great approach to solar energy.

I want to congratulate and commend the committee for bringing this bill to the floor.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman from Oregon.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. THORNTON).

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

I would like to add my congratulations to the chairman, the gentleman from Washington (Mr. McCORMACK), the gentleman from California (Mr. GOLDWATER), and the other members of the committee, who have joined in bringing this useful legislation to the floor. I strongly support it and urge its passage.

However, I would like to ask the gentleman from Washington if he would respond to a question as to what we can reasonably expect to obtain in the nature of energy resources from the various applications of solar energy.

If the gentleman has projections as to what we can reasonably expect from this source of energy during the rest of this century, I would appreciate the gentleman's sharing that information with us.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, I will try to answer his question.

It is difficult to project total production from any energy technology as far in the future as the end of the century. However, we can make realistic estimates of how much each solar energy technology will contribute as a function of the number of units in operation.

For instance, each 100 kilowatt (peak) photovoltaic system will produce about the same electricity as one barrel of oil a day. That is the equivalent one permanent job for some American worker. If we were to install 200,000 solar photovoltaic units of 100 kilowatts (peak) each, this would produce electricity equivalent to that from 200,000 barrels of oil per day.

If we were to convert 20 percent of all the residences in the country to solar heating and cooling, this would be equivalent to about one million barrels of oil a day.

If we had 20 solar electric farms in the desert, each five times as large as the one now being built in California, they would produce the equivalent of about 15,000 barrels of oil a day.

If we had 100 very large windmills, as big as jet airplanes, and 100,000 small ones, they would produce the equivalent of 5,000 barrels of oil per day.

If we had 10 ocean thermal conversion plants, they would produce the equivalent of about 3,000 barrels of oil a day.

If we had a system of solar-bioconversion that converted 50 percent of all organic waste to useful energy, that would produce the equivalent of about 1 million barrels of oil a day.

Mr. Speaker, the total of all the above is about 4 percent of the total energy consumption anticipated for the United States in the year 2000. If we put all those solar facilities into operation, we would still have to produce 96 percent of our energy needs from other sources. I do not wish to minimize the importance of what seems to be a small percentage contribution. This 4 percent will cut out about $14 billion a year in the cost of imported oil.

Mr. Speaker, if we recognize the value of going with solar energy technologies, and aggressively pursue them today, we will find that they will provide a very significant saving in oil, even though they will not solve our energy problems by themselves. Solar is an inexhaustible form of energy and, as we develop economic technologies, we can expect to expand it over the coming decades.

Mr. THORNTON. Mr. Speaker, I want to thank the gentleman from Washington (Mr. McCORMACK) for that very complete response to my question.

Mr. McCORMACK. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I rise in support of this legislation. As a member of the Public Works Appropriations Subcommittee, which added $49.2 million over the budget for photovoltaic research, development, and demonstration, I am aware that this technology is one of the closest to a marketable potential energy source.

We also added $19 million to accelerate efforts to reduce the cost, which the gentleman from Washington (Mr. McCORMACK) has so ably pointed out as one of the major sticking points in bringing this system on line.

The legislation we are considering today deepens our commitment to achieve the earliest possible commercialization of a reliable solar electrical supply. Mr. Speaker, we are going to need all the electrical generation we can produce by the turn of the century. I would just like to commend again the chairman and the ranking Republican on the committee, the gentleman from California (Mr. GOLDWATER) who I think have done an outstanding job on this and in a variety of other areas to try to help us develop energy alternatives that are absolutely essential to meet our energy requirements. What we are talking about is our energy supply. That is the issue that has not yet been addressed adequately in our emerging national energy plan.

Mr. Speaker, I want to applaud the gentleman from Washington for his outstanding leadership in this important field.

Mr. McCORMACK. I thank the gentleman.

● Mr. DON H. CLAUSEN. Mr. Speaker, I want to express my strong support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration bill.

As a cosponsor of the legislation, I commend my colleagues on the House Science and Technology Committee for their willingness to advance this important piece of legislation. In particular, I would like to recognize the leadership role played by the distinguished gentleman from Washington (Mr. McCORMACK), the chairman of the committee. As the lead author, he has devoted a tremendous amount of time to perfecting the bill and has used his expertise to develop the best possible legislation. Throughout the hearings and the markup sessions, his understanding and knowledge of the subject matter gave him the ability to recognize the needs of the industry and to quickly arrive at the heart of the issue.

As my colleagues know, photovoltaic solar cells were first developed in the early 1950's as a means of capturing the Sun's rays and converting that energy into electrical power. Large-scale use has not, however, developed due to the cost relative to current energy sources. An acclerated program of research development, and demonstration of solar photovoltaic energy technologies is needed to bring about competitive commercial application. The purpose of this legislation is to provide just such an incentive to the industry.

The bill authorizes funds for the Department of Energy to establish solar photovoltaic research, development, and demonstration grant projects.

The goals of the program are to double the production of solar photovoltaic energy systems, to reduce the average cost of installed solar photovoltaic energy systems, and to stimulate the purchase by private buyers of at least 90 percent of all photovoltaic energy systems produced in the United States during 1987.

To assist in reaching these goals, grants will be available to private or public entities to help with the design, purchase, fabrication, testing, demonstration, and installation of performance certified photovoltaic systems.

The Department of Energy will also serve as a clearinghouse for all information obtained under the program. Federal, State and local agencies, the scientific and technical communities, industries, universities, and the public will be able to obtain information needed to promote photovoltaic technology.

I would like to commend the committee for its sensitivity to the needs of small businesses. The legislation assures that small businesses will be provided an opportunity to participate in the program and provides for the protection of trade secrets and other proprietary infomation submitted by them.

I urge my colleagues to pay close attentior to the debate today and to support this legislation. We need to advance every possible energy alternative in our attempt to achieve energy independence. Solar energy has the potential of satisfying many of our long-range requirements but in order to do this we need to move from the experimental stage to actual commercial application.

I have seen demonstrations of the successful use of photovoltaic solar cells and know that the capability is there. The problem is making it commercially viable which we hope to accomplish, at least partially, with enactment of this legislation.

Again, I urge my colleagues to support this legislation.●

● Mr. CORCORAN of Illinois. Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research Development and Demonstration Act of 1978. As a cosponsor of this measure, I believe that this bill will allow us to fully engage in a comprehensive analysis of energy ideas which up until now have been placed on the back burner. Considering the stagnatory condition of the Federal energy bill in Congress, the need for alternative energy sources, such as solar energy, are imperative if our society is going to remain and function properly.

National interest in solar power has increased significantly in recent months. I am receiving a substantial amount of mail from my constituents, most of whom make some reference to solar energy after commenting on the status of the energy situation in general in this country. Indeed, the residents of the 15th District of Illinois realize that solar energy is not a science fiction phenomenon. The results of my spring 1978 questionnaire indicate that more than 45 percent of those responding would support research and development in the solar field as the primary alternative for existing energy sources such as natural gas and coal. We therefore must assign a priority to solar developments now, so that we can determine whether it can become a feasible, cost-effective method of providing large amounts of power.

Interest in solar photovoltaic systems is also increasing in Congress. Last year the House of Representatives adopted the Tsongas amendment to the FRDA authorization bill which authorized $28 million for the Federal purchase of these systems and initiates studies on increasing their use to help meet the Nation's energy needs.

H.R. 12874 establishes a focused, goal-oriented program based on a cooperative effort between the Federal Government and private industry to facilitate the early commercial application of photovoltaic systems. The key element of this bill is the establishment of a 10-year research, development and demonstration program. This program provides clear and ambitious goals and the types of long range plan that is so important to effective management. This bill has the widespread support of industry, the academic community, and environmental groups and is cosponsored by more than 85 Members of the House.

Mr. Speaker, this is a sound proposal and I hope that the bill will be adopted by an overwhelming margin.●

● Mr. CORRADA. Mr. Speaker, I rise in strong support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. This legislation reinforces and promotes our Nation's commitment to a swift solar R.D. & D. program, in keeping with our goal of increasing the use of renewable sources of energy.

In placing a strong emphasis on the research and development stages during the early part of this 10-year program, this legislation correctly aims to deal early on with the technical problems that exist thereby silencing the critics of this advanced technology and bringing closer the day of commercially viable, mass-production of the knowledge learned.

Our distinguished colleague and chairman of the Advanced Energy Technologies Subcommittee, MIKE McCORMACK, and his staff are to be commended for their hard work in developing this comprehensive legislation.

Mr. Speaker, while my own State of Puerto Rico is usually associated with balmy weather and Sun-drenched beaches, we are increasingly aware that this Sun which attracts tourists year-round, can also be used to heat our water and fulfill other energy related requirements. These needs are currently being met through the purchase of foreign imports of oil, to the detriment of our local economy and the Nation's ever worsening balance of trade picture. Any progress that we may achieve in breaking this cycle of dependency on foreign imports of fossil fuels is welcomed. To those who argue that the $125 million fiscal year 1979 authorization in this legislation is inflationary, I would point out that the flow of dollars out of the United States is viewed as one of the primary contributing factors to inflation. This money will be money well spent and I strongly urge my colleagues to approve this legislation.

In Puerto Rico we have already committed ourselves and our resources to the increasing use of solar energy; for example, as part of our State energy conservation plan, 2,000 solar water heaters are being installed in new housing projects under the supervision of the Puerto Rico Department of Housing.

Mr. Speaker, we welcome the prompt enactment of H.R. 12874 and I exhort my

colleagues to cast their votes in favor of this bill.●

● Mr. WINN. Mr. Speaker, I rise in support of H.R. 12874, the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. The purpose of this bill is to provide for accelerated work on photovoltaic systems, leading to their early commercial application. As a result of the program to be established by this bill, we hope to reach a total annual U.S. production of solar photovoltaic energy systems of at least 2 million peak kilowatts by fiscal year 1988—1,000 times what it is today. A broad-based, competitive industry will come into being, and a variety of residential, commercial, and industrial applications will become economical.

Solar photovoltaic systems offer us the potential for obtaining large amounts of electrical energy from an important domestic-energy resource—the sun. We can ill afford to ignore this potential energy application, which may help relieve our dependence on foreign energy supplies. We must now begin to harness the sun's resource through use of this proven technology.

Mr. Speaker, solar photovoltaic can allow us to use the Sun's energy through environmentally safe means. It is a technology that can be used in both centralized and decentralized applications. I believe we should place strong emphasis on a program to develop and demonstrate the economic feasibility of solar photovoltaics. That is what this bill does in a timely and cost-effective manner. I therefore urge that my colleagues support this bill.●

● Mr. TSONGAS. Mr. Speaker, last year, an amendment to the ERDA authorization bill (now Public Law 95-238) which I authored provided for initial Government support of the commercialization of solar cells. The proposed bill, which I support, takes the next step, providing for a 10-year program which will bring the cost of solar photovoltaics down to a level where they can begin to compete with utility based power. This program will couple an extensive research, development and demonstration effort with the Government purchases of these systems to accelerate the commercial development of this valuable energy alternative. I wish to commend the committee for their action on the proposed bill and urge its passage by the House.●

● Mr. WIRTH. Mr. Speaker, with today's passage of the Solar Photovoltaic Act, we have taken an important step forward in making solar energy a viable energy choice for the United States in the very near future.

But, unfortunately, there is still great resistance in the administration—particularly in the Department of Energy—to give support to a coordinated, coherent, long-term program of solar research, development and demonstration; and that resistance threatens efforts to reduce our dependence on imported foreign oil.

Yesterday, June 27, 1978, I had the privilege of testifying before field hearings of the Department of Energy in Denver about our solar energy program. I would like to share with my colleagues that testimony.

TESTIMONY OF TIM WIRTH BEFORE DOMESTIC REVIEW HEARINGS IN DENVER

I am pleased to have been asked to testify before this commission today. This re-appraisal of solar energy is long overdue. And as one who has been deeply involved with the issue and development of solar policy, I have some strong views on the subject.

Let me begin by saying that our greatest need in the energy field today is not for any one particular fuel, but rather for a balance between and among different energy strategies. We have seen the result of overdependence on one form of energy, and it should be clear that the only way we will be able to cope with tomorrow's energy needs is by ensuring that we leave all of our options open. We must support research, development and demonstration of promising alternative energy technologies.

Unfortunately, we are not. And this is particularly disappointing with regard to solar because it is one of the *most* promising. But right now solar energy in this country is underemphasized and our efforts to support it are uncoordinated.

More disturbing than this, however, is the fact that solar energy has been asked by its critics to provide "up front" proof of its viability as no other energy supply has. DOE has refused to provide comprehensive programs for solar energy with follow through funding for second and third generation equipment. There is no better way to illustrate this point, and what it may mean to the United States down the road, than to contrast it with the way we handled—successfully, for the most part—another technology once considered "new"—nuclear energy.

Nuclear reactors have been operating in this country for almost 40 years. One of the first government-funded commercial demonstration projects in nuclear power—the Shippingsport reactor—is over twenty-five years old. Yet, despite the fact that the first generation development of nuclear power occurred so long ago, the Federal Government is spending, in the FY 1979 budget, over a billion dollars for Research and Development in the nuclear area.

Clearly, the Government has not abandoned nuclear energy, and that commitment has paid off. There have been important improvements in efficiency of original designs and many advanced technologies have been identified and supported through research efforts: High-temperature gas-cooled reactors, liquid metal fast breeder reactors, and thorium breeder reactors are the most obvious examples. In addition, the Government is working on reducing the costs of nuclear energy by developing centrifuge separation plants to lower the cost of the fuel components, working on improved light water reactors, and many other projects. The point is that now, 25 years after the Government's project was a commercial success, we are still proceeding with advanced development and subsequent demonstration, and we are not asking the nuclear industry to go it alone: the money is coming from the Federal Government.

Moreover, there has been long-term, coordinated programming accompanying the commitment to research and development that has contributed to nuclear's rapid development.

Let us compare and contrast this commitment and co-ordination to the Federal Government's present and proposed solar effort.

Solar Energy is without a home in the Department of Energy. DOE has no high ranking solar advocate: in fact, DOE officials have repeatedly made deprecating remarks about solar. And, one year after the creation of the Department, we still have no Assistant Secretary for Conservation and Solar. Because of this, solar programs and responsibility for them are spread all over the DOE organizational chart. There is no coherent solar strategy, and in this environment, it is not surprising that solar energy does not flourish.

Because the commitment and organization do not exist, neither does a long-term program for solar development. Deputy Secretary Myers, for example, has said that after the solar heating demonstration program, the Government will have completed its role in solar heating development, and that the future will be left to the solar industry. What if the Government had taken the same position in the fifties with regard to nuclear power, and said that all future work should be paid for and planned by the industry. It is very unlikely, had that happened, that we would be looking at 150 reactors operating in the 1980's; perhaps there would be no nuclear industry at all.

Yet this attitude permeates DOE regarding solar and other alternative technologies.

Another example: This year, funds were cut for the heating demonstration program, because, the Department said, the existing technology had been successfully demonstrated. No plans were announced for a multi-year program of development of more advanced solar collector and heating concepts—programs that would help reduce the high costs currently associated wtih these technologies. No plans were announced for an ongoing demonstration project that would trigger new programs as these second generation concepts were brought in line.

But clearly, there are improvements that can be made in solar collectors and other equipment. It is equally clear that those improvements will come faster with Federal help and can be commercialized faster with Federal demonstration programs.

A change in the Government's attitude must extend to less direct involvements as well. Most of the homes used in this country are gas heated. To some extent, this is because the Federal Government intervened to hold gas below market values for the past 25 years (a policy with which I also disagree). Contrast this intervention strategy with the program for tax credits for solar installation, which the Administration has said should expire in 1982.

A similar statement could be made on photovoltaics, our most promising solar electric alternative. A bill recently passed by the House (and which the Administration has opposed) establishes a ten-year program of research, development and demonstration for photovolttaic cells—to convert sunlight directly into electricity. This is of enormous importance because electricity is an increasing portion of our energy demands, and we are currently having trouble meeting those demands with non-polluting energy sources and without oil imports. Recent photovoltaic demonstrations have shown that amorphous solar cells can be made to work, and theoretical calculations of their maximum efficiencies bode well and virtually assure us that photovoltaics will one day give us reasonably priced electrical energy.

But much of this depends on the Government's commitment. Industry is understandably wary of investing in a program that is very capital intensive absent a sign of long-term commitment that will make use of those developemnts. Nevertheless, the Administration opposed the Photovoltaic Act precisely because it contained an integrated, structured, coordinated program of R&D feeding into demonstation projects. We cannot guarantee that photovoltaics will be the answer: that some other technology, such as laser fusion, will not drive it off the market. But neither could the nuclear industry make any guarantees in the 1950's—nor were they asked to.

Again, it becomes a question of balance. Let me by way of summary, contrast for you two statements that reveal a great deal about attitudes about solar.

In March of this year, Secretary Schlesinger said in California that "It is all very fashionable to pretend that the problems of California's energy supply are going to be resolved by solar energy or by conservation, but . . . we're going to have to use nuclear . . . because nuclear power provides the only form of power production that does not contribute to air pollution. Solar energy is not, in the near term, going to be a source of electric power." This, despite internal DOE documents showing that amorphous photovoltaics may be commercially competitive with nuclear within ten years.

But at about the same time, a number of us in Congress talked with President Carter about a balanced approach to energy. In a letter to him we said, "If only the breeder option is developed for a commercialization program in this century, then it is likely that only the breeder option will be available when future decisions must be made. In effect, we will have no choice in the future. But, if other options, such as solar, are similarly developed . . . then we will be able to make an intelligent choice among several options at that time."

We asked for a commitment to the development of a balanced alternative energy program, including a significant role for solar. And the President agreed with us and gave us his commitment.

Yet, this year, as in the past, we in the Congress who believe in the potential of solar energy, had to take apart DOE's budget and restore more than 130 million dollars in cuts in the solar program.

This simply cannot go on. If we are to have any hope of meeting our future energy needs, we must commit ourselves to a multifaceted program of research, development and demonstration for technologies that offer the possibility of meeting our needs. If we supply that commitment, we will succeed. If we do not, I fear that we will fail.

Thank you.●

● Mr. DRINAN. Mr. Speaker, nearly two decades have passed since President Kennedy announced the bold program which was to land a man on the Moon within 10 years. The accomplishment of that goal constitutes a proud moment in the history of our Nation. Today, we have the opportunity to initiate another ambitious 10-year program, one whose benefits can touch the lives of all Americans. Mr. Speaker, I join many of my colleagues in cosponsoring and strongly supporting the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978, H.R. 12874.

Events of the past several years have made manifest this Nation's need to eliminate its dependence on a finite supply of fossile fuels. According to the Central Intelligence Agency and the MIT Workshop on Alternative Energy Strategies, the world might experience an acute oil supply crisis by 1985. Clearly, we must supplement an aggressive energy conservation policy not only with development of our domestic fuel reserves, but especially with vigorous development of the opportunities offered by solar and other nondepletable sources of energy.

The Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 will act as a catalyst for the mass production of electricity-producing solar cells by private industry. Presently, the cost of such cells is too expensive for practical mass application. H.R. 12874 will lower their cost in two ways. First, funds will be appropriated for intensified research and development by private firms in order to overcome the present technological impediments to low-cost production. After monitoring the performance of various designs, in consultation with an advisory committee drawn from industry, academics, professional societies, and other sources, the Department of Energy will purchase such equipment for Government buildings and facilities, thereby further driving down the cost of photovoltaic cells.

The total cost of the program is estimated at $1.5 billion over the next decade, beginning with a $125 million authorization in fiscal 1979. Given the projected benefits of this 10-year program, however, the costs are very reasonable. A Federal Energy Administration task force analysis in July 1977 concluded that with a program similar to H.R. 12874, the Federal Government could "realize significant net cost savings. Also, the Government should benefit from the stimulation of a new mode of operation where fuel efficient, life cycle cost effective products are routinely procured. This FEA commercialization program, in conjunction with an aggressive ERDA R. & D. effort, should ensure the rapid development of a large U.S. photovoltaics industry."

The specific goals of this legislation are threefold: to double the production of solar photovoltaic energy systems each year during the next 10 years, thus reaching the production of 4 million peak kilowatts by fiscal 1988; to reduce the average cost of installed photovoltaic systems to $1 per peak watt; and to stimulate the purchase by private buyers of at least 90 percent of all such systems produced in the United States during fiscal year 1988.

Given the realities of our present energy situation and prognosis, increased reliance on photovoltaic electricity seems essential. H.R. 12874 will enable our Nation to begin the inevitable break with oil dependency prior to the time when we shall have no choice but to do so. The present photovoltaic industry has progressed much faster than official estimates had predicted, yet even more rapid advancement must be achieved if we are to survive the impending energy crisis without compromising our economic growth or standard of living. The Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 presents us with clear objectives for our future. In the absence of Presidential action in this area, I urge my colleagues in the House to seize the initiative at this time and support H.R. 12874.●

GENERAL LEAVE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 12874.

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

There was no objection.

Mr. GOLDWATER. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. McCORMACK. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. McCORMACK) that the House suspend the rules and pass the bill H.R. 12874, as amended.

The question was taken.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order, all by the yeas and nays.

H.R. 11886, as amended;
H.R. 11888;
H.R. 10173, as amended;
H.R. 12841, as amended;
H.R. 12589; and
H.R. 12874, as amended.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

VETERANS' DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1978

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 11886, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) to suspend the rules and pass the bill H.R. 11886, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 400, nays 1, not voting 31, as follows:

[Roll No. 505]

YEAS—400

Abdnor	Bellenson	Burke, Fla.
Addabbo	Benjamin	Burke, Mass.
Akaka	Bennett	Burleson, Tex.
Ambro	Bevill	Burlison, Mo.
Ammerman	Biaggi	Burton, John
Anderson, Calif.	Bingham	Burton, Phillip
Anderson, Ill.	Blanchard	Butler
Andrews, N.C.	Blouin	Byron
Andrews, N. Dak.	Boggs	Caputo
Annunzio	Boland	Carney
Applegate	Bolling	Carr
Archer	Bonior	Carter
Ashbrook	Bonker	Cavanaugh
Ashley	Bowen	Cederberg
Aspin	Brademas	Chappell
AuCoin	Breaux	Chisholm
Badham	Breckinridge	Clausen, Don H.
Bafalis	Brinkley	Clawson, Del
Baldus	Brodhead	Clay
Barnard	Brooks	Cleveland
Baucus	Broomfield	Cochran
Bauman	Brown, Calif.	Cohen
Beard, R.I.	Brown, Mich.	Coleman
Beard, Tenn.	Broyhill	Collins, Ill.
Bedell	Buchanan	Collins, Tex.
	Burgener	Conable
	Burke, Calif.	

Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-
schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead,
Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Teague
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—1

Myers, Gary

NOT VOTING—31

Alexander
Armstrong
Brown, Ohio
Corcoran
Danielson
Dent
Diggs
Flowers
Gaydos
Harrington
Holland
Johnson, Colo.
Krueger
Le Fante
Leggett
Long, La.
McCloskey
Meyner
Milford
Nix
Pettis
Pressler
Quie
Rodino
Rostenkowski
Ruppe
Shipley
Simon
Tsongas
Whalen
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Armstrong.
Mr. Alexander with Mr. Brown of Ohio.
Mr. Danielson with Mr. Whalen.
Mrs. Meyner with Mr. Ruppe.
Mr. Tsongas with Mr. Corcoran of Illinois.
Mr. Simon with Mrs. Pettis.
Mr. Shipley with Mr. Pressler.
Mr. Rostenkowski with Mr. McCloskey.
Mr. Long of Louisiana with Mr. Johnson of Colorado.
Mr. Gaydos with Mr. Quie.
Mr. Harrington with Mr. Dent.
Mr. Flowers with Mr. Krueger.
Mr. Nix with Mr. Holland.
Mr. Charles Wilson of Texas with Mr. Leggett.
Mr. Diggs with Mr. Milford.

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

INCREASED COMPENSATION FOR DISABLED VETERANS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 11888.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 11888, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 16, not voting 31, as follows:

[Roll No. 506]

YEAS—385

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson,
Calif.
Anderson, Ill.
Andrews, N.C.
Andrews,
N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Clausen,
Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-
schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead,
Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sharp
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack

Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Teague
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Vander Jagt
Vanik
Vento
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—16

Aspin
Bedell
Beilenson
Benjamin
Glickman
Jacobs
Jones, Okla.
Keys
Krebs
McHugh
Mikva
Pike
Seiberling
Van Deerlin
Volkmer
Yates

NOT VOTING—31

Alexander
Armstrong
Brown, Ohio
Chisholm
Corcoran
Danielson
Dent
Diggs
Flowers
Harrington
Holland
Johnson, Colo.
Krueger
Le Fante
Leggett
Long, La.
McCloskey
Meyner
Milford
Nix
Pettis
Quie
Railsback
Rodino
Rostenkowski
Ruppe
Shipley
Simon
Tsongas
Whalen
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Alexander with Mr. Armstrong.
Mr. Le Fante with Mr. McCloskey.
Mrs. Meyner with Mrs. Pettis.
Mr. Rostenkowski with Mr. Whalen.
Mr. Shipley with Mr. Brown of Ohio.
Mrs. Chisholm with Mr. Quie.
Mr. Danielson with Mr. Johnson of Colorado.
Mr. Simon with Mr. Railsback.
Mr. Tsongas with Mr. Ruppe.
Mr. Charles Wilson of Texas with Mr. Corcoran of Illinois.
Mr. Krueger with Mr. Dent.
Mr. Diggs with Mr. Holland.
Mr. Flowers with Mr. Nix.
Mr. Harrington with Mr. Leggett.
Mr. Long of Louisiana with Mr. Milford.

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS' AND SURVIVORS' PENSION IMPROVEMENT ACT OF 1978

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 10173, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 10173, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 398, nays 5, not voting 29, as follows:

[Roll No. 507]

YEAS—398

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Teague
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—5

Anderson, Calif.
Beilenson
Fascell
Myers, Gary
Sisk

NOT VOTING—29

Alexander
Armstrong
Brown, Ohio
Chisholm
Corcoran
Danielson
Dent
Flowers
Harrington
Heftel
Holland
Johnson, Colo.
Krueger
Le Fante
Leggett
McCloskey
Meyner
Milford
Nix
Pettis
Quie
Rodino
Rostenkowski
Ruppe
Shipley
Simon
Tsongas
Whalen
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Rostenkowski with Mr. Armstrong.
Mr. Shipley with Mr. McCloskey.
Mr. Le Fante with Mr. Dent.
Mr. Simon with Mr. Holland.
Mr. Tsongas with Mr. Ruppe.
Mr. Krueger with Mr. Nix.
Mr. Harrington with Mr. Leggett.
Mr. Flowers with Mr. Corcoran of Illinois.
Mr. Charles Wilson of Texas with Mr. Quie.
Mr. Alexander with Mr. Brown of Ohio.
Mr. Danielson with Mr. Whalen.
Mrs. Meyner with Mrs. Pettis.
Mr. Heftel with Mr. Johnson of Colorado.
Mrs. Chisholm with Mr. Milford.

Mr. KREBS changed his vote from "nay" to "yea."

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TAXATION OF FRINGE BENEFITS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12841, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 12841, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic de-

vice, and there were—yeas 386, nays 12, not voting 34, as follows:

[Roll No. 508]

YEAS—386

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Regula
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Roybal
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Steers
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Teague
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—12

Beilenson
Bennett
Drinan
Gibbons
Gore
Hamilton
Kastenmeier
Mikva
Moffett
Reuss
Rosenthal
Stark

NOT VOTING—34

Alexander
Armstrong
Brown, Ohio
Corcoran
Danielson
Dent
Flippo
Flowers
Harrington
Holland
Johnson, Colo.
Krueger
Le Fante
Leggett
McCloskey
Marks
Meyner
Milford
Nix
Pettis
Quie
Railsback
Rodino
Roncalio
Rostenkowski
Rousselot
Ruppe
Shipley
Simon
Steiger
Tsongas
Whalen
Wilson, Tex.
Winn

The Clerk announced the following pairs:

Mr. Rostenkowski with Mr. Armstrong.

Mr. Shipley with Mr. McCloskey.

Mr. Le Fante with Mr. Dent.

Mr. Simon with Mr. Holland.

Mr. Tsongas with Mr. Ruppe.

Mr. Krueger with Mr. Nix.

Mr. Harrington with Mr. Leggett.

Mr. Flowers with Mr. Corcoran of Illinois.

Mr. Charles Wilson of Texas with Mr. Quie.

Mr. Alexander with Mr. Brown of Ohio.

Mrs. Meyner with Mr. Whalen.

Mr. Danielson with Mrs. Pettis.

Mr. Flippo with Mr. Johnson of Colorado.

Mr. Rousselot with Mr. Milford.

Mr. Winn with Mr. Roncalio.

Mr. Railsback with Mr. Steiger.

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

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes.".

A motion to reconsider was laid on the table.

INTERNATIONAL INVESTMENT SURVEY ACT AMENDMENTS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 12589.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill H.R. 12589, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 344, nays 54, answered "present" 1, not voting 33, as follows:

[Roll No. 509]

YEAS—344

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conte
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dornan
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Ertel
Evan. , Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Fraser
Frenzel
Frey
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hamilton
Hammer-schmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Livingston
Long, La.
Long, Md.
Lott
Luken
Lundine
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pepper
Perkins
Poage
Pressler
Preyer
Price
Pritchard
Pursell

Quayle
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roybal
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Sisk
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Stockman
Stokes
Studds
Taylor
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Walsh
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—54

Archer
Ashbrook
Badham
Benjamin
Bennett
Brooks
Brown, Mich.
Burleson, Tex.
Collins, Tex.
Conable
Crane
Cunningham
Daniel, Dan
Dodd
Duncan, Tenn.
Edwards, Okla.
Flynt
Gammage
Gibbons
Goodling
Hall
Hansen
Holt
Hyde
Jacobs
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Lloyd, Tenn.
Lujan
McDonald
Montgomery
Moorhead, Calif.
Oakar
Pease
Pickle
Pike
Quillen
Rousselot
Rudd
Runnels
Satterfield
Shuster
Skubitz
Stratton
Stump
Symms
Teague
Waggonner
Watkins
Wiggins
Wydler
Young, Alaska

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—33

Alexander
Armstrong
Breaux
Brown, Ohio
Chisholm
Conyers
Corcoran
Danielson
Dent
Flowers
Fountain
Harrington
Holland
Johnson, Colo.
Krueger
Le Fante
Leggett
Lloyd, Calif.
McCloskey
Meyner
Milford
Nix
Pettis
Quie
Rodino
Rostenkowski
Ruppe
Shipley
Simon
Steiger
Tsongas
Whalen
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Shipley with Mr. McCloskey.

Mr. Le Fante with Mr. Armstrong.

Mr. Rostenkowski with Mrs. Pettis.

Mr. Simon with Mr. Whalen.

Mr. Krueger with Mr. Ruppe.

Mr. Tsongas with Mr. Dent.

Mr. Harrington with Mr. Holland.

Mr. Flowers with Mr. Nix.

Mr. Charles Wilson of Texas with Mr. Leggett.

Mrs. Meyner with Mr. Corcoran of Illinois.

Mr. Breaux with Mr. Brown of Ohio.

Mr. Alexander with Mr. Johnson of Colorado.

Mrs. Chisholm with Mr. Milford.

Mr. Conyers with Mr. Quie.

Mr. Danielson with Mr. Steiger.

Mr. Lloyd of California with Mr. Fountain.

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SOLAR PHOTOVOLTAIC ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1978.

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12874, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. McCORMACK) that the House suspend the rules and pass the bill H.R. 12874, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 14, not voting 33, as follows:

[Roll No. 510]

YEAS—385

Abdnor
Addabbo
Akaka
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Stokes
Stratton
Studds
Taylor
Teague
Thompson
Thornton
Traxler
Treen
Trible
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—14

Barnard
Bauman
Benjamin
Collins, Tex.
Crane
Hyde
Jacobs
Livingston
McDonald
Satterfield
Scheuer
Stockman
Stump
Symms

NOT VOTING—33

Alexander
Armstrong
Brown, Ohio
Corcoran
Danielson
Dent
Duncan, Tenn.
Fascell
Flowers
Harrington
Holland
Johnson, Colo.
Krueger
Le Fante
Leggett
McCloskey
Meyner
Milford
Myers, Michael
Nix
Pettis
Quie
Rodino
Rostenkowski
Ruppe
Shipley
Simon
Skelton
Steiger
Thone
Tsongas
Whalen
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Dent.

Mr. Rostenkowski with Mr. Armstrong.

Mr. Shipley with Mrs. Pettis.

Mr. Simon with Mr. McCloskey.

Mr. Tsongas with Mr. Holland.

Mr. Krueger with Mr. Ruppe.

Mr. Harrington with Mr. Nix.

Mr. Flowers with Mr. Leggett.

Mr. Charles Wilson of Texas with Mr. Corcoran of Illinois.

Mr. Alexander with Mr. Quie.

Mr. Danielson with Mr. Brown of Ohio.

Mr. Michael O. Myers with Mr. Whalen.

Mrs. Meyner with Mr. Johnson of Colorado.

Mr. Fascell with Mr. Milford.

Mr. Thone with Mr. Steiger.
Mr. Skelton with Mr. Duncan of Tennessee.

Mr. BARNARD changed his vote from "yea" to "nay."

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ADJOURNMENT FOR FOURTH OF JULY HOME DISTRICT WORK PERIOD

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

Mr. WRIGHT. Mr. Speaker, I take this time to announce to the Members that I am sending to the desk the usual adjournment resolution for the Fourth of July home district work period.

The resolution will provide that when we adjourn tomorrow, on Thursday, we will stand adjourned in order for the Members to be in their home districts fulfilling longstanding engagements and to be with their constituencies until 12 o'clock noon on Monday, July 10.

ADJOURNMENT FROM THURSDAY, JUNE 29, 1978 TO MONDAY, JULY, 10 1978

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 654) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 654

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, June 29, 1979, it stand adjourned until 12 o'clock meridian on Monday, July 10, 1978.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, do I understand correctly from what the majority leader said previously that the terms of this resolution are such that all Members will have to return to their districts to work and they are not allowed on world junkets or to indulge in any taxpayer financed foreign travel; is that correct?

The SPEAKER pro tempore. The Chair will state that that is not a parliamentary inquiry, but that is what the majority leader implied.

Mr. BAUMAN. I thank the Chair and seriously doubt the majority leader's implication although I endorse it.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND TOMORROW DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Development of the Committee on Public Works and Transportation may be permitted to sit today and tomorrow while the House is operating under the 5-minute rule.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 12222, INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FASCELL, DIGGS, HAMILTON, BINGHAM, HARRINGTON, SOLARZ, BROOMFIELD, FINDLEY, and WINN.

There was no objection.

PERMISSION TO COMMITTEE ON AGRICULTURE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit tomorrow during the consideration of legislation under the 5-minute rule.

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

There was no objection.

INTERNATIONAL INVESTMENT SURVEY ACT AMENDMENTS

Mr. BINGHAM. Mr. Speaker, this request has to do with H.R. 12589, a bill that was passed under suspension a few moments ago.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2928) to amend the International Investment Survey Act of 1976, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(d) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(d)) is amended by striking out "his findings and conclusions to the Congress not later than 2 years after the enactment of this Act." and inserting in lieu thereof "an interim report of his findings and conclusions to the Congress not later than October 11, 1978, and a final report not later than October 11, 1979.".

SEC. 2. Section 9 of the International Investment Survey Act of 1976 (22 U.S.C. 3108) is amended by—

(1) striking out "and $1,000,000" and inserting in lieu thereof "$4,400,000"; and

(2) inserting ", $4,600,000 for the fiscal year ending September 30, 1980, and $4,900,000 for the fiscal year ending September 30 1981" immediately after "1979".

MOTION OFFERED BY MR. BINGHAM

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

The Clerk read as follows:

Mr. BINGHAM moves to strike out all after the enacting clause of the Senate bill, S. 2928 and insert in lieu thereof the provisions of H.R. 12589, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 12589) was laid on the table.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1978

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12433), to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 12433, with Mr. BENNETT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, June 23, 1978, all time

for general debate had expired and the Clerk had read through line 5 on page 1.

Are there any amendments to section 1?

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to congratulate the author of this bill and the coauthors for including in it title V, congregate services for the elderly. These services are very important to the senior citizens of our country, and they are also important to the American taxpayers, because by providing these services of congregate housing we can keep people in their own areas and stop them from being institutionalized at a great cost, not only to themselves and to their families, but also to the taxpayers.

Mr. Chairman, it was my intention, originally, to offer on page 67 an additional $20 million authorization that would allow $20 million to enter into contracts with public housing agencies and $20 million to enter into contracts with nonprofit corporations under 202 of the Housing Code.

The present bill provides only for $20 million for both the public housing agencies and the nonprofit corporations.

After a discussion with the staff and with the distinguished chairman of the subcommittee, it was my understanding that this $20 million figure would be sufficient for startup purposes in the public housing agency, as well as in section 202 housing.

Mr. Chairman, I would like to yield to the gentleman from Ohio (Mr. ASHLEY), the distinguished chairman of the committee, to see if that is not a fact.

Mr. ASHLEY. Mr. Chairman, I appreciate the gentleman's yielding and I appreciate his interest in this matter.

I might say that the subject at hand does properly fall in title V of the bill. But let me say to the distinguished gentleman that the committee was very sympathetic to the need of providing congregate services for the elderly who live in our public housing facilities and also in our section 202 housing for the elderly.

I might say to the gentleman that the original proposal submitted in subcommittee by our colleague from New York, Mr. LUNDINE, covered congregate facilities only for those who live in public housing facilities.

In full committee the proposal was amended to cover the elderly living in section 202 housing.

It seemed to us on the committee that the availability of $20 million for this startup program would be adequate even considering the fact that the scope of the congregate facilities program was broader than encompassed by the original proposal.

Therefore, I would say, not only because we are engaged in this colloquy, but on the basis of previous discussions that we have at considerable length, that, in my judgment, this program is well funded for the purposes of initiating the program in both public housing and nonprofit 202 congregate projects. The program is going to be put in place. It does enjoy the funding necessary to accomplish the purposes which the members of the subcommittee and the full committee, and the gentleman from Florida (Mr. PEPPER) and the members of his Select Committee on Aging have had in mind.

I do appreciate the concern of the gentleman from California (Mr. JOHN L. BURTON), and I am pleased to be able to respond in this fashion.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY). It is felt that that is sufficient funding for the first year for both the public housing and the nonprofit corporations.

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

Mr. JOHN L. BURTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to associate myself with the remarks and the concerns of the gentleman from California (Mr. JOHN L. BURTON).

Mr. Chairman, as the ranking minority member of the Housing and Consumer Interests Subcommittee of the Select Committee on Aging, I wish to express my support for H.R. 12433, the Housing and Community Development Amendments of 1978.

I would like to comment briefly on three sections of the bill which I believe can have an impact on the lives of many older Americans.

First, and, I believe, most important, is the new authorization, title V, for congregate housing services for the elderly and handicapped. The available data indicates that at least 2.4 million elderly persons would profoundly benefit from the combination of health care, social services, and housing. The present lack of adequate congregate housing forces many elderly to be prematurely and inappropriately institutionalized, while others remain in their own homes, but without proper nourishment or health care.

The argument for congregate housing is not a new one, and, in fact, several provisions of the 1970 Housing Act (sections 114 and 207) authorize the development of low-cost congregate housing. The only service required is a central dining facility. The funds for the meals, however, are not included, nor are moneys for such vital services as housekeeping, personal care—such as assistance with dressing and grooming—transportation, or medical services. The guidelines for the development of congregate housing under section 202 have similar disparities. Both title I of the Housing and Community Development Act of 1974 and general revenue-sharing funds can be utilized to provide social services in housing facilities. But, the history of both programs shows them to be underutilized and ineffectual.

The separate eligibility requirements for the major service programs for the elderly make them virtually incompatible with current housing programs. In addition, funding for services under titles III, V, and VII of the Older Americans Act is so inadequate that benefits are actually rationed out. Although title XX has the highest funding level of any social service program, its funds are subject to the competing demands of the children, the physically and mentally handicapped, and the blind. In this competition, the elderly frequently lose.

All of these conditions substantiate the need for a comprehensive housing program, primarily for the elderly. That will offer a wide range of services designed to promote independent living and allow persons to remain in the community as long as possible.

I am also pleased that section 232, which currently authorizes HUD to insure mortgages on nursing homes and intermediate care facilities, would be expanded to include facilities which provide day care services for the elderly and others. Existing legislation excludes day care because there is a requirement that the facility supply "continuous care."

Hearings held by our subcommittee have demonstrated the tremendous gap that exists in the availability of alternatives on the continuum between independent housing and long-term care facilities. We have heard testimony emphasizing the need for expanding the number of day care centers so that the types of services which will allow elderly persons to avoid inappropriate institutionalization can be provided. For thousands of older people who are not in need of skilled nursing care, but would benefit from social interaction, recreation, and therapy, day services are an appropriate solution. Allowing older persons to maintain their own residences has incalculable psychological rewards and benefits. Further, the costs of day care are significantly less both for the individual and the State and Federal Governments. The day care centers which will be insured under section 232 will have the advantage of utilizing the variety of existing health and social services provided by nursing homes and long-term care facilities.

Finally, I would like to commend the increase in the rural housing section 504 loan and grant program. In a hearing before our subcommittee, Farmers Home Administration Director Gordon Cavanaugh attested to the tremendous need that elderly rural residents have for housing rehabilitation. Approximately 80 percent of the elderly living in rural areas own their homes. And, according to the 1970 census, close to 60 percent of the Nation's substandard housing is in rural areas. Many of these homes are 30 to 40 years old and require major repairs. Yet, the income of the rural elderly is so low that the majority are unable to improve their housing situation unaided.

I hope I have been able to enlighten some of my colleagues who may not have been aware of the scope of housing-related problems facing older Americans. I would like to reiterate my support for this legislation and its attempt to address the housing needs of the elderly.

The CHAIRMAN. The time of the gentleman from California (Mr. JOHN L. BURTON) has expired.

(By unanimous consent, Mr. JOHN L.

BURTON was allowed to proceed for 3 additional minutes.)

Mr. PEPPER. Mr. Chairman, will the gentleman yield

Mr. JOHN L. BURTON. I will be happy to yield to the gentleman from Florida, the distinguished chairman of the Select Committee on Aging.

Mr. PEPPER. Mr. Chairman, I thank my friend, the gentleman from California (Mr. JOHN L. BURTON), for yielding.

I want to commend the gentleman from California, who is a very able member of the Select Committee on Aging. I also want to thank the distinguished chairman of the subcommittee for his support of this provision that will assure more medical and social services for the elderly people living in public housing projects. All of this is in the direction of providing or making possible home care for the elderly as an alternative to their having to be incarcerated in institutions of one sort or another.

Mr. Chairman, we have a report, elicited by our Select Committee on Aging from the General Accounting Office, documenting that, except in extreme cases of physical disability, it is cheaper, from the viewpoint of the Government, for people to have care of this character in their homes than to go into nursing institutions or perhaps into hospitals.

Mr. Chairman, this is the beginning of a program which I hope will provide in all future public housing projects and housing constructed under section 202 for the elderly medical and social services and will also eventually add those services to public housing projects which are not now congregate in their nature.

Mr. JOHN L. BURTON. Mr. Chairman, I am sure the gentleman from Florida would include in his statement public housing and nonprofit section 202 housing; is that correct?

Mr. PEPPER. Yes, those are included.

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

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

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

I concur in the comments of the subcommittee chairman, the gentleman from Ohio (Mr. ASHLEY). I believe there are ample funds, not only the $20 million provided in this authorization. However, up until now, there have been additional funds which have not been used for this purpose because of lack of cooperation between the Department of Housing and Urban Development and the Departemnt of Health, Education, and Welfare.

Perhaps by this breakthrough that we are now endorsing we will be able to accomplish the kind of coordination which can really save the taxpayers money and provide more humanitarian services to the elderly in both the nonprofit section 202 projects and in the Housing Authority projects.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from New York (Mr. LUNDINE) for his comments.

Mr. LUNDINE. Mr. Chairman, I thank the gentleman, and I would just like to commend him for his great efforts on the Banking Committee, for seeing to these amendments.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS AND LOAN INSURANCE

SEC. 101. (a) Section 312 of the Housing Act of 1964 is amended—

(1) by striking out the undesignated paragraph which follows subsection (a)(3) and inserting in lieu thereof the following new udesignated paragraph:

"The Secretary shall in making loans under this section, give priority to applications by low- and moderate-income persons who own the property to be rehabilitated and will occupy such property upon completion of the rehabilitation, including applications by condominiums and cooperatives in which the residents are principally of low and moderate income.";

(2) by striking out "$50,000" in subsection (c)(4)(B) and inserting in lieu thereof "$100,000";

(3) by striking out "and not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977" in subsection (d) and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977, and not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978"; and

(4) by adding the following new subsection at the end thereof:

"(i) The Secretary may not, after 180 days following the date of the enactment of this subsection, make any loan under this section with respect to any property unless the Secretary has determined that the improvements to such property, upon completion of the rehabilitation, will meet cost-effective energy conservation standards prescribed by the Secretary.".

(b)(1) Section 203(k) of the National Housing Act is amended to read as follows:

"(k)(1) The Secretary may, in order to assist in the rehabilitation of one- to four-family structures used primarily for residential purposes, insure and make commitments to insure rehabilitation loans (including advances made during rehabilitation) made by financial institutions on and after 180 days following the date of the enactment of the Housing and Community Development Amendments of 1978. Such commitments to insure and such insurance shall be made upon such terms and conditions which the Secretary may prescribe and which are consistent with the provisions of subsections (b), (c), (e), (i), and (j) of this section, except as modified by the provisions of this subsection.

"(2) For the purposes of this subsection—

"(A) the term 'rehabilitation loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit, made for the purpose of financing—

"(i) the rehabilitation of an existing one- to four-unit structure which will be used primarily for residential purposes;

"(ii) the rehabilitation of such a structure and the refinancing of the outstanding indebtedness on such structure and the real property on which the structure is located; or

"(iii) the rehabilitation of such a structure and the purchase of the structure and the real property on which it is located; and

"(B) the term 'rehabilitation' means the improvement (including improvements designed to meet cost-effective energy conservation standards prescribed by the Secretary) or repair of a structure, or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes, a community development plan, or a statewide property insurance plan to be provided by the owner or tenant of the project.

"(3) To be eligible for insurance under this subsection, a rehabilitation loan shall—

"(A) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in an amount which does not exceed, when added to any outstanding indebtedness of the borrower which is secured by the structure and the property on which it is located, the amount specified in subsection (b)(2); except that, in determining the amount of the principal obligation for purposes of this subsection, the Secretary shall establish as the appraised value of the property an amount not to exceed the sum of the estimated cost of rehabilitation and the Secretary's estimate of the value of the property before rehabilitation;

"(B) bear interest at a rate permitted by the Secretary for mortgages insured under this section; except that the Secretary may permit a higher rate of interest to be applied to the loan with respect to the period beginning with the making of the loan and ending with the completion of the rehabilitation or such earlier time as the Secretary may determine;

"(C) be an acceptable risk, as determined by the Secretary; and

"(D) comply with such other terms, conditions, and restrictions as the Secretary may prescribe.

"(4) Any rehabilitation loan insured under this subsection may be refinanced and extended in accordance with such terms and conditions as the Secretary may prescribe, but in no event for an additional amount or term which exceeds the maximum provided for in this subsection.

"(5) All funds received and all disbursements made pursuant to the authority established by this subsection shall be credited or charged, as appropriate, to the General Insurance Fund, and insurance benefits shall be paid in cash out of such Fund or in debentures executed in the name of such Fund. Insurance benefits paid with respect to loans insured under this subsection shall be paid in accordance with paragraphs (6) and (7) of section 220(h); except that, where references to 'this subsection' are found in such paragraphs, such references shall be construed as referring to this subsection.".

(2) Section 203(c) of such Act is amended—

(A) by striking out "subsection (n) is" in the first proviso and inserting in lieu thereof "subsections (n) and (k) are"; and

(B) by inserting "or (k)" after "subsection (n)" the second time it appears in such proviso.

(3) The proviso in the first sentence of section 302(b)(1) of such Act is amended by inserting "or section 203(k)" after "title VIII" in clause (3).

URBAN HOMESTEADING

SEC. 102. The first sentence of section 810 (g) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" immediately following "fiscal year 1977,"; and

(2) by inserting the following before the period at the end thereof: ", and not to exceed $25,000,000 for the fiscal year 1979".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AMENDMENTS

SEC. 103. (a) Section 104(a)(4)(B)(i) of the Housing and Community Development Act of 1974 is amended by inserting "including existing units to be upgraded and thereby preserved," immediately following "existing dwelling units,".

(b) Section 104(a) of such Act is amended by inserting the following after "expected to reside in the community" in paragraphs (3)(C) and (4)(A): "as a result of existing or

projected employment opportunities in the community".

(c) Section 104(c) of such Act is amended—

(1) by inserting "and co-equal" after "primary" in paragraph (3); and

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

"The Secretary may not disapprove an application on the basis that such application addresses any one of the primary purposes described in paragraph (3) to a greater or lesser degree than any other.".

(d) Section 105(a)(11) of such Act is amended to read as follows:

"(11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate to the community development program;".

EFFECTIVE DATE

SEC. 104. The amendments made by this title shall become effective October 1, 1978; except that the amendments made by subsections (b) and (c) of section 103 shall become effective on the date of enactment of this Act.

Mr. ASHLEY (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 7, strike out the second period and insert in lieu thereof "; and", and insert the following after line 7:

(5) by inserting "(A)" in subsection (c)(3) after "not to exceed" and by inserting in such subsection after "at any time," the following: "or (B) except that where the Secretary finds it appropriate to carry out the purposes of this section, the Secretary may establish such higher rate of interest for loans which will primarily benefit persons who have annnual incomes exceeding 95 percent of the median income of the area. Such higher rate shall not exceed a rate determined by the Secretary of the Treasury, taking into consideration the current market yield of outstanding marketable obligations of the United States with remaining periods of maturity comparable to the terms of loans made pursuant to this section, adjusted to the nearest one-eighth of one percent. In determining an appropraite rate, the Secretary shall consider the condition, location, and anticipated use of the property, the nature of the proposed rehabilitation, the income of the applicant, and such other factors as the Secretary finds relevant;".

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

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

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 9, after line 2, add the following:

(e)(1) The first sentence of section 108(a) of such Act is amended by inserting the following before the period at the end thereof: ", or, notwithstanding section 104 or subsection (b) of this section, for the purpose of financing activities necessary to alleviate a serious threat to health or safety caused by a shortage or potential shortage of potable water, where the Secretary determines that funding available under sections 106 or 107 is insufficient to assist such project".

(2) Section 108(d)(2) of such Act is amended by inserting the following before the semicolon: ", except that, in the case of a guarantee of the notes or other obligations issued by a unit of general local government for the purpose of financing activities necessary to alleviate a serious threat to health or safety caused by a shortage or potential shortage of potable water, the Secretary may accept as security (A) a repayment commitment based on a unit surcharge upon the quantity of water conveyed by the community and imposed for the purpose of repayment of such note or other obligation, or (B) other financial resources of such unit".

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

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

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes in support of his amendment.

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

Mr. CRANE. I am happy to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I am sure the distinguished chairman, the gentleman from Ohio (Mr. ASHLEY), and the distinguished gentleman from California (Mr. JOHN L. BURTON) intended no slight or lack of recognition of the fact that the gentleman from New York (Mr. LUNDINE) was the author in the committee of the provisions which we were discussing a few moments ago. Great credit goes to him for his taking the leadership in this matter.

Mr. CRANE. Mr. Chairman, I wish to commend the distinguished gentleman from Ohio (Mr. ASHLEY), the subcommittee chairman whose leadership and hard work is always a trademark of this legislation. I also compliment the conscientious and constructive ranking minority member from Michigan (Mr. BROWN) whose efforts along with all the members of the subcommittee have improved housing and community development legislation through the years. I trust that will be the case in this situation.

Mr. Chairman, the purpose of this amendment with the related discussion is to provide a more adequate and responsive approach to solving our critical water needs. I do not propose to establish a program not heretofore contemplated but I do have in mind a threefold purpose:

First. To enable a community to make direct application for a guaranteed loan for critical water facilities without completing the form required for a block grant or a discretionary grant.

Second. To allow the Secretary to establish adequate security for the guaranteed loan other than a block grant or a discretionary grant.

Third. To make clear that a threat to the health and safety of a community includes a rapidly diminishing water supply from its current source.

HUD officials are obviously of the opinion there is no real mechanism by which a community can make a separate and direct application for a guaranteed loan. Section 108 of the act provides for guaranteed loans for acquisition of real property. There is also an implied, back-door restriction that no community can apply unless they have a grant as security. My amendment clarifies this.

At this point, I include HUD standard form 424 with general instructions. The above can be accomplished by executing block 9, part E with all required additional remarks.

[Form not reproduced in RECORD.]

GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for preapplications and applications submitted in accordance with Federal Management Circular 74-7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A-95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section 1. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

1 Mark appropriate box. Pre-application and application guidance is in FMC 74-7 and Federal agency program instructions. Notification of intent guidance is in Circular A-95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box.

2a. Applicant's own control number, if desired.

2b Date Section I is prepared.

3a Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies must contain this identifier if the program is covered by Circular A-95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse.

3b Date applicant notified of clearinghouse identifier.

4a-4h. Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request.

5 Employer identification number of applicant as assigned by Internal Revenue Service.

6a. Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code.

6b. Program title from Federal Catalog. Abbreviate if necessary.

7. Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description.

8. Mostly self-explanatory. "City" includes town, township or other municipality.

9. Check the type(s) of assistance requested. The definitions of the terms are:

A. Basic Grant. An original request for Federal funds. This would not include any contribution provided under a supplemental grant.

B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).

C. Loan. Self explanatory.

D. Insurance. Self explanatory.

E. Other. Explain on remarks page.

10. Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits.

11. Estimated number of persons directly benefiting from project.

12. Use appropriate code letter. Definitions are:

A. New. A submittal for the first time for a new project.

B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.

C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).

D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.

E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged.

13. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government, if applicant is not a local government; 13e, amount from any other sources, explain in remarks.

14a. Self explanatory.

14b. The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide."

15. Complete only for revisions (item 12c) or augmentations (item 12e).

My amendment also eliminates the confusion of the words "rehabilitation of real property" as found in section 108 and makes clear that this section includes the financing of activities necessary to alleviate a serious threat to health or safety.

So, as we have it now, a community must first make an application for a block grant or a discretionary grant. If no moneys are available or the request is denied for other reasons, the community cannot apply for a guaranteed loan. Moreover, the nonexistent grant must be used as security for any guaranteed loan application accompanying the grant application. My amendment will eliminate this administrative dilemma and focus attention on the critical water needs of our communities.

Last year the distinguished Congresswoman from Massachusetts, MARGARET HECKLER, amended the HUD authorizations to provide discretionary funds where an urgent need exists due to health or safety reasons.

I reread her remarks of May 10, 1977, and noted that she emphasized "this language would encompass many different situations." She also pointed out during debate that "the guarantee of a safe water supply should be every citizen's right" and "my amendment requires HUD to take into account the need for a safe water supply as a factor in determining eligibility for funding."

Because of a critical water supply situation in my district I inquired at HUD as to the regulations implementing this legislative history. On page 8488 of volume 43, No. 41, of the Federal Register of March 1, 1978, in section 570.432 we find the HUD criteria as follows:

The Area Manager will review the claim to determine if, in fact, an imminent threat to public health or safety does exist. For example, an applicant with documented cases of disease resulting from a contaminated drinking water supply would have an imminent threat to public health, while an applicant ordered to improve the quality of its drinking water supply over the next two years would not have an imminent threat within the definition of this paragraph. These funds are to be used to deal with those threats which represent a unique and unusual circumstance, not for the type of threat that occurs with frequency in a number of communities within a state.

Mr. Chairman, we all note the very narrow aspect of the HUD criteria which is contradictory to the legislative history. The discretionary fund is small and it is understandable that HUD would want to restrict applications.

HUD should not attempt to solve money problems with narrow regulations of their own creation. However, that issue is not directly related to my amendment for there are two main points I wish to emphasize.

First. My proposal is not directed to discretionary grants or block grants—the very able lady, Mrs. HECKLER, took care of that last year.

Second. The words "serious threat to health and safety" include in their meaning a rapidly failing water supply for a community from its present source.

I am interested in the guaranteed loan program. Surely one of my communities and other communities will make application for a guaranteed loan should this amendment be adopted. They will need financing for real property which is already in the act and for a pipeline which, if not now included in the act, is provided for in my amendment. Communities cannot wait until 2 years before they start to tackle these critical needs which obviously affect public health and safety. It makes no sense to start planning after the well goes dry.

Mr. Chairman, I have charts which show that 8 townships in the Chicago suburbs are not utilizing over 100 percent of the potential yield of the shallow aquifer and 15 townships have a deep aquifer deficit. Some townships are on both charts. Engineers with the Illinois Division of Water Resources tell me this is a very serious situation and in these townships it would be impractical to develop the ground-water potential.

Eight communities in my district—Schaumburg, Hoffman Estates, Arlington Heights, Rolling Meadows, Elk Grove Village, plus Palatine, Mount Prospect, and Buffalo Grove—known as the SHARE plus Three, have entered into agreements to obtain water from Lake Michigan. Estimates are that the entire State of Illinois has only $9 million in discretionary grant funds and since this project may run $100 million it is easy to see that SHARE plus Three communities are in need of substantial loans.

Mr. Chairman, I am sure this situation exists in many communities around the Nation. These communities, many not eligible for block grants, should have an opportunity to solve these critical water problems without looking to the discretionary fund if they can offer adequate security on a guaranteed loan.

I have provided in the amendment that the payback be based on a unit surcharge structured upon the quantity of water conveyed by the community water supply system or any other financial resources of the community the Secretary may accept. The surcharge could be based on approximately $0.05 per 1,000 gallons of water conveyed for each $50 million of loan for a 50-year period. As an example of the amount of money generated by this proposal, in a Chicago suburban community, a study found that revenues of $100.4 million would be generated over a 50-year period.

This type of payback system would allow local units of government to adequately spread the cost of the improvement over a period that is somewhat near to the anticipated system life, and at the same time, be able to plan the water rate structure around a payback schedule that is based on a fixed unit quanity cost and would generate revenues proportionate to the quantity of water conveyed by the assisted system. It is also my suggestion that consideration should be given to adjusting the unit quantity payback in some manner so that it stays constant with regard to the value of the dollar at the time the loan was made.

Mr. Chairman, the act presently requires that a community use taxable bonds to finance the projects. So we can see at the outset that since the interest rates on taxable bonds are higher than on nontaxable securities, the more guaranteed loans that are made will generate just that much more revenue to the general treasury.

An authorization does exist in the act for a community to make application for a grant to pay up to 30 percent of the interest, but no appropriation exists for this purpose. I do not propose with this amendment nor do I intend to argue for such an appropriation.

However, I asked the joint Economic Committee to check the impact should such an appropriation be made. I was advised that in most years the loss in tax

revenues would be greater from nontaxable bonds than outlays would be for the interest subsidy on a taxable bond. We can see that the Government, the communities and the taxpayers will all do well under this program.

Mr. Chairman, a guaranteed loan program with these favorable budgetary aspects should be an integral part of the program and I hope my colleagues from all areas will support me on this amendment.

Mr. Chairman, I would like to ask the distinguished chairman of the subcommittee if he would engage in a brief colloquy with me on this particular amendment, because I know that there are reservations that he has. Hopefully, we might adjudicate those as amicably and as expeditiously as possible.

Mr. ASHLEY. Mr. Chairman, I appreciate the attitude of the gentleman from Illinois. I might say that I also understand and am very sympathetic with the kind of problem that confronts the district and the constituents whom he represents.

I would have to say to the gentleman that his amendment does propose to broaden the uses of the loan guarantee provisions to cover health and safety needs, and he argues that this is simply a continuation of an amendment incorporated into last year's housing bill at the request of the gifted gentlewoman from Massachusetts (Mrs. HECKLER). The Heckler amendment last year would permit discretionary communities to receive grants for comprehensive community development programs for health and safety activities. The amendment today, however, goes beyond that incorporated into last year's housing legislation.

The amendment today is specifically intended to qualify for guaranteed financing measures to alleviate a severe imbalance in the water supply/demand due to rapidly failing water resources. This is the situation that confronts the gentleman in his district.

There is some question, I would have to say to my friend the gentleman from Illinois, as to whether this is a problem which is national in scope, as the gentleman would have us believe. There is a question on that count.

More importantly, however, the amendment anticipates the use of federally guaranteed funds to finance reservoirs, regional water systems, and pumping stations, and these are uses which have never been contemplated to be eligible for aid under the community development program. The community development water and sewer projects are eligible activities under the community development programs. They are limited however to the upgrading of existing systems or extension of lines to lower income areas, not the construction of wide-ranging, broad regional water systems.

Mr. CRANE. Mr. Chairman, if the gentleman will allow me to make a point, actually this is a community loan and not designed for a regional water system. I think the legislative history could reinforce that point.

Actually the specific problem is not one confined exclusively to my own district.

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

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

Mr. CRANE. But it is a problem that is at least involving numerous communities in the greater Chicago area. I think depending upon how the line might be reconstructed to satisfy the chairman, it could have an appeal and extend to considerations that our distinguished colleagues from Massachusetts could appropriately address.

Mr. ASHLEY. If the gentleman would yield further, let me say, as I have to him directly, that I get very uncomfortable, very queasy when confronted with an amendment the implications of which are very far reaching both in terms of public policy and in terms of the Federal financial commitment involved.

We have not held hearings on the proposal of the gentleman before our subcommittee or before the full committee. It is a proposition that would involve hundreds upon hundreds of millions of dollars in guarantee authority. The gentleman has indicated that in the 5 or 15 communities that are distressed, or potentially affected, I should say, by the imbalance in the water supply/demand situation in his area, that the facilities involved may cost in the neighborhood of $100 million.

So clearly the financing commitment that is involved here is a very, very substantial one. All I am saying to the gentleman is that I am not saying this is or is not a matter of national concern.

This is local rather than national in scope. All I am saying we do not know yet because we really have not addressed ourselves in the proper forum to determine what the situation is. What we do know to a certainty is that the financial implications are enormous. We would be ill-advised, in my humble opinion, were we to proceed to adopt or consider adopting the amendment.

In view of that fact, Mr. Chairman, I would hope that the gentleman from Illinois (Mr. CRANE) would, with my assurances that I will work with him to try to develop a proper focus on the problem, whether it be at HUD or EPA, or elsewhere, but I would hope, in view of the implications that are involved that he would see fit to withdraw his amendment at this time.

I think the gentleman prejudices his case by advancing an amendment which has surfaced only within recent days and which the committee did not have time to consider during its deliberations.

Again, because of all of these various facts, I would think the gentleman would be well-advised to withdraw his amendment.

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

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

Mr. CRANE. Mr. Chairman, may I first respond to the distinguished chairman, the gentleman from Ohio (Mr. ASHLEY) and then I will yield to the gentleman from Michigan (Mr. BROWN) who is also seeking recognition. Let me say that I greatly appreciate the offer that the gentleman has made as to his willingness to help me in attempting to address what is becoming an increasing problem and I think it is a problem that will continue to surface in many more communities around the country who do not have, at the present time, the mechanisms to handle it. But, with those assurances, I will indeed withdraw my amendment.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, let me say that I am sympathetic with the concern that the gentleman from Illinois (Mr. CRANE) has voiced and I am sympathetic with the situation that his amendment attempts to address. I also concur with the gentleman from Ohio (Mr. ASHLEY) though, that we need to look at this to see how the situation interfaces between HUD and EPA, so that we can do something that will be beneficial for the gentleman and his problem.

Mr. CRANE. I thank the gentleman.

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

Mr. CRANE. I am happy to yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for yielding, and I would like to state that I am also very sympathetic to the gentleman from Illinois' concern for water problems in his district and that I understand as well the possibilities the distinguished chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY) has advanced.

I would say that the President has expressed an interest in water policy, but his program lacks responsiveness, it lacks national depth, and it lacks teeth. If it is going to be anything more than mere rhetoric, this Congress will have to address in a substantive manner the serious water problems that exist across the country which have not been addressed by any legislative panel thus far or by the President's program.

Last year I was grateful to the distinguished chairman of the House subcommittee for his acceptance of my amendment which allowed one community to use community development funds for water-related purposes—the relining of waterpipes. The development grant was for $88,000. The problem still remains and they now need $3 million for the construction of a totally new water facility.

This is a problem which relates intimately to the total development of any community—economically, industrially, and residentially.

I would ask the chairman of the House subcommittee to consult with other Members concerning this problem and seek an interchange among HUD, EPA, EDA, and other related agencies, to find an acceptable legislative approach to the solution of this increasing, complex, and pressing national and local problem.

Mr. CRANE. Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my amendment.

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

There was no objection.

AMENDMENT OFFERED BY MR. GRASSLEY

Mr. GRASSLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRASSLEY: Insert the following new subsection at the end of section 103 of the bill:

(e) Title I of such Act is amended by adding the following new section at the end thereof:

"FAIR ACCESS FOR SMALLER COMMUNITIES

"SEC. 120. The Secretary shall not establish requirements that limit or exclude the access of smaller communities of any size to assistance under this title except as expressly authorized by statute."

Mr. GRASSLEY. Mr. Chairman, the amendment is offered on behalf of the gentleman from Oklahoma (Mr. WATKINS) and myself. We have offered similar amendments affecting HUD programs in past years and generally these amendments have centered around the general proposition that HUD programs ought to be available to small communities just as they are to the large communities.

Mr. Chairman, the language and purpose for this amendment are straightforward. HUD has consistently issued regulations, or proposed regulations aimed at discouraging smaller communities from participating fully in community development programs. Exactly why is not clear, although it does seem as if HUD simply deems these communities as administrative burdens which they would just as soon sweep under the rug.

These communities are tired of taking a back seat to the big cities when it comes to funding and receiving the benefits of Government programs; in addition, their needs are just as great and just as important as those of our large metro areas, and it is time that we recognize that. Because slums or blight, or poor housing, or a poor water or sewer system affect only a few thousand people rather than several hundred thousand does not mean that those few thousand should wait in line for years and years to correct their problems.

HUD has, unfortunately, never taken the attitude that they should try to help these communities participate in CD programs. The attitude has always been, "how can we get them out of the way." Our amendment is intended to put an end to the rules and regulations that give effect to that attitude. All our Federal agencies must recognize that small towns are just as deserving of assistance as are large cities, and hopefully, this amendment is a starting point in that direction.

This amendment is intended to put a halt to HUD's continued promulgation of regulations which limit or exclude the access of smaller communities to community development funds. You will note a slight change in the wording from what was circulated in the amendment as originally offered in committee. After discussions with Chairman ASHLEY, we decided that the use of the phrase "on the basis of the population" would clarify our intent without unduly tying HUD's hands in administering the block grant program. Our intent, however, is in no way altered. Smaller communities are still expected to be given an equal chance to qualify for funding. By including the words "on the basis of the population," we do not mean that HUD may find some other standard to prevent smaller communities from participating fully in their programs. For instance, in applying for Action Grant funding, communities of under 2,500 must demonstrate capacity to administer such funds. Though our amendment would clearly eliminate this kind of population cutoff, it seems feasible to conclude that a capacity standard might still be used to limit a smaller community participating in a program. Our amendment is intended to prevent this kind of situation as well. Unfortunately, HUD has not published a precise, clear definition of the word "capacity," and it is our hope that this would be done. But capacity and need are not directly linked and indeed, in many instances HUD, by lending just a modicum of assistance to smaller communities, could enable them to deal with the paperwork and planning requirements of any of the community development programs. While it might be an administrator's natural inclination to try to exclude certain communities to limit the number of applications received, we simply do not intend to allow such limitations to continue. If HUD finds that certain communities do not have the capacity to participate, and that HUD is unable to reasonably assist such a community, then certainly, it might make sense to disqualify that community for funding. But any guidelines which simply create a class of communities to be excluded from the program would be in antithesis to the spirit of this amendment. In fact, commonsensically, some smaller communities may have needs and project proposals which could be far more practical and worthwhile than the proposals of larger communities; to exclude these communities out of hand on the basis of population, or capacity, makes little sense.

Our "Dear Colleague" letters, and other statements have listed a number of regulations, and proposed regulations which we feel are not in the spirit of our amendment. It is our intent that such regulations should be terminated where possible, and not issued in the future. HUD, for example, allows communities of over 50,000 to take advantage of a "unique distress factor" to qualify for Action Grant funds. There is no justification for depriving smaller communities of the benefits to be gained from including such a factor in their applications. In addition, HUD does not allow smaller communities to participate in the loan guarantee program. Smaller communities receiving comprehensive grants ought to be allowed to participate in the program as well.

We have reiterated on a number of occasions various proposed regulations which we feel were not in the spirit of our amendment. These did not go into effect but we would hope that in the future, similar sorts of regulations will not even be proposed. For instance, the proposed rules to the Small Cities program would have barred communities of under 2,500 from participating in the comprehensive program unless they could prove capacity or previous experience. This cutoff seems entirely arbitrary and would not be allowed by our amendment. In fact, it is perhaps more reflective of HUD's assessment that it lacks the capacity to deal with the large number of smaller communities that might apply for funds, then with their ability to implement a grant. In addition, HUD's original Action Grant regulations included three sets of eligibility standards for communities of under 50,000 with smaller communities having to meet the most rigorous test to qualify for funding. Again, our amendment should put an end to this sort of proposal.

It is our feeling that this amendment will not impede HUD's ability to effectively administer community development program. Rather, it will insure that any size community is dealt with fairly and that its eligibility for funds will not be controlled by HUD's desire to tailor the administration of their programs to their own needs or prejudices.

I would like to yield to my colleague, the gentleman from Oklahoma (Mr. WATKINS), who has been so helpful on this.

Mr. WATKINS. I thank the gentleman from Iowa for yielding.

I stand in support and also as one of the authors with him on this amendment. I would like to state that in this amendment we have reached an agreement with the subcommittee chairman and HUD, and let me say to this committee that this decision was not made in haste, but after working many hours with the administration and also with the subcommittee chairman. I would like to commend the subcommittee chairman, the gentleman from Ohio, for his patience and also for his cooperation in trying to listen and work with us to develop the wording that could be accepted and helpful to the citizens of small cities and rural communities.

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

Mr. GRASSLEY. I yield to the gentleman from Ohio, the distinguished chairman of the subcommittee.

Mr. ASHLEY. I thank the gentleman for yielding.

Mr. Chairman, I am pleased to support the amendment offered by the respective gentlemen from Iowa and Oklahoma, Messrs. GRASSLEY and WATKINS. The purpose of this amendment, Mr. Chairman, is to assure many of our smaller communities that they are to be treated equitably in the distribution of community development block grant funds. An earlier version of the amendment, as was indicated by my friend, the gentleman from Oklahoma, was considered in committee and defeated, but the amendment that is now before us has been revised to meet some of the objections that were originally raised.

What the sponsors are really concerned about is that these smaller communities not be discriminated against in

their eligibility for community development funding because of their size. The changes embodied in the amendment before us make the amendment more acceptable than the original was, and I applaud the spirit of cooperation with which the gentleman from Iowa (Mr. GRASSLEY) and the gentleman from Oklahoma (Mr. WATKINS) have worked with the committee on this amendment.

As the two gentlemen know, I have gone on record many times in support of the inclusion of small communities so that they might benefit from the various forms of assistance available under the community development block grant program. While several of HUD's proposed regulations initially showed some degree of insensitivity regarding the eligibility of small communities for UDAG and comprehensive community development grants, those regulations have since been amended to comply with the intent of the law.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. ASHLEY. M. Chairman, will the gentleman yield further?

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

Mr. ASHLEY. I thank the gentleman for yielding.

Mr. Chairman, I would not add one further comment. I do not think that this amendment should restrict the ability of the Secretay to differentiate between discretionary communities based on the crucial factor of need. The Secretary in making these discretionary Community Development funds available to communities under 50,000 population should take into consideration the different abilities and needs that these smaller urban communities have. For instance, many of these communities might lack the technical expertise that larger communities have. We would expect the Secretary to recognize the lack of technical expertise as an activity on which the smaller community might need more assistance.

I believe that the amendment under consideration would forbid the Secretary, unless expressly authorized by statute, to discriminate purely on the basis of size, without tying her hands regarding the equitable distribution of community development funds based on need.

On that basis, Mr. Chairman, I am very pleased to support the amendment that has been cosponsored by the gentleman from Iowa (Mr. GRASSLEY) and the gentleman from Oklahoma (Mr. WATKINS).

● Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from Iowa (Mr. GRASSLEY) and urge my colleagues to join with us in supporting this extremely fair and warranted amendment.

My 26th Congressional District of New York consists of 28 townships, 3 cities, and approximately 36 villages. All of these municipalities, with the exception of three of the townships, have populations of under 50,000. Therefore, each time HUD has proposed regulations which discriminate against the smaller communities, my district has been hurt and my constituents have thus been subject to much unwarranted heartache.

Probably the most unfair aspect of HUD regulations over the past few years has been the tendency to prevent communities of under 50,000 from taking advantage of a special criteria, the "unique distress factor," to qualify for action grant funds. Apparently, HUD feels that smaller communities are not subject to the pressures and hardships which our large urban areas are forced to endure. However, this argument ignores that fact that although the experiences of our smaller communities may not parallel those of large urban areas, their distress is none the less real.

For example, permit me to point to the village of Highland Falls in my congressional district, which in 1970 had a population of only 4,602. As articulated by the village board, the "unique distress factor" of Highland Falls can be described as follows:

> The Town of Highlands, of which the Village of Highland Falls is an integral part is comprised of a total land area of 20,930 acres. The United States Military Academy at West Point has removed from the tax rolls for military purposes 18,910 acres of this land. 310 acres of land were removed for the village watershed, further reducing the available land area. The village itself is comprised of 563 acres of land leaving the total unincorporated land area of the town at 1,147 acres. 90.3 percent of the total available land in the town has been removed from the tax rolls drastically inhibiting growth potential. This situation on its face is most unique but under the proposed rules is not a qualifying factor for small cities under 10,000 population.

I doubt if any of us can dispute the village's contention that they are subject to a "unique distress factor," a distress factor which larger communities do not have to face. Yet under existing HUD regulations the village of Highland Falls cannot receive any compensation from this unfortunate situation in which the village finds itself.

Furthermore, I can point to other "unique distress factors" which affect the other muncipalities in my congressional district. Surely the time has come for Congress to recognize that our large urban centers are not the only population centers in our Nation which are faced with difficulties, but that our local officials in smaller communities are also confronted with problems which seem insurmountable.

In January of this year, I protested to HUD Secretary Patricia Roberts Harris, the proposed Urban Development Action Grant regulations, which not only would have precluded the use of the "unique distress factor" but also would have forbidden the smaller communities from using 1976 unemployment data, a right which was accorded without question to larger urban areas.

The smaller communities are asking but one thing of the Federal Government: To be treated as equals, using the same criteria as larger communities. The amendment offered by the gentleman from Iowa (Mr. GRASSLEY) will accommodate this just request.

Mr. Chairman, I call upon my colleagues to support this amendment, in order to equalize HUD's procedures for funding the needs of our communities.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GRASSLEY).

The amendment was agreed to.

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

Mr. Chairman, I would like to engage in colloquy with the distinguished chairman of the subcommittee on the subject of the very first provision of this bill, which amends section 312, the low-interest housing rehabilitation loan program. This provision would direct the Secretary of HUD to give priority to section 312 applications from persons who own and occupy the property to be rehabilitated. Such a priority would exclude investor-owned properties, which make up the vast majority of housing units in need of rehabilitation in my congressional district, as well as in many other big cities. Most of these properties are multifamily buildings, and I am concerned that these buildings be eligible for section 312 assistance, since this program is the only major additional source of rehabilitation funds authorized in this bill.

I would welcome the comments of the distinguished chairman.

Mr. ASHLEY, Mr. Chairman if my good friend, the gentleman from New York, would yield?

Mr. BINGHAM. Mr. Chairman, I am glad to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I would point out to the gentleman from New York that I most certainly am not unaware of the special concern the gentleman has with respect to the assistance needs of multifamily properties in neighborhood rehabilitation areas. The gentleman from New York has been an unrelenting advocate and champion of the housing needs and in some respects the rather particular needs of the people that the gentleman represents.

In focusing the section 312 program on one to four-family owner-occupied units and for low and moderate income owners, the committee bill does not rule out multifamily properties. We would fully expect the Secretary to be reasonable when administering this program, as amended by this bill.

Now, let me be clear in what we mean here. Where a neighborhood in a community development area contains multifamily properties and where the owners of these properties cannot obtain credit at reasonable rates of interest and loan terms, or when such reasonable credit—even if available—would result in increasing rental charges such that existing or prospective low and moderate income tenants would be unable to meet the new rental levels, then clearly it would be expected that section 312 loans could be used.

I believe that the Secretary has a clear directive here and understands the committee's intent not to exclude multi-

family properties from being eligible for section 312 loans. I might say that in her original initiatives for legislation this year, she indicated that the Department had given considerable thought to the needs of multifamily properties in community development areas and considered using section 312 for multifamily properties where necessary to meet neighborhood rehabilitation objectives. So I am quite confident that the multifamily property needs that my friend, the gentleman from New York, points out can and will be met within the provisions that are contained in title I of this bill.

Mr. BINGHAM. Well, Mr. Chairman, I thank the distinguished chairman very much. This is very reassuring.

Mr. Chairman, although I am hopeful that these new 312 loan funds will be useful in cities like New York, I am not convinced that our needs are being adequately addressed by this legislation. The 312 program will make available, at most, some $5 to $10 million for New York, where there are at least 100,000 units which the city would like to rehabilitate immediately, according to the city's housing assistance plan. Clearly, the 312 program by itself will hardly make a dent in the needs of New York. What other sources of assistance are provided in this bill? The Committee on Banking, Finance, and Urban Affairs claims in the committee report on this legislation that the section 8 rent subsidy program and a revised 203(k) insurance program can be used for housing rehabilitation. Unfortunately, neither of these programs offers much help either. New York only received 1,300 units of section 8 in fiscal year 1978 and will receive about the same amount in fiscal year 1979. The 203(k) insurance program can only be used for buildings with one-to-four units, but most of the buildings in need of repairs and rehabilitation in New York are larger than this. Forty-one percent of all the housing units in New York State's standard metropolitan statistical areas are in buildings of five units or more, and none of these will be eligible for 203(k) insurance.

This leaves communities like mine with only the block grant funds provided in title I. Thanks to the formula change last year, New York and other big cities with big deterioration problems now get a fairer share of these funds, but even the $225 million New York received this year is not enough. Many important needs must be funded from this source, not just neighborhood preservation. In fact, because of the financial crisis in New York, the community development block grant makes up almost the entire capital budget for the city.

I regret that an amendment I introduced to the block grant program, H.R. 11500, was not accepted by the Subcommittee on Housing and Community Development, since it would have provided ample funds for housing rehabilitation and neighborhood preservation in a flexible way. My proposal was to establish a separate fund from which bonus or matching payments would be made to those cities which used at least 15 percent of their block grant funds for housing rehabilitation. This would effectively double the amount of money spent on rehabilitation. Each community would be free to design its own program of housing rehabilitation, suited to its own unique conditions, rather than being forced to follow a rigid and unchangeable national program like the 312 loan program. I also proposed that only those funds which were actually obligated to housing rehabilitation, not simply planned to be spent but actually spent, would be eligible for matching. This provision was designed to address the problem of extremely slow utilization of block grant funds which seems to plague many cities. I was disappointed that the subcommittee voted this proposal down when it was offered in substances by my distinguished colleague and good friend, the gentleman from Maryland, (Mr. MITCHELL). Many members of the subcommittee, including the distinguished chairman, apparently misunderstood the nature of this proposal, considering it a new categorical grant program, which it is not. It would be a rather unique addition to the special revenue-sharing approach of the block grant program, encouraging local governments to channel funds to meet a particular need but leaving the option of whether or not to use funds for this purpose and how to design programs in their hands.

I intend to pursue this program further in the months ahead, as the Congress considers the various urban policy proposals submitted by the President but not included in this legislation. I hope to convince my colleagues that more needs to be done to support housing rehabilitation and neighborhood preservation, that present programs are inadequate for these purposes, and that my proposal is a sensible and effective approach.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan: Page 9, after line 2, H.R. 12433 is amended—

(a) by adding to section 103 the following new subsection:

"(e) The last sentence of Section 107 (a)(8) of such Act is amended to read as follows: "The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its Community Development Program." (b) by striking in section 104 the following "(b) and (c)" and inserting in lieu thereof "(b), (c) and (e)".

Mr. BROWN of Michigan. Mr. Chairman, this amendment clarifies that provision in the CDBG Act which authorizes the use of CD funds for technical assistance. The provision of current law, which my amendment would modify (section 107(a)(8) of the Housing and Community Development Act of 1974), was authored by me as part of the Housing and Community Development Act of 1977.

As a result of a request for proposals issued by HUD, a controversy developed as to whether the beneficiaries of the technical assistance, authorized under that provision, are limited to governmental units. That was the original intent of the provision. No matter how the technical assistance is provided; through grants, directly from HUD, or through contracts, the beneficiary of that assistance was always intended to be the unit of Government that is carrying on a CDBG program.

I have discussed my concerns about the RFP with HUD, and we have reached agreement that the technical assistance must be implemented in a way consistent with the basic concept of the CDBG program; namely, that the unit of local Government controls all of its program. My amendment would make it clear that the technical assistance must go to "governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its community development program."

The understanding reached with HUD, is that no group will receive a contract for technical assistance unless that group has been requested by the community to provide assistance to the community in the planning or implementation of a particular project or approach that the community wishes to incorporate into its CDBG program. In addition, one group could not provide assistance, under HUD contract, to another group in its own community or elsewhere unless the community where the latter group is located has designated such group to receive that assistance in order to plan or implement a CDBG activity in that community.

Mr. Chairman, I believe this amendment is noncontroversial and I urge its adoption.

Mr. Chairman, I would be glad to yield to the chairman of the subcommittee if he should care to comment on the amendment.

Mr. ASHLEY. Mr. Chairman, if the gentleman would be kind enough to yield, let me say that we have worked together on this amendment, and it is, I think, a substantial improvement and provides clarification. Obviously our efforts have met with some degree of success, because the amendment has been well received by the Department. The Secretary personally has indicated her support of the amendment.

So I commend my good friend and cohort, the gentleman from Michigan (Mr. BROWN), for a typically excellent piece of legislative drafting on his part. The amendment accomplishes its purpose. It is in the public interest, and it should be adopted.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for his comments, and I hope that the attitude he has expressed prevails throughout the course of the deliberations on this piece of legislation.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I am pleased to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I am very happy that this compromise has been worked out, but I would like to follow up just a little bit further on this issue.

Let us say that we have some neighborhood organization or group that wants to get technical assistance. Theoretically, under the gentleman's amendment this would have to be approved by the political subdivision; is that correct?

Mr. BROWN of Michigan. The gentleman is correct. That would be a unit of Government designated in the statute.

Mr. MITCHELL of Maryland. Fine. Now, suppose we find a situation such as we had some 5 or 8 years ago where the head of a political subdivision simply has an intense dislike for a particular neighborhood group which is operating in a bona fide fashion. In that situation does the neighborhood group have any right of appeal if the city or the county or the political subdivision simply vetoes the technical assistance?

Mr. BROWN of Michigan. Mr. Chairman, the provision for technical assistance as a source of funding which was originally contemplated would go to certain communities and other communities using governmental regional groups as well. I suppose that a neighborhood group, if designated by communities as part of a regional planning group, could in that instance conceivably be a contractor as the gentleman contemplates even though a particular community might not so designate.

Frankly, we do not intend to have HUD directly contracting with any neighborhood group; we felt originally and feel now that this assistance should be available to, or its use designated by, a unit of Government.

Mr. MITCHELL of Maryland. I understand that. I am simply trying to look ahead to a situation where we find a really autocratic type of Government that squashes some group, as happened in the past, some 8 or 10 years ago.

I am not going to oppose this amendment, but I would hope that some consideration would be given to a method of appeal when we run into what is really an autocratic, quasidictatorial sort of situation.

Mr. BROWN of Michigan. Mr. Chairman, let me say to the gentleman that we will look at the situation, but the direct answer to the gentleman's question is that if a community designated in the statute does not wish to fund a community group or have HUD, through a direct contract, fund a community group for technical assistance, then there would not be assistance available under this provision for that neighborhood group.

Mr. MITCHELL of Maryland. Mr. Chairman, I hope the gentleman and the chairman of the subcommittee will pursue that particular problem area at some time in the future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: Page 8, insert the following after line 20 and redesignate the subsequent subsection accordingly:

(d) Section 105 (a)(2) of such Act is amended by inserting "loading areas (including shelters) to serve public transportation passengers," immediately following "parking facilities,".

Mr. EDGAR. Mr. Chairman, this amendment should not be necessary, but an unfortunate ruling by the Department of Housing and Urban Development makes it necessary. The amendment pertains to HUD's community development block grant program and what types of activities can and can not be funded under this program.

I ask my colleagues to consider the following:

When a community uses its CD block grant for general urban renewal in a poverty neighborhood, it can use the funds to build and repair streets, to improve sidewalks, and to construct parking lots. These transportation facilities are part of the fabric of any neighborhood, and it makes sense to include them under the community development program even though funding for these activities might be found under other Federal programs.

According to HUD, streets, sidewalks, and parking lots are eligible activities, but if you include a bus loading and unloading area as part of your renewal scheme that would be ineligible for funding.

In other words, urban renewal in a poverty neighborhood may include auto-related transportation improvements, but it may not include public transit improvements. HUD says that money for the transit improvements can be obtained from the Federal Urban Mass Transportation Administration.

A community in my congressional district was engaged in renewal of a rundown shopping area, using CD funds. It narrowed and repaved a street, widened sidewalks, installed some fancy "street furniture," and built a fancy parking lot. When it was redoing the sidewalks, it wanted to include provisions for transit buses that use the street: It wanted to build a pulloff for the buses, and include some simple bus shelters as part of the new "street furniture." The project's transit-related portions came to about $15,000. HUD disallowed the bus pulloff and the shelters.

"Go to UMTA for them," HUD said. To do this the city would have had to do the following:

First. Go to the county and amend its transportation plan to include the project.

Second. Go to the Regional Planning Commission and get an amendment to the regional transportation plan.

Third. Obtain A-95 clearance.

Fourth. Make available 20 percent of the project cost. UMTA projects are 80-20 Federal-to-local, while CD grants are 100 percent Federal.

To make a long story short, it is just too much trouble to get an UMTA discretionary grant for a $15,000 project.

I believe that if a community is engaging in urban renewal in a community redevelopment area that meets HUD's guidelines, it should be permitted to use CD funds for bus shelters and bus pullover areas in addition to the transportation facilities HUD already allows: Streets and parking facilities.

I might add for clarification that the amendment reads:

Loading areas (including shelters) to serve public transportation passengers.

In Philadelphia and San Francisco, we still have streetcars and trolley buses and waiting areas for these modes of transit would be allowed in addition to bus transit. In all cases, the proposed use of CD funds must meet HUD's standing evaluation criteria: The project must serve low- and moderate-income people or eliminate blight. My amendment would not open the door to the construction or installation of bus shelters in wealthy suburban neighborhoods.

All I am saying is that a bus stop or a trolley stop has a proper place in urban renewal, just as parking lots have. I urge my colleagues to reject HUD's narrow-mindedness by supporting this modest and sensible amendment.

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

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

Mrs. FENWICK. Mr. Chairman, this amendment is so modest and so sensible that I do not see why it even needs to be debated. It is absolutely preposterous that such a thing should have been turned down.

Mr. EDGAR. Mr. Chairman, I thank the gentlewoman from New Jersey for her comment.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in reluctant opposition to the gentleman's amendment.

I am very, very sympathetic about his plight and sympathetic with the comments made by my colleague, the gentlewoman from New Jersey (Mrs. FENWICK).

However, Mr. Chairman, I think we have to face two very real things: One, dollars are limited for every agency. While there is not much money involved in this instance, just a few thousand dollars, we open the door for a precedent which may be a further drain on the limited dollars of HUD.

The second thing we have to bear in mind is that more and more we see an effort being made by this Congress and by the administration to bring all of these agencies together to work in some sort of cooperative effort so that we, indeed, address problems, with each of the agencies taking some responsibility.

Mr. Chairman, I am not angry so much at HUD as I am at the Department of Labor and UMTA for having all of these ridiculous regulations for a pitiful sum of money like this.

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

Mr. MITCHELL of Maryland. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

If they were going to refuse to consider parking facilities, I would agree with the gentleman. If they were confining themselves to housing, in other words, they could say, "We do not do anything but housing."

I think we see that they have already gone beyond housing in these community development plans.

If they are going into parking for automobiles, surely a place of shelter for bus-stop passengers is part of the whole living situation for people in that area.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentlewoman from New Jersey for her comments. Believe me, I bleed for her, and I bleed for my distinguished colleague, the gentleman from Pennsylvania (Mr. EDGAR); but we have to be rational about this situation.

It is a pitiful sum of money. It seems reasonable enough to do that. However, we have to weigh that decision against one which will open up precedents, in which case we would actually operate in such a fashion as to discourage agencies from coming together and working together.

For those reasons, Mr. Chairman, I oppose the gentleman's amendment.

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

Mr. MITCHELL of Maryland. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding, and I appreciate his comments.

I offered the first amendment which said let us include loading zones for bus and trolley stops. I have a second amendment, and I will be glad to offer it if the gentleman would like. That would delete streets and parking facilities.

Mr. Chairman, the suggestion I am making is simply that in urban renewal, in low- and moderate-income areas, if, in fact, it fits in with the community's need in that area, that we provide these things for people who are standing out in the snow or the rain. It makes sense to provide it for public transit if, in fact, we are going to make similar provisions with respect to streets and highways.

The further comment I have is that the very same Federal regulations are in use in the Federal Highway Administration and that, in fact, those very communities could go through the redtape to get a $15,000 street repair or parking lot facility, and yet the community development funds do not say it is necessary to do that.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. EDGAR).

However, let us deal with the amendments one at a time. I am dealing only with the one now before us.

Mr. Chairman, not only is there a possibility of DOT being involved in this; let us also look at the Department of Labor under which the CETA program comes. It might be a worthwhile, healthful project for CETA workers to do this kind of modest construction.

Mr. Chairman, my point is that, if this amendment is passed, ultimately it discourages the coming together of agencies to work together on common problems.

Mr. Chairman, I urge defeat of the amendment.

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

Mr. Chairman, I rise in reluctant opposition to the amendment. The gentleman's amendment proposes to amend section 105 of title I of the Housing and Community Development Act of 1974 to expand the definition of eligible activities to include "transportation-related facilities" as a new eligible activity. Let me say that I sympathize with the purpose of the gentleman's amendment and can understand the frustration of communities who can use their community development funds for street repair, sidewalk construction, and the construction of parking lots, but cannot use these funds for public transportation-related activities.

The fact remains, however, that funding for bus shelters or bus pullover areas, is available under Urban Mass Transportation Administration grants and while it might be easier to make eligible for HUD funding all activities that might be related to a community development plan, we just do not have the resources that this approach would require. I am most reluctant to expand eligible activities under the community development program to matters which are essentially ancillary to the programs that the local communities are using their bloc grant funds for. The gentleman is certainly correct in pointing out that community development funds can be used for parking facilities, road repairs, and so forth, and that such activities have been long time recipients of assistance under the old urban renewal program which were carried over into our community development program.

However, Mr. Chairman, since funding for the type of activity that is contemplated in the gentleman's amendment is available under another Federal program, and because expansion of eligible activities under the bloc grant program could seriously dilute its impact and effectiveness, I must oppose the amendment at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and on a division (demanded by Mr. EDGAR) there were—ayes 2; noes 15.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: Page 8, insert the following after line 20 and redesignate the subsequent subsection accordingly:

(d) Section 105(a)(2) of such Act is amended by striking out "streets," and "parking facilities,".

Mr. EDGAR. Mr. Chairman, I am not going to prolong the debate tonight. I simply raise the second amendment to further point out the silliness of including one type of auto-related transportation and not including a public transit facility. I share it with my colleagues just for that purpose.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, let me just say that my opposition and the objections, I am sure, of the subcommittee chairman to this amendment are not in opposition to the general concept of what the gentleman is trying to do. But, we feel that there is provision for making this in connection with other community development activities. There is an opportunity for the very thing that the gentleman wishes to have accomplished.

We think, within the framework of the present legislation, that what he wishes to accomplish can be accomplished, plus the fact that we do have to look at the interface of UMTA and all the other pieces of legislation. So, I trust the gentleman will not misinterpret our objections.

Mr. EDGAR. I appreciate the gentleman's comments. One of the points I am making is, sure, we need joint development. When we have UDAG grants and EDA grants, we have got to recognize that transit is an integral part of urban development; not just highways and streets, parking facilities, but public transit as well. It seems to me that we become very narrow sighted with many of our joint developments on community development projects, we fail to recognize that highways and auto-related transit are as important as public transit. In fact, public transit, in light of our energy crisis, may be equally or more important.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. EDGAR. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I do not know if the gentleman was here at the time or what his position was on the issue, but at one time Members will recall the Urban Mass Transit Act and all those were under the jurisdiction of the Banking and Currency Committee. I think it was properly within the jurisdiction of the Banking and Currency Committee, because then they could interrelate the mass transit with the community development, and we did not have the kind of schism the gentleman has alluded to.

Mr. EDGAR. Mr. Chairman, I ask unanimous consent to withdraw my amendment at this time.

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

There was no objection.

AMENDMENT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEDORN: Page 9, insert the following after line 2 and redesignate section 104 as section 105:

LABOR STANDARDS AND REHABILITATION ACTIVITIES CONDUCTED BY NEIGHBORHOOD-BASED NONPROFIT ORGANIZATIONS

SEC. 104. (a) Section 110 of the Housing and Community Development Act of 1974 is amended by inserting the following before the period at the end of the first sentence thereof: ": *Provided further*, That this section shall not apply to any rehabilitation of residential property which is carried out, directly or by contract, by a neighborhood-based nonprofit organization".

(b) Section 12 of the United States Housing Act of 1937 is amended by inserting after "construction or rehabilitation is commenced" the following: ", except that the provisions of this section shall not apply to a substantially rehabilitated project assisted under such section 8 if such rehabilitation is carried out, directly or by contract, by a neighborhood-based nonprofit organization".

(c) Section 212(a) of the National Housing Act is amended by adding the following new sentence at the end thereof: "Notwithstanding any other provision of law, the provisions of this section shall not apply with respect to rehabilitation activities financed by a mortgage insured under this Act and carried out, directly or by contract, by any neighborhood-based nonprofit organization.".

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

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

There was no objection.

Mr. HAGEDORN. Mr. Chairman, the purpose of this amendment is to remove a costly regulatory obstacle that currently acts as a substantial hindrance to housing rehabilitation efforts, particularly in larger urban areas. This is the Davis-Bacon Act.

The amendment would waive the applicability of the Davis-Bacon Act for most housing rehabilitation projects performed by neighborhood-based, nonprofit organizations. This term is defined in section 570.204 of HUD's community development regulations. The waiver would cover only residential rehabilitation.

The Davis-Bacon Act has repeatedly frustrated the public objectives of this body. The act is costly, not only to the contractors that must comply with it, and to the taxpayers that must pay for it, but also to the intended beneficiaries of public programs themselves.

According to GAO estimates, the impact of the prevailing wage requirements of Davis-Bacon is to increase labor costs on Federal and federally assisted construction by approximately 10 to 15 percent. This translates into between $1 to $2 billion annually.

As a result, Federal public works expenditures put fewer persons to work; Federal school construction assistance builds fewer classrooms; Federal library assistance purchases fewer books; and Federal housing assistance builds fewer homes.

Davis-Bacon has proven particularly costly in the area of inner-city housing rehabilitation and renovation. High prevailing wage requirements, and restrictive work rules imposed by the act have severely retarded many of these projects. According to Douglas Moritz, the deputy administrator of Los Sures, a neighborhood-based, nonprofit rehabilitation group in the Bronx—

> Many of the symptoms of urban blight can be connected to Davis-Bacon . . . Its net effect in poor communities is to make the cost of housing outrageously high, as well as to exclude poor workers from construction employment.

Davis-Bacon has a destructive impact upon housing rehabilitation efforts in at least three ways. First, the wage levels mandated by the act simply make it uneconomical for many neighborhood groups to improve decaying housing. As the New York Times has observed—

> Prevailing wages, in the case of Davis-Bacon mean the highest wage rate paid to union construction labor, even when the nearest union local is 50 miles away.

When any form of Federal assistance is employed to rehabilitate housing, including community development and CETA funds, the Davis-Bacon Act is triggered, and wage rates which are two to three times what can be afforded by the rehabilitation groups are required. Unless these groups are able to attract some Federal assistance, they are usually unable to attract any funds from private lending markets.

Suffering particularly heavily are what are known as sweat equity programs. These generally involve workers who volunteer their labor on rehabilitation projects in exchange for their equity in the housing units they build. Where Davis-Bacon is inapplicable to a federally assisted project (usually only the very smallest ones), these workers might be paid no more than $3.50 to $4 per hour to everyone's satisfaction. They are more often than not unemployed, and, in performing sweat equity, they are investing in their own homes and communities.

They are investing sweat and toil, rather than dollars, in real estate, and are converting abandoned, dilapidated, and deteriorated buildings into livable housing.

These projects can be stopped virtually dead in their tracks by the invocation of Davis-Bacon which will commonly require the payment of wages in excess of $10 per hour. While HUD has limited waiver authority under some of the provisions of the Community Development Act—and Secretary Harris has publicly recognized that Davis-Bacon inflates labor costs—more often than not rehabilitation projects are deterred from the outset by Davis-Bacon.

Many inner city rehabilitation efforts were closed down entirely last year when many building trades locals refused the Secretary's offer to negotiate lower Davis-Bacon wage rates for rehabilitation work. Nearly 5,000 rehabilitation projects were dropped in such places as Boston, Cleveland, Kansas City, Cincinnati, and St. Louis. Boston lost an estimated $5 million worth of rental subsidies and a $40 million investment in housing rehabilitation for 1,150 vacant apartments when these trades locals refused to negotiate such an agreement.

In addition to the high prevailing wage levels require, Davis-Bacon also frustrates local rehabilitation efforts through its archaic work rules. Philip St. George, director of the Urban Homesteading Board in New York City which provides technical aid to the city's sweat equity groups, has observed:

> Current Davis-Bacon regulations actively prevent homesteading projects from being implemented due to overly restrictive work rules . . . These rules provide a ratio system for hiring journeymen, apprentices and trainees on a Federally-financed housing project. Under current rules, an unskilled urban homesteader/trainee could only work on his own home under the supervision of five journeymen. This is obviously costly and impractical.

Also, the precise job descriptions that Davis-Bacon requires on a project, conforming exactly to trade union descriptions, are totally inappropriate to most rehabilitation projects. Unlike housing starts, where there is usually a fairly precise idea of the materials and labor that will be required, housing rehabilitation is a far more uncertain venture. It is normally impossible to predict with precision those trade skills which will be necessary, and when they will be necessary. Yet, the rigidity of Davis-Bacon remains.

The waiver of Davis-Bacon provided for by this amendment will not undermine the overall purposes of that act. We are talking only about projects which, without local community involvement and the employment of neighborhood residents, would never be carried out in the first place. It is not an issue of paying lower wages or of denying jobs to union workers. It is simply an issue of giving free play to the self-help initiatives of local community organizations.

Mr. Chairman, at a time when our inner cities are so desperately in need of innovation, and new approaches to problem-solving, the Davis-Bacon Act imposes a straitjacket on the self-help efforts of local citizens. It is an outdated anachronistic piece of legislation that is eroding the ability of urban America to deal with its own problems.

If ever there was blatant special interest legislation that worked to the detriment of everyone but that special interest, that is Davis-Bacon. As Mr. St. George concludes succinctly. "It's destroying neighborhoods."

I urge my colleagues to consider this, and to support the pending amendment.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

Mr. Chairman and members of the committee, this is as sophisticated an attack on Davis-Bacon and as superficially as attractive a one as I have seen in a long time. However, in the remarks of the gentleman from Minnesota (Mr. HAGEDORN), he alluded to the full scope of Davis-Bacon, probably not being familiar with the genesis of the act which was suggested by the then Presi-

dent Herbert Hoover, and has been the law ever since.

The real effects of this amendment—and I do not know whether the gentleman was aware of what I just stated because he probably was not alive at that time——

Mr. HAGEDORN. If the gentleman will yield, Mr. Chairman, I reject that policy of Herbert Hoover, and I did not know that the gentleman from New Jersey (Mr. THOMPSON) subscribed to very many if any of them at all that he had advocated.

Mr. THOMPSON. Well, Mr. Chairman, I am very forgiving and I have forgiven President Herbert Hoover. But, in any event, the gentleman does believe it is necessary to waive Davis-Bacon in order to achieve housing rehabilitation at reasonable costs. That seems a very laudable objective but, in fact, Davis-Bacon is not anywhere near the problem that the gentleman seems to think. First, it applies only to rehabilitation of structures designed for the residential use of eight or more families. Since almost all housing rehabilitation is being done on a one- or two-unit basis, Davis-Bacon has actually had very, very, little effect.

The adoption of this amendment would be simple. In effect, the gentleman says, do not pay Davis-Bacon wages for rehabilitation work in the inner cities where it is almost exclusively done in one or two units there, done by minority employees. The effect of this would be to say, go ahead; rehabilitate the homes at subminimum wages; pay your minority workers in the inner cities—and we have a great many of them, and they are doing a perfectly splendid job—pay them less than you would pay somebody working at similar work in the suburb. I am sure the gentleman's intentions are fine, but the end result is one which would and could be potentially disastrous, and this amendment should not be adopted.

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

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

Mr. ASHLEY. I thank the gentleman for yielding.

I take it my very distinguished friend, the gentleman from New Jersey (Mr. THOMPSON), in many respects is taking the words out of my mouth.

Mr. THOMPSON. Having looked at this statement, I can understand that.

Mr. ASHLEY. I would point out that the Davis-Bacon Act is firmly embedded in our Nation's housing programs and has provided the means to insure that fair wages are paid on all federally assisted housing construction. There is no real sense in abandoning a proven safeguard of fair labor standards in the hope of possibly reducing construction costs for housing rehabilitation, particularly when alternative means of lowering costs are available. So I would join my friend, the gentleman from New Jersey, in rising to oppose this amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

My concern is that is a frontal assault against Davis-Bacon. But is it not true that under the provisions of Davis-Bacon, people employed in this kind of inner city work, if they so desire, can waive the provisions of Davis-Bacon for themselves if they are not coerced into doing so?

Mr. THOMPSON. The gentleman is exactly correct.

Mr. MITCHELL of Maryland. If that is true, then I really do not see why we need this particular amendment. I thank the gentleman for yielding.

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

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

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

Mr. HAGEDORN. I thank the gentleman for yielding.

I just want to point out, No. 1, these types of rehab units of seven or less are already exempt from Davis-Bacon standards. They are not even included. What we are trying to do is go upwards. Admittedly I do not have many of these communities in my district. I admit it is from urban areas that the Members plead for the minorities, the downtrodden people who live in the ghettos and who do not have a chance. They are the people I am pleading for today. I think it is important we adopt this kind of legislation and let people work for themselves and not be encumbered with outdated, archaic work rules that come with Davis-Bacon, as applied. I am only asking for exemption for nonprofit, community-based organizations. I am not even including the private profitmaking sector, and some of the Members are obscuring the total issue by trying to say this is just something to get at Davis-Bacon. I am honestly concerned about trying to do something for the very people that this amendment is directed at. I can quote the people, the New York Times, the people who administer these various programs and work with them. If we do not take it from them, I do not know whom we are going to take it from.

I would just appeal to the Members to be sympathetic and help these poorest of the poor to have a little better chance to live in a little better housing, and not try to impose ridiculous, high-level wages on a community that could not pay them. It means if they cannot pay them, then they cannot have improved housing.

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

Mr. GRASSLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Does the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN) just apply to nonprofit organizations?

Mr. HAGEDORN. If the gentleman from Iowa will yield, just neighborhood based, nonprofit, in ghettos that get together and say, "We want to build up our inner cities and restore our homes."

Mr. SYMMS. Like a historical society or a community center?

Mr. HAGEDORN. Not a historical society but a community-based organization that has a common interest.

Mr. SYMMS. A self-help, nonprofit organization?

Mr. HAGEDORN. Absolutely.

Mr. SYMMS. I thank the gentleman.

Mr. HAGEDORN. If the gentleman will yield further, when this committee comes to Congress and asks the American taxpayers to go to the well and provide billions and billions of dollars to restore the inner cities, and then we have a group that comes and opposes just one small measure that would help the taxpayers help the poor people, the low-income people, the minorities in the urban areas, I would suggest that this is the very shortsighted position for this powerful special interest group.

Mr. GRASSLEY. The gentleman's amendment will have the effect of making the taxpayers' dollars go a little further and having more units rehabilitated for the dollar.

Mr. HAGEDORN. Yes.

Mr. GRASSLEY. And in a sense making the whole concept of rehabilitation work and be more feasible.

Mr. HAGEDORN. Yes. This amendment is in the spirit of proposition 13 and embodies those same principles of getting more "bang" for the taxpayers' "buck" and that is its objective.

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

Mr. Chairman, I have not been an opponent of Davis-Bacon and I think I come to this subject with a little different perspective. I have been on the Neighborhood Commission and I spent the last 6 months in the communities of these gentlemen who have just spoken. I have been in Baltimore, Cleveland, St. Louis, Los Angeles, and Washington, D.C. What disturbs me is I see a very harmful division among groups that should be fighting for the same goals. I think it is sad if organized labor and the neighborhood movement, which is a very strong movement all over this country, gets divided. Out there in these neighborhood groups they feel that the Davis-Bacon provisions are harmful when they get into their self-help programs. Maybe they do not know what they are doing out in these neighborhoods; but I have to say this to the gentleman from Baltimore. I heard this in Baltimore. I heard this in Cleveland. I heard this in every one of those neighborhoods. Somehow I believe it should be worked out, because it will have a very harmful effect if organized neighborhood groups and organized labor are put in adversary roles. They must work together.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. MITCHELL of Maryland. Mr. Chairman, I am extremely amazed that the gentleman heard this in Baltimore, because under our self-help programs in my city we have worked out all kinds of arrangements under which organized

labor does not make excessive demands on self-help groups. Workers in self-help programs are employed sometimes at wages less than the minimum wage. We have not had any problems with it; so it has not been a problem in my city.

I would suggest, however, that any self-help group that wants to avail itself of the waiver provision can, without any pressure, do it and it protects itself. That is already a provision of law. So all that Mitchell self-help group down on Brunt Street in Baltimore has to do is say, "Look, we have gotten together. We are going to build this project. We want exemption from Davis-Bacon," and they get the exemption.

Mr. PRITCHARD. Mr. Chairman, there is some difference between what the gentleman from Maryland is saying and what we are hearing out there. It is a very disturbing thing. I can tell you when we get into neighborhood groups across this country, and it is a very large movement, they consistently complain about Davis-Bacon in the inner city projects.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield further?

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

Mr. MITCHELL of Maryland. Mr. Chairman, I heard sort of a sotto voce comment that, "You are talking to real people."

I came out of a community help agency and I work with every self-help group in the city. I deal with them on a direct basis.

Mr. PRITCHARD. The gentleman from Maryland did not infer that I said that?

Mr. MITCHELL of Maryland. Oh no; it was another sotto voce comment.

Mr. PRITCHARD. I do not know, "Another," infers that I said something.

Mr. MITCHELL of Maryland. No; it was a whispered conversation that I just happened to overhear. It was not the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, I do not think we want to sweep this away quickly. We want to go into this fully.

I would ask the gentleman from Ohio, did he go into this fully? I would yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, the Davis-Bacon provisions are subject to review and consideration by the subcommittee year in and year out. They were this year, as they have been in prior years.

There was no stampeding or no movement for the kind of amendment that is before us at this time. Had there been, it would have been opposed by the chairman and other members of the committee.

If the gentleman wants to know if we focused on this particular amendment, the answer is no, and it was not advanced by the Members of the majority or the minority. But we are facing the issue year in and year out in our annual authorizations of programs that do have Davis-Bacon provisions.

Mr. PRITCHARD. I understand. I hope the gentleman from Ohio (Mr. ASHLEY) realizes that I have not been a member of the committee, and when I went out in the communities I found this was coming from people who are not the traditional Davis-Bacon opponents.

So I have been disturbed, because I am very concerned that these neighborhood programs do not go at cross purposes with other institutions in America. I think it is terribly important that they do survive and are effective.

The CHAIRMAN. The time of the gentleman from Washington (Mr. PRITCHARD) has expired.

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

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

Mr. PRITCHARD. I would be happy to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, let me say this to the gentleman from Washington (Mr. PRITCHARD): That I was the principal sponsor of the neighborhood commission legislation. When the legislation failed in the House, I helped to get it resurrected in committee and adopted in the conference report.

I am pleased that the gentleman is serving on that commission, and I am proud of his work on that commission. I would expect that there will be any number of recommendations that emanate from that commission on an interim basis, and when the commission files its report, its recommendations will be taken seriously in their totality.

It does seem to me that it is not inappropriate for the committee and the subcommittee that I chair to await those suggestions rather than to try to anticipate them. So I do not think that the gentleman and I are too far apart, but I am opposing the amendment at this time for the reasons I have stated.

I would hope, Mr. Chairman, that we could get to a vote on the amendment, because I think the issue is really quite clear.

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

Mr. Chairman, I am in favor of this amendment. I know the subject from a very different angle, and it is not funny. There is nothing funny about people trying to rehabilitate their homes.

HUD last year, in New York City, insisted that 39 units be combined in one project, and this meant it could not be considered one house at a time; being one group project meant that minority business could not handle the bonding. The project was too large.

The New York Times published a very hopeful article on "sweat equity" projects in the Bronx. What the gentleman from Minnesota (Mr. HAGEDORN) was saying is absolutely what they said.

These are people living in the ghettos, trying to rehabilitate the places where they live, and nobody pays the slightest attention to them. That is what they are saying. We should not ignore the voices of people who have been on the working end of it. They tell us that government itself often makes it impossible for them to employ teenagers in the South Bronx in the rehabilitation of their housing.

We must pay some attention to the people of this country who are trying time after time to tell us something that matters to them.

Mr. Chairman, perhaps I am not an adequate spokesman, but somebody has got to talk for them.

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

Mr. Chairman, I know there are all these people from all over the country who know so much about California and about proposition 13, but we have a local Davis-Bacon Act in California, and I do not know anybody who has complained about that.

If we do want to add something to the cost of the taxpayers, we can start paying people substandard wages so they will then have to collect welfare as well as food stamps and MediCal payments and other things that come out of the State and county treasuries.

That is what proposition 13 was about; it was not about Davis-Bacon. People were concerned about government programs, and unfortunately a lot of them were concerned with welfare, but if we start paying people substandard wages, we do increase welfare.

They were concerned about food stamps. And if people are paid substandard wages and cannot feed their families with the wages, they do get food stamps. They were worried about MediCal. And if people do not have their own medicare, they do qualify for MediCal. That is what it was all about.

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

Mr. JOHN L. BURTON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I will say to the gentleman that I was a minority partner in a minority construction business, 2 black partners and myself, and we could not afford these high wages of $13 an hour. None of our people starved or was on food stamps. We paid good wages, but we could not afford the very highest.

Mr. JOHN L. BURTON. Could the gentlewoman repeat what she said? I was not able to understand. I am dealing with the gentleman's amendment, and there are certain places that do not have labor union contracts that pay above union scale. But what I am saying is—and the gentleman raised the proposition 13 situation—what this amendment will do is put people to work at substandard wages on projects. We do not have this problem in our minority community and in our ghettos. They do work with the building trades. And it was not easy, because the building trades at first resisted.

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

M. JOHN L. BURTON. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I thank the gentleman for yielding.

Mr. Chairman, I hope the gentleman gets the point of proposition 13 better than he gets the point of this amendment, because what we are attempting

to do is to rehabilitate homes in Los Angeles and in San Francisco and put those homes now off the property tax rolls back on the property tax rolls instead of passing increasing cost of Government on to the working homeowners. We want to assist these types of people who qualify for this kind of housing and use it and put this property back on the tax rolls.

Mr. JOHN L. BURTON. I thought the gentleman was repealing a section of the law that dealt with wages. I did not know the gentleman had something in there to add money to rehabilitate property, to put it on the tax rolls.

Does the gentleman have two different amendments?

Mr. HAGEDORN. If the gentleman will yield further, it will all accomplish the same thing, to rehabilitate housing which really has no value today, which has been abandoned and which can be rehabilitated.

Mr. JOHN L. BURTON. If I may reclaim my time, some of the biggest ripoffs in this country were nonprofit corporations with very exorbitant wages to the executive directors.

● Mr. OBERSTAR. Mr. Chairman, I rise in opposition to the amendment. Very simply stated, if we adopt this amendment, we will be asking working men and women to subsidize with their low wages a public program approved by the Congress of the United States and we will be asking them to subsidize industry profits by the sweat of their labors.

My colleagues on the other side of the aisle seem to forget that the Davis-Bacon program is not a concoction of the New Frontier, the Great Society, the Carter administration, or the New Deal of Franklin D. Roosevelt, or the Fair Deal of Harry Truman. It was, some of you may be surprised to know, signed into law by Herbert Hoover and authored by two Republican Members of Congress for the purpose of assuring that competent skilled craftsmen would be engaged on construction projects.

There are a few things we must keep in mind when considering the application of Davis-Bacon to federally funded projects. Davis-Bacon wages are generally less than union scale wages. They are determined by a U.S. Department of Labor survey of wages paid to members of the 17 constituent local unions of the building trades, in surveys conducted in local communities throughout the United States; they do not represent a uniform national wage scale.

Furthermore, Davis-Bacon wages, as applied to housing projects, which are the subject of this amendment, are generally at rates lower than those set for major public building construction, such as libraries, community centers, sewage treatment plants, and so forth.

Furthermore, I would point out that under Davis-Bacon determinations, the unions make certain adjustments that are beneficial to both project sponsors and contractors. For example, instead of insisting on the usual practice of one apprentice to four or five journeymen, the building trades unions change that ratio to four apprentices for each journeyman. In this situation the journeyman actually becomes a teacher or trainer for the apprentice whose wage rate, of course, is lower than that of the journeyman. This arrangement results in total wages paid on a Davis-Bacon job being substantially lower than if the job were subject to the standard union scale and employment requirements.

If we pass this amendment and eliminate Davis-Bacon coverage on housing projects, we will, in effect, be condemning construction workers to a minimum wage scale and, I think I can say without fear of contradiction, to subminimum wages because the contractor would then have all the bargaining power in his hands and force workers to accept the lowest possible wage. Both skilled craftsmen and unskilled construction labor would be getting less than car wash attendants, for example, who, although paid the minimum wage, nonetheless, get tips for their service as do waiters and waitresses and who, therefore, would be making more in real wages than the construction craftsman who do not get any tips.

Another reason this amendment should be soundly rejected is that it hurts the people in the lowest end of the wage scale, those who are just barely making a living wage and would especially hurt minority employees, who traditionally are the lowest wage earners in the economy.

Eliminating Davis-Bacon coverage would be insensitive to the basic economic needs, to the right to a living wage of the most defenseless people in our work force. I urge my colleagues to reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-six Members are present, not a quorum.

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

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 511]

Addabbo	Conyers	Eckhardt
Alexander	Corcoran	Edwards, Ala.
Andrews, N.C.	Crane	Fish
Archer	D'Amours	Flowers
Armstrong	Delaney	Forsythe
Beard, R.I.	Dellums	Fraser
Bolling	Dent	Goldwater
Brown, Ohio	Derrick	Harrington
Burton, Phillip	Derwinski	Harsha
Byron	Diggs	Howard
Caputo	Dingell	Ireland
Jenkins	Pike	Skelton
Johnson, Colo.	Poage	Steed
Krueger	Quie	Steiger
Le Fante	Rangel	Teague
Leggett	Rodino	Tsongas
Long, Md.	Roncalio	Tucker
McCloskey	Rostenkowski	Ullman
McDonald	Runnels	Weaver
McFall	Ruppe	Whalen
Meyner	Russo	Wiggins
Milford	Santini	Wilson, C. H.
Moffett	Satterfield	Wilson, Tex.
Murphy, N.Y.	Scheuer	Wright
Nichols	Seiberling	Young, Alaska
Nix	Shipley	Young, Tex.
Pettis	Simon	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KAZEN) having assumed the chair, Mr. BENNETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12433, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 352 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. HAGEDORN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 173, noes 218, not voting 41, as follows:

[Roll No. 512]

AYES—173

Abdnor	Evans, Del.	McClory
Anderson, Ill.	Evans, Ga.	McDonald
Andrews, N.C.	Fenwick	McEwen
Andrews, N. Dak.	Findley	McKay
Archer	Fithian	McKinney
Ashbrook	Flynt	Madigan
Badham	Fountain	Mahon
Bafalis	Frenzel	Mann
Barnard	Frey	Marriott
Bauman	Fuqua	Martin
Beard, Tenn.	Gibbons	Mathis
Bedell	Goldwater	Michel
Bennett	Goodling	Miller, Ohio
Boggs	Gore	Mitchell, N.Y.
Bowen	Gradison	Montgomery
Breaux	Grassley	Moore
Breckinridge	Green	Moorhead, Calif.
Broomfield	Gudger	Myers, Gary
Brown, Mich.	Guyer	Myers, John
Broyhill	Hagedorn	Neal
Burgener	Hall	Nichols
Burke, Fla.	Hammer-schmidt	O'Brien
Burleson, Tex.	Hansen	Pattison
Butler	Hefner	Preyer
Byron	Heftel	Pritchard
Carter	Hightower	Quayle
Cederberg	Holt	Railsback
Chappell	Huckaby	Regula
Clawson, Del	Hyde	Rhodes
Cleveland	Ichord	Risenhoover
Cochran	Jacobs	Roberts
Cohen	Jones, N.C.	Robinson
Coleman	Jones, Okla.	Rogers
Collins, Tex.	Jones, Tenn.	Rose
Conable	Kasten	Rousselot
Coughlin	Kazen	Rudd
Daniel, Dan	Kelly	Satterfield
Daniel, R. W.	Kemp	Sawyer
de la Garza	Keys	Schulze
Devine	Kindness	Sebelius
Dickinson	Lagomarsino	Shuster
Dornan	Latta	Sikes
Duncan, Oreg.	Leach	Skubitz
Duncan, Tenn.	Lent	Smith, Nebr.
Edwards, Ala.	Livingston	Snyder
Edwards, Okla.	Lloyd, Tenn.	Spence
Emery	Long, La.	Stangeland
English	Long, Md.	Stanton
Erlenborn	Lott	Steed
Evans, Colo.	Lujan	Stockman

Stump	Ullman	Whitehurst
Symms	Van Deerlin	Whitley
Taylor	Vander Jagt	Whitten
Thone	Waggonner	Wilson, Bob
Thornton	Walker	Winn
Treen	Wampler	Wirth
Trible	Watkins	Young, Fla.
Tucker	White	

NOES—218

Addabbo	Florio	Murtha
Akaka	Foley	Myers, Michael
Ambro	Ford, Mich.	Natcher
Ammerman	Ford, Tenn.	Nedzi
Anderson, Calif.	Fowler	Nolan
	Fraser	Nowak
Annunzio	Gammage	Oakar
Applegate	Garcia	Oberstar
Ashley	Gaydos	Obey
Aspin	Gephardt	Ottinger
AuCoin	Giaimo	Panetta
Baldus	Gilman	Patten
Baucus	Ginn	Patterson
Beard, R.I.	Glickman	Pease
Beilenson	Gonzalez	Pepper
Benjamin	Hamilton	Perkins
Bevill	Hanley	Pickle
Biaggi	Hannaford	Pike
Bingham	Harkin	Pressler
Blanchard	Harris	Price
Blouin	Harsha	Pursell
Boland	Hawkins	Quillen
Bonior	Heckler	Rahall
Bonker	Hillis	Rangel
Brademas	Holland	Reuss
Brinkley	Hollenbeck	Richmond
Brodhead	Holtzman	Rinaldo
Brooks	Horton	Roe
Brown, Calif.	Howard	Roncalio
Buchanan	Hubbard	Rooney
Burke, Calif.	Hughes	Rosenthal
Burke, Mass.	Jeffords	Roybal
Burlison, Mo.	Jenrette	Russo
Burton, John	Johnson, Calif.	Ryan
Burton, Phillip	Jordan	Sarasin
Carney	Kastenmeier	Scheuer
Carr	Kildee	Schroeder
Cavanaugh	Kostmayer	Seiberling
Chisholm	Krebs	Sharp
Clausen, Don H.	LaFalce	Sisk
	Lederer	Slack
Clay	Leggett	Smith, Iowa
Collins, Ill.	Lehman	Solarz
Conte	Levitas	Spellman
Conyers	Lloyd, Calif.	St Germain
Corman	Luken	Staggers
Cornell	Lundine	Stark
Cornwell	McCormack	Steers
Cotter	McDade	Stokes
Cunningham	McFall	Stratton
D'Amours	McHugh	Studds
Danielson	Maguire	Thompson
Davis	Markey	Traxler
Dellums	Marks	Udall
Derwinski	Marlenee	Vanik
Dicks	Mattox	Vento
Diggs	Mazzoli	Volkmer
Dingell	Meeds	Walgren
Dodd	Metcalfe	Walsh
Downey	Mikulski	Waxman
Drinan	Mikva	Weiss
Early	Miller, Calif.	Wilson, C. H.
Eckhardt	Mineta	Wolff
Edgar	Minish	Wright
Edwards, Calif.	Mitchell, Md.	Wydler
Eilberg	Moakley	Wylie
Ertel	Moffett	Yates
Evans, Ind.	Mollohan	Yatron
Fary	Moorhead, Pa.	Young, Alaska
Fascell	Moss	Young, Mo.
Fish	Mottl	Zablocki
Fisher	Murphy, Ill.	Zeferetti
Flippo	Murphy, N.Y.	
Flood	Murphy, Pa.	

NOT VOTING—41

Alexander	Jenkins	Ruppe
Armstrong	Johnson, Colo.	Santini
Bolling	Krueger	Shipley
Brown, Ohio	Le Fante	Simon
Caputo	McCloskey	Skelton
Corcoran	Meyner	Steiger
Crane	Milford	Teague
Delaney	Nix	Tsongas
Dent	Pettis	Weaver
Derrick	Poage	Whalen
Flowers	Quie	Wiggins
Forsythe	Rodino	Wilson, Tex.
Harrington	Rostenkowski	Young, Tex.
Ireland	Runnels	

The Clerk announced the following pairs:

Mr. Brown of Ohio for, with Mr. Shipley against.

Mr. Corcoran of Illinois for, with Mr. Le Fante against.

Mr. Crane for, with Mr. Rostenkowski against.

Mr. Ruppe for, with Mr. Harrington against.

Mr. Wiggins for, with Mr. Tsongas against.

Mr. Runnels for, with Mr. Whalen against.

Mr. Teague for, with Mr. Dent against.

Mr. LONG of Louisiana changed his vote from "no" to "aye."

Mr. MARLENEE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

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

Mr. Chairman, I would like to join with the remarks of earlier speakers to congratulate the chairman of the subcommittee for the fine work that has been done on this bill, particularly in title I.

Mr. Chairman, I wholeheartedly support section 101(b) of the Housing and Community Development Amendments of 1978 which would revise section 203 (k) of the Housing Act to insure first mortgages to cover substantial rehabilitation. This type of loan instrument has been sorely needed for a long time in light of the growing interest in buying and rehabilitating older, often historic homes in our Nation's cities.

Those who have successfully undertaken such efforts have had to resort to extremely complex measures to obtain financing for their projects. They have often had to seek first a mortgage to help cover the purchase price of the property and then any number of home improvement loans to finance the renovation. In some instances owners of rehabilitated homes have been able to consolidate all these transactions under a second mortgage.

Not only is this procedure extremely complicated and difficult to carry out, it can be very costly since home improvement loans, which finance the bulk of the cost, bear high interest rates and relatively short terms. The whole effect acts as a deterrent to rehabilitation of many sound structures, which offer a considerable resource for housing, especially for those with moderate incomes. The deterrent exacerbates the problem of displacing lower income residents who have lost their homes in rehabilitation areas when they have been taken over by those who can afford the complicated financing.

The revised section 203(k) will go a long way toward facilitating rehabilitation of urban homes. By making mortgages for both purchase and rehabilitation through FHA, loans will be easier to get and rehabilitation will be available to a broader group of people.

My one reservation about this new program stems from problems my constituents have encountered with FHA appraisals of rehabilitated property. For example, in one neighborhood where several homes have recently been rehabilitated, FHA appraisals came in below the market value of the property and the price agreed upon between the buyer and seller and approved by the lender. For one such house, the buyer agreed to pay $42,900 but the FHA assessment was originally $24,000 and brought up to $43,500 only after reappraisal and renegotiation.

The problem derives from the FHA practice of basing appraisals on "comparables." In a neighborhood where rehabilitation is just beginning, there are few if any comparables available for making a valid appraisal.

The committee report accompanying H.R. 12433 appropriately acknowledges that the Secretary of Housing and Urban Development may need to "develop new underwriting standards which take into account varying risks that accompany rehabilitation in different neighborhoods." I understand this comment is largely intended to assure that appraisal regulations are designed to prevent the kind of speculative ripoffs that have destroyed rehabilitation programs in the past, especially in inner-city neighborhoods. This provision is well advised and will, hopefully, help assure success of this much needed program.

I would hope, however, that in developing these new underwriting standards HUD will also address the appraisal problem I described. In doing so, I believe it would be appropriate to permit or encourage FHA appraisers to look at home values in neighborhoods which have already undergone rehabilitation.

Accordingly, I ask my distinguished colleague if he agrees that this problem ought to be addressed in the new underwriting standards under section 203(k) and that a recommendation for HUD to do so would be in accordance with the committee's intent.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield,

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

Mr. ASHLEY. First, Mr. Chairman, let me thank my distinguished colleague for support of title I of the bill, and for focusing on the proposals with respect to the section 203(k) program which are of such interest to him and, indeed, to the committee.

Clearly, there has been a need for a program which would help make funds available to borrowers who can afford to pay market interest rates and HUD–FHA insurance can be a tremendous help in securing such credit. To date, borrowers have had to resort to short-term, extremely complicated, and often costly programs, and this has been a deterrent to those seeking to upgrade and preserve their homes and to new buyers who have sought to acquire and renovate properties.

Let me make just two points in response to the gentleman's question.

First, the 203(k) program is not to be aimed at specifically "targeted" or otherwise specially designated neighborhoods. It is our intent that this be a general, demand program, like the basic 203 pro-

gram, available anywhere where an owner or prospective owner seeks to undertake rehabilitation or upgrading and the Secretary finds the loan an acceptable risk.

The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

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

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield further, second, we are aware that underwriting of this type is a difficult and often new field for many lenders and for HUD-FHA personnel, and that simple formulas, such as acquisition cost plus construction cost will not necessarily yield a fair estimate of value. Neighborhood comparables, even if they are available, may only be a helpful guide and not a determinant since values in geographic areas undergoing extensive rehabilitation are often rising rapidly and available market records may lag behind actual values.

Each property is probably unique in some way. There may well be a void in conventional appraisal techniques which must be filled. One approach which we have noted and the Secretary may wish to consider uses comparable neighborhoods, instead of comparable homes, which the gentleman has also suggested.

So what we have provided is that the Secretary will have a brief period in which to develop standards for a nationwide program which will both protect the government and the buyer—by reflecting only actual value, which is not necessarily the same as cost, but also provide enough flexibility to assure that borrowers have sufficient funds to acquire properties and undertake the needed work by recognizing that values are sometimes appreciating rapidly. The Secretary, of course, could look at similar experiences in other areas for guidelines in any individual situation.

Mr. GEPHARDT. Mr. Chairman, I appreciate very much the remarks of the chairman. I again extend my congratulations for his work and the work of the subcommittee on this creative new program.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has again expired.

(On request of Mr. ASHLEY, and by unanimous consent, Mr. GEPHARDT was allowed to proced for 1 additional minute.)

Mr. ASHLEY. Mr. Chairman, the gentleman submitted testimony before the Housing Subcommittee which, in all truth, was as carefully crafted and as persuasive as any testimony that has been taken by our subcommittee in recent years. The attention that he has directed to the problem at hand is one that, by virtue of his testimony, was looked at very carefully. It was because of the gentleman's contributions that the report language established the framework that I think will provide the decisions which are intelligent and which achieve the purpose that we have in mind.

Mr. GEPHARDT. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY) very much.

The CHAIRMAN. Are there further amendments to title I of the bill?

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask a question of the subcommittee chairman, Mr. ASHLEY, dealing with HUD's new proportionality requirement for housing assistance plans. In effect, it requires a community to adjust this year's HAP to reflect exactly the needs of each group, that is, the elderly, families, and large families, in the precise ratio that was used in the 1976 HAP.

Thus, if the 1976 HAP showed that the total housing need was made up of 20 percent elderly, 60 percent family, and 20 percent large family, the new HAP would only be approved if it contained numbers which, when added to housing assisted since 1976, would precisely give those percentage totals. Under the law, HAP's, like the CDBG application itself, can only be disapproved where the Secretary can show that the needs and objectives stated in the HAP are "plainly inconsistent" with known facts and data, or that the activities proposed are "plainly inappropriate" to meeting those needs and objectives.

If the chairman agrees with me as to what the law requires, he would then agree that HUD's proportionality requirement alone is not a basis for disapproving a community's HAP, unless the proportionality test take into account known changes in needs and reveals that a community has so ignored the needs of one group, such as large families, that the Department can conclude that the projected housing goals are "plainly inappropriate" to meeting the needs set forth in the HAP. Is that not the gentleman from Ohio's understanding of the statute?

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

Mr. BROWN of Michigan. Of course I yield to the gentleman from Ohio.

Mr. ASHLEY. I think it is. If I understand the substance of the gentleman's question, it seems to me that his approach incorporates two things, one, a test of reasonableness and, second, a set of criteria that the Secretary must follow with regard to approving applications as established in the basic statute. Is that not so?

Mr. BROWN of Michigan. That is correct. And that, of course, is the language I referred to, because we cannot have a rigid, hard, uniform test that does not take into consideration the plainly inconsistent, "plainly inappropriate" language in the statute.

Mr. ASHLEY. The plainly inconsistent, plainly inappropriate language in the statute was arrived at after days and weeks of debate and deliberations.

I do not think—and again, if I understand the gentleman correctly—that that language can be used in a destructive way to turn down applications if they do not precisely meet the proportionality criterion.

In other words, what we are saying is that proportionality really has got to be looked at in a reasonable way. It cannot be said, I do not believe, that if there is a slight variance that that in itself would disqualify an application because it, per se, then would be clearly in appropriate and clearly inconsistent from the language of the 1974 act.

Mr. BROWN of Michigan. I thank the gentleman for his remarks, and I think he substantially concurs in what I have said. I think we would not have to go any farther than just the county of Fairfax to be able to show in a much more poignant way the problem with use of the proportionality criteria and the almost ridiculous result it can mandate.

In 1976 the county showed its 3-year housing goals as follows:

Units: Total, 3,555, 100 percent; elderly, 404, 11.4 percent; family, 2,596, 73.0 percent; large family, 555, 15.6 percent.

Since 1976, the following distribution of housing assistance has been provided:

Units: Total, 1,184, 100 percent; elderly, 176, 14.8 percent; family, 703, 59.3 percent; large family, 305, 25.7 percent.

For 1979 the county has proposed to assist:

Units: Total, 860; elderly, 152; family, 656; large family, 52.

HUD has told the county that the goals in the proposed HAP "must be distributed" as follows:

Units: Total, 860; elderly, 56; family, 789; large family, 15.

The result is clear and preposterous. Fairfax County is being required to reduce proposed assistance to the elderly (from 152 to 56) and to large families (from 52 to 15) so that it can meet some arbitrary regulation, even though the result is the opposite of what was intended by HUD's proportionality test in the first place.

In developing the original Housing and Community Development Act of 1974, Congress acted deliberately to prevent HUD from second-guessing communities, and to avoid just this sort of meddling, unless it was very clear that the community's statement of needs and objectives was plainly inconsistent with the facts, or that its proposed activities were plainly inappropriate to meeting those needs and objectives. Surely, the way this regulation was written and is being interpreted is contrary to the intent of Congress and must be changed.

What is even more disturbing is that in negotiations with the county, HUD was able to force the change in this year's HAP. This all came about after the expenditure of considerable time and money by both HUD and Fairfax County on a controversy that would never have arisen if HUD had followed the intent of Congress.

The CHAIRMAN. Are there any other amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—HOUSING ASSISTANCE PROGRAMS

FINANCIAL ASSISTANCE FOR CERTAIN HOUSING PROJECTS

SEC. 201. (a) The purpose of this section is to improve the management of certain housing projects covered by, or formerly covered by, mortgages insured under the National

Housing Act, so that the financial soundness of such projects may be restored or maintained and so that a low- and moderate-income character may be maintained in such projects.

(b) The Secretary of Housing and Urban Development (hereinafter referred to in this section as the "Secretary") may make available, and contract to make available, financial assistance to owners of rental or cooperative housing projects meeting the requirements of this section. Such assistance shall be made on an annual basis and in accordance with the provisions of this section.

(c) A rental or cooperative housing project is eligible for assistance under this section only if such project—

(1)(A) is covered by a mortgage (including a mortgage assigned to the Secretary) insured under the National Housing Act and assisted under section 236 or the proviso of section 221(d)(5) of such Act, or under section 101 of the Housing and Urban Development Act of 1965; or

(B) met the criteria specified in subparagraph (A) of this paragraph before the acquisition of such project by the Secretary and has been sold by the Secretary, subject to a mortgage insured or held by the Secretary and subject to an agreement (in effect during the period of assistance under this section) which provides that the low- and moderate-income character of the project will be maintained; except that, with respect to projects sold after October 1, 1978, assistance shall be available for a period not to exceed two years; and

(2) meets such other requirements consistent with the purposes of this section as the Secretary may prescribe.

(d) No assistance may be made available under this section unless the Secretary has determined that—

(1) such assistance, when considered with other resources available to the project, is necessary and, in the determination of the Secretary, will restore or maintain the financial soundness of the project and maintain the low- and moderate-income character of the project;

(2) the assistance which could reasonably be expected to be provided over the useful life of the project will be less costly to the Federal Government than other reasonable alternatives by which the Secretary could maintain the low- and moderate-income character of the project;

(3) the project is structurally sound, as determined on the basis of information obtained as a result of an onsite inspection of the project;

(4) the community in which the project is located has evidenced a commitment to provide essential services in keeping with the community's general level of such services;

(5) the real estate taxes on the project are not greater than would be the case if the property was assessed in a manner consistent with the normal property assessment procedures for the community in which the property is located;

(6) the management of the project is being conducted by persons who meet minimum levels of competency and experience prescribed by the Secretary; and

(7) the project is being operated and managed in accordance with a management-improvement-and-operating plan which is designed to reduce the operating costs of the project, which has been approved by the Secretary, and which includes the following: (A) a detailed maintenance schedule; (B) a schedule for correcting past deficiencies in maintenance, repairs, and replacements; (C) a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary; (D) a plan to improve financial and management control systems; (E) a detailed annual operating budget taking into account such standards for operating costs in the area as may be determined by the Secretary; and (F) such other requirements as the Secretary may determine.

(e)(1) The Secretary may, with respect to any year, provide assistance under this section, and make commitments to provide such assistance, with respect to any project in any amount which the Secretary determines is consistent with the project's management-improvement-and-operating plan described in subsection (d)(7) and which does not exceed the sum of—

(A) an amount determined by the Secretary to be necessary to correct deficiencies in the project which exist at the beginning of the first year with respect to which assistance is made available for the project under this section, which were caused by the deferral of regularly scheduled maintenance and repairs or the failure to make necessary and timely replacements of equipment and other components of the project, and for which payment has not previously been made;

(B) an amount determined by the Secretary to be necessary to maintain the low- and moderate-income character of the project by reducing deficiencies, which exist at the beginning of the first year with respect to which assistance is made available for the project under this section and for which payment has not previously been made, in the reserve funds established by the project owner for the purpose of replacing capital items; and

(C) an amount not greater than the amount by which the estimated operating expenses (as described in paragraph (2) of this subsection) for the year with respect to which such assistance is made available exceeds the estimated revenues to be received (as described in paragraph (2) of this subsection) by the project during such year.

(2) The estimated revenues for any project under paragraph (1)(C) of his subsection with respect to any year shall be equal to the sum of—

(A) the estimated amount of rent which is to be expended by the tenants of such project during such year, as determined by the Secretary without regard to section 236(f)(1) of the National Housing Act;

(B) the estimated amount of rental assistance payments to be made on behalf of such tenants during such year, other than assistance made under this section;

(C) the estimated amount of assistance payments to be made on behalf of the owner of such project under section 221(d)(5) or section 236 of the National Housing Act during such year; and

(D) other income attributable to the project as determined by the Secretary;

except that—

(E) in computing the estimated amount of rent to be expended by tenants, the Secretary shall provide that (i) at least 25 percent of the income of each such tenant is included, or (ii) in the case of a tenant paying his or her own utilities, a percentage of income which is less than 25 percent and which takes into account the reasonable costs of such utilities; except that no amount shall be provided for any tenant under clause (i) or (ii) which exceeds the fair market rental charge as determined pursuant to section 236(f)(1) of the National Housing Act for such tenant; and

(F) in computing the estimated amount of rent to be expended by tenants and the estimated amount of rental assistance payments to be made on behalf of such tenants, the Secretary may permit a delinquency-and-vacancy allowance of not more than 6 percent of the estimated amount of such rent and payments computed without regard to such allowance; except that, with respect to the first two years in which assistance is provided to a project under this section, the Secretary may permit such allowance for such project to exceed such 6 percent by an amount which the Secretary determines is appropriate to carry out the purposes of this section.

For purposes of computing estimated operating expenses of any such project with respect to any year, the Secretary shall include all estimated operating costs which the Secretary determines to be necessary and consistent with the management-improvement-and-operating plan for the project for such year, including, but not limited to, taxes, utilities, maintenance and repairs (except for maintenance and repairs which should have been performed in previous years), management, insurance, debt service, and payments made by the owner for the purpose of establishing or maintaining a reserve fund for replacement costs. The Secretary may not include in such estimated operating expenses any return on the equity investment of the owner in such project.

(3) Any assistance payments made pursuant to this section with respect to any project shall be made on an annual basis, payable at such intervals, but at least quarterly, as the Secretary may determine, and may be in any amount (which the Secretary determines to be consistent with the purpose of this section), except that the sum of such assistance payments for any year may not exceed the amount computed pursuant to paragraph (1) of this subsection. The Secretary shall review the operations of the project at the project at the time of such payments to determine that such operations are consistent with the management-improvement-and-operating plan.

(f) In order to carry out the purposes of this section, the Secretary may, notwithstanding the provisions of section 236(f)(1) of the National Housing Act, provide that, for purposes of establishing a rental charge under such section, there may be excluded from the computation of the cost of operating a project an amount equivalent to the amount of assistance payments made for the project under this section.

(g) The Secretary may issue such rules and regulations as may be necessary to carry out the provisions of this section.

(h) There are authorized to be appropriated, for the purpose of providing financial assistance under this section, an amount (in addition to any amount appropriated for use under this section pursuant to section 236(f)(3) of the National Housing Act) not to exceed $74,000,000 for the fiscal year 1979.

(i) Effective October 1, 1978, section 236 of the National Housing Act is amended—

(1) by striking out the third and fourth sentences of subsection (g); and

(2) by striking out subsection (f)(3) and inserting in lieu thereof the following:

"(3) The Secretary shall utilize the fund described in subsection (g) for the sole purpose of carrying out the purposes of section 201 of the Housing and Community Development Amendments of 1978. No payments may be made from such fund unless approved in an appropriation Act. No amount may be so approved for any fiscal year beginning after September 30, 1979.".

HOUSING FOR THE ELDERLY AND THE HANDICAPPED

SEC. 202. (a) Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following new subsection:

"(h) Of the amounts made available in appropriation Acts for loans pursuant to subsection (a)(4)(C) for the fiscal year

commencing on October 1, 1978, not less than $50,000,000 shall be available for loans for the development of rental housing and related facilities specifically designed to meet the needs of handicapped (primarily nonelderly) persons. The Secretary shall take such steps as may be necessary to assure that—

"(1) funds made available pursuant to this subsection will be used to support innovative methods of meeting the needs of handicapped persons by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(2) housing and related facilities assisted under this subsection will provide handicapped persons occupying units within such housing with an assured range of services specified in subsection (f) and the opportunity for optimal independent living and participation in normal daily activities, and will facilitate access by such persons to the community at large and to suitable employment opportunities within such community.".

(b) The second sentence of section 202(a)(4)(C) of such Act is amended—

(1) by striking out "in any fiscal year" after "under this section"; and

(2) by striking out "for such year" after "authority established".

(c) Section 202(d)(3) of such Act is amended by inserting "the cost of movables necessary to the basic operation of the project as determined by the Secretary," immediately after "related facilities,".

LOW-INCOME HOUSING

SEC. 203. (a) Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" immediately after "October 1, 1976," in the first sentence;

(2) by inserting immediately after "on October 1, 1977," in the first sentence the following: "and by $1,195,043,000 on October 1, 1978";

(3) by striking out the second and fourth sentences; and

(4) by inserting "and on and after October 1, 1978," immediately after October 1, 1976," in the third sentence.

(b) Section 8(d)(1)(B) of such Act is amended to read as follows:

"(B) the owner shall have the right to give notice to vacate, in accordance with State and local laws which the Secretary has determined provide adequate protection for tenants, or in accordance with regulations prescribed by the Secretary;".

(c)(1) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In entering into contracts under this section with respect to substantially rehabilitated dwelling units, the Secretary shall provide that—

"(1) the maximum monthly rent permitted for the assisted units be not greater than the amount permitted under subsection (c) or a lesser amount which the Secretary determines is appropriate taking into consideration the investment of the owner in the assisted units and such other factors as the Secretary determines to be relevant;

"(2) the assisted units be rehabilitated to a level which meets but does not exceed applicable codes and standards for decent, safe, and sanitary housing which are prescribed by the Secretary;

"(3) all the dwelling units in the housing structure in which the assisted units are located meet applicable codes and standards prescribed by the Secretary for decent, safe, and sanitary housing;

"(4) the term of any such contract does not exceed the maximum term permitted under subsection (e)(1) or a shorter term which the Secretary determines is appropriate taking into consideration the amount of investment of the owner in the assisted units and such other factors as the Secretary determines to be relevant; and

"(5) the assisted units meet cost-effective energy efficiency standards prescribed by the Secretary.".

(2) The amendments made by this subsection shall become effective with respect to contracts entered into on or after 180 days following the date of enactment of this Act.

(d) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The Secretary may enter into annual contributions contracts under this subsection for the purpose of assisting lower income families by making rental assistance payments with respect to real property on which is located a mobile home which is owned by any such family and utilized by such family as its principal place of residence. In carrying out this subsection, the Secretary may (A) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make such assistance payments to the owners of such real property, or (B) enter into such contracts directly with the owners of such real property.

"(2) Contracts entered into pursuant to this subsection shall establish the maximum monthly rent (including maintenance and management charges) which the owner is entitled to receive for each space on which a mobile home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this subsection. The provisions of subsection (c)(2) of this section shall apply to the adjustments of maximum monthly rents under this subsection.

"(3) The amount of any monthly assistance payment with respect to any family assisted under this subsection shall be the difference between 25 per centum of one-twelfth of the annual income of such family and the sum of—

"(A) the monthly payment made by such family to amortize the cost of purchasing the mobile home;

"(B) monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(C) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its mobile home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

"(4) Each contract entered into under this subsection shall be for a term of not less than one month and not more than 180 months.

"(5) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection.".

(e) Section 9(c) of such Act is amended—

(1) by striking out "and" immediately following "on or after October 1, 1976,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and not to exceed $729,000,000 on or after October 1, 1978".

(f) The amendments made by this section, except the amendments made by subsection (c), shall become effective on October 1, 1978.

Mr. ASHLEY (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 19, insert ", or assisted or approved for assistance under such Act," after "Act";

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, printed in the RECORD, and that they be considered en bloc.

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

There was no objection.

(The remaining committee amendments to title II are as follows:)

Committee amendments: page 9, line 7, strike out "covered" and all that follows through "Act and" in line 9; and page 9, line 10, strike out "such" and insert in lieu thereof "the National Housing".

Page 11, line 21, strike out the period and insert in lieu thereof "; and", and insert the following after line 21:

Page 18, after line 10, insert the following new subsection:

(d) Section 202(d)(2) of such Act is amended to real as follows:

"(2) The term 'corporation' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the comunity in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility."

Page 19, strike out lines 1 through 5 and insert the following:

"(B) the owner shall have the right to give notice to vacate, in accordance with State and local laws which the Secretary has determined provide adequate protection for tenants and in accordance with determination of the public housing authority pursuant to review procedures which the Secretary has determined provide such protection;"

The CHAIRMAN. Do any Members wish to debate the committee amendments? If not, the question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. Are there any amendments to title II?

AMENDMENT OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHLEY: Page 9, line 21, insert the following after the second comma: "to such extent and in such amounts as may be approved in appropriation Acts,".

Mr. ASHLEY. Mr. Chairman, this amendment is entirely technical in na-

ture. It simply brings the bill into full compliance with the Budget Act. Although the amendment is minor, it is important in that it maintains the principle that all legislation should fully meet the requirements of the Budget Act. I urge adoption of the amendment.

Mr. GREEN. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHLEY).

The amendment was agreed to.

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

Mr. Chairman, I would like to clarify the intent of the committee with respect to section 202(b) of the bill.

Currently, if a housing sponsor under the 202 program is unable to utilize loan funds reserved by HUD, these funds revert to the Treasury and cannot be reobligated to another eligible sponsor after the close of the fiscal year in which the funds were originally committed.

To deal with this problem, I proposed and the committee adopted a "recapture" provision which would allow HUD to reallocate 202 loan funds without regard to any fiscal year.

I wish to make it clear, however, that my purpose in introducing this language was to focus on the need to reobligate funds which might otherwise be lost through sponsor inaction. It was not my intent for HUD to rely on this flexibility to avoid its obligation to fully commit loan funds in the year in which Congress authorizes them or to recapture loan funds which might be lost due to HUD's failure to process applications expeditiously.

Mr. Chairman, am I correct that it is the intent of the committee by this change to authorize HUD to reallocate loan reservations only where the Assistant Secretary for Housing finds the sponsor's loss or surrender of his loan reservation is due to the sponsor's own failure to develop a workable project and to preclude the use of this recapture authority in instances of HUD processing delays?

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

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

I am pleased to say that the gentleman from Rhode Island has stated the matter with complete accuracy.

Mr. ST GERMAIN. Further, Mr. Chairman, am I correct that the intent of the committee is for HUD to fully commit within the fiscal year the amount of loan funds set forth in the annual appropriations bill, consistent with sound management practices?

Mr. ASHLEY. If the gentleman will yield further, again he is correct. The committee expects HUD to fully commit its 202 loan funds to eligible sponsors in the fiscal year in which such funds are included in the appropriations bill.

Mr. ST GERMAIN. I thank the Chairman, and I yield back the remainder of my time.

AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. COLLINS of Illinois: On page 24, after line 13 insert new paragraph:

(f) The Congress instructs the Secretary of the Department of Housing and Urban Development to seek to remove section 8 new construction authorization for the City of Chicago from the placement formula developed in the case of Gautreaux *vs.* Hills, either through agreement with other parties before the Federal District Court, or through appeal to the Circuit Court of Appeals. Redesignate paragraph (f) as paragraph (g).

Mrs. COLLINS of Illinois. Mr. Chairman, this amendment would instruct the Secretary of the Department of Housing and Urban Development to act to remove section 8 new construction housing authorizations from the effect of an order issued by the Federal district court in Chicago on May 5, 1975, in the case of Gautreaux against Hills. The effect of the amendment would be to permit section 8 housing to be constructed in the city of Chicago in compliance with the Department's own guidelines for site selection followed in the rest of the United States.

Chicago is the only city in the Nation that has not been receiving its fair share of federally assisted new construction under section 8 because of severe restrictions covering two-thirds of the city. These restrictions are part of a remedy fixed by the district court following a lawsuit against the Chicago Housing Authority to which the Department of Housing and Urban Development was made a party. At the time the initial decision was handed down in 1969 [304 F. Supp. 736 (1969)], the section 8 housing program did not exist.* HUD agreed in 1975, to make this housing subject to a mathematical formula set out by the court. The formula (which is clearly shown by this map) requires that at least 60 percent of section 8 new construction be built outside of a 1-mile radius of residential concentration of minority and low-income individuals—this is known as the "general area" and includes the suburbs immediately contiguous to Chicago—before the remaining 40 percent can be built in such communities (known as the "limited area") and which encompasses two-thirds of the city. Needless to say, the suburbs are not knocking down HUD's doors with applications.

In fact, in March of this year HUD issued a Notice of Fund Availability (NOFA) for 399 housing units in the six-county area surrounding the Chicago statistical metropolitan area and got no response. Not one single suburban community so much as inquired about or showed any interest in making application for these housing units.

In a very special effort to find takers, 1 week ago HUD issued a second Notice of Fund Availability after taking steps to make sure that every potential applicant had been informed of both the opportunity and, more importantly of their responsibility under their own housing assistance plan (HAP) to provide housing for people of low incomes.

This is just one of many illustrations of the restrictions on HUD's ability to live up to its mandate to provide housing in Chicago, in an equitable manner because HUD has shackled itself to a decision which prevents it from acting with any flexibility. This example also illustrates the fact that the continuing inclusion of section 8 new construction in the Gautreaux formula further negates any hope of ever providing low-income residents with either the freedom of choice to live where they want to live or to enjoy adequate housing wherever they happen to reside. These citizens find themselves in critical need of new housing some of which could be built on land already vacant—some of it since 168—and yet they cannot get new units until communities outside their neighborhoods agree to accept section 8 low-income housing. They are locked in a Catch-22 situation.

As chairwoman of the Government Operations Subcommittee on Manpower and Housing, I have held hearings here in Washington and in various sections of the country in order to determine the effectiveness of the section 8 program. I have seen for myself that it has been extremely beneficial in enabling low-income citizens of other metropolitan areas throughout the country to enjoy not only newly constructed, quality subsidized housing; but has contributed to a very large degree to the stabilization and revitalization of neighborhoods. This healthful environment is a direct result of section 8 new construction, that is not being generated to a significant degree in two-thirds of the city of Chicago. Conversely, the restrictions on its use in Chicago have left us with long stretches of city blocks on which absolutely nothing stands, many blocks on which only three or four houses remain, and hundreds of others on which there are boarded up buildings awaiting demolition.

It is important to understand that section 8 was included in the scope of the Gautreaux decision pursuant to a voluntary agreement between the Department of Housing and Urban Development (the Chicago Housing Authority) and the counsel for the plaintiff in the case. It can be removed from the decision in the same manner it was included. Indeed, several months ago, another agreement was made between the plaintiff's counsel and HUD to eliminate section 8 substantial rehabilitation from the decision.

I have spoken with the Secretary and with President Carter about the importance of providing adequate housing to the citizens of Chicago along with those in the rest of the country, and under the same rules that are currently and effectively in use in the rest of the country. In my discussions, I pointed out that the effect of tying section 8 funds for new construction is to impose a burden on

*Enacted with 1974 Housing Act.

Chicagoans that is not shared by any other Americans.

Both the President and the Secretary were sympathetic and agreed that this action punishes the poor.

The reason given by the Secretary for not attempting to remove these funds from the scope of the formula is that such a move could be unfairly interpreted as a retreat from our present open housing policy. It goes without saying that I avidly support the concept of open housing as do the vast majority of my colleagues. However, HUD's action in agreeing to paste section 8 new construction funds to a 10-year-old decision has not produced open housing in Chicago. Instead, the situation has worsened; the poor are still compressed in blocks of devastation and urban decay. In fact, there seems to be absolutely no dispute that this formula has effectively precluded the construction of significant numbers of subsidized housing units in the city of Chicago. Not only is there no open housing in the true sense for low-income citizens, there is not sufficient adequate housing for those who must suffer this indifference and indignity. Those who would like to remain in their current neighborhoods are prevented from so doing by the lack of housing units and are therefore forced to move out.

HUD has failed to use its authority to remedy this unjust situation—an authority vested in its own site selection criteria which have been found to be adequate in every other city in the United States. Inasmuch as this site selection process is effective in all other areas of the country, it is totally unreasonable for HUD to continue to stifle Chicago with standards that are so stringent that they serve to deprive its citizens of their fair share of federally subsidized housing.

Instead of trying to rectify this paradoxical situation, HUD has chosen to close its eyes to the plight of inner-city Chicagoans because it fears that its actions might be misinterpreted. However, it is unfair to continue to subject the poor in Chicago to insufficient housing units merely because someone may misinterpret what is done. These citizens have the same rights as others to benefit from new housing units—especially since it is the intent of Congress that all Federal dollars be spent equitably.

I have attempted through regular channels and even through the extraordinary channel of going directly to the President on May 24 to make him aware of this injustice and to urge the Department to free section 8 new construction from the stifling effects of Gautreaux which applies only to the city of Chicago.

Now, I come to you and urge you to adopt this amendment to direct the Secretary to seek removal of section 8 from the Gautreaux decision by petitioning the district court. Such a petition has an excellent chance for success because the formula has been changed numerous times as a result of agreements between the parties. If such removal is not agreed to by the counsel for the plaintiff, then it is possible that the court will reject HUD's application. If so, the amendment directs the Secretary to appeal to the Federal circuit court.

In essence, I am only seeking to require HUD to exercise its right to use the court system to remove a powerful and strangling impediment to the functioning of its major subsidized housing program in the second largest city in the country. Chicago's low-income citizens have been held hostage to the whims of communities in the general area and by HUD's acquiescence in this matter for too long.

It is up to us to indicate to HUD our confidence in its own site selection procedures and to reaffirm in Chicago the principle of open housing as well as our compassion in seeing that this principle is applied in a manner that is fair to all of our citizens.

The CHAIRMAN. The time of the gentlewoman from Illinois (Mrs. COLLINS) has expired.

(On request of Mr. BROWN of Michigan, and by unanimous consent, Mrs. COLLINS of Illinois was allowed to proceed for 3 additional minutes.)

Mr. BROWN of Michigan. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentlewoman for yielding.

Mr. Chairman, I am sympathetic to the issue the gentlewoman has raised and that the amendment addresses. Mandating certain things, by HUD and by courts, oftentimes has a counterproductive result, as it has in this instance.

My problem with the amendment really is that I am not sure that I know all about it that would make the amendment effective.

Otherwise, does the gentlewoman know, as her amendment says, that there could be an agreement with other parties?

Mrs. COLLINS of Illinois. Yes. There have been agreements with other parties, as I pointed out.

Mr. BROWN of Michigan. It was consent.

Mrs. COLLINS of Illinois. Letters of understanding, agreement with other parties, et cetera, have been done in the past. In fact, the history in this case must stack up so high. This was the usual procedure.

Mr. BROWN of Michigan. My concern is, if the court has decreed that the law require this, which the court pretty much did, it was a consent order. The gentlewoman is correct. So what the gentlewoman is saying is that she thinks that if HUD would, it could in effect reach another agreement and have an amended consent order?

Mrs. COLLINS of Illinois. Absolutely.

Mr. BROWN of Michigan. But then I noticed that the gentlewoman also says that this effort should be made by HUD either through agreement or through the appeal of the decision.

Mrs. COLLINS of Illinois. That is right. The reason I say that is that if HUD continues to refuse to get an understanding or an agreement, I would like to see that HUD goes into court to make it clear. The point I want to make extremely clear is that I am not in any way trying to rid the city of the Gautreaux decision. I think it is needed in many other areas. All I am trying to do is extract these particular funds from this decision. Initially, these funds were not a part of this decision. HUD went in and agreed to have these funds placed in this 10-year-old decision that was made.

Mr. ASHLEY. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentlewoman from Illinois (Mrs. COLLINS).

The amendment would specifically limit the Secretary of HUD in the options she can pursue in devising a settlement to the Gautreaux against Hills case, which a Federal district court decided 10 years ago. I believe it is premature and entirely inappropriate for the Congress to interfere at this point when the Federal district court, the Department of HUD and the plaintiffs in the case are attempting to fashion an equitable remedy for a very troubling problem.

I totally understand and sympathize with the Congresswoman's concern that adequate housing for low-income individuals is not presently being built in the city of Chicago. The city of Toledo has recently struggled with a similar problem so I am very familiar with the delicate negotiations that the plaintiffs, the city, and HUD must pursue in order to agree on an effective remedy. This body is not familiar with the precise impact of the present court order and the letters of agreement between the plaintiffs and HUD. I must agree with the Supreme Court when it stated in its Gautreaux against Hills decision:

> The nature and scope of the remedial decree * * * is a matter for the district court in the exercise of its equitable discretion, after affording the parties an opportunity to present their views.

Congress should not interfere at this point and should not tie the hands of one of the parties to the suit.

In addition, an amendment such as this could have extensive and unforeseen public policy ramifications while it is drafted to address only the Gautreaux case, it could establish an unwise precedent. The House is entitled to have hearings on the public policy impact of this amendment before we act. We should not legislate in the dark and I urge my colleagues to defeat this amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Of course, I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, let me just comment quickly on the fact that the gentleman says that this amendment is premature. I do not think it is premature because this is a situation which has been created over the last 10 years. I think a decade is a very long time for people who are in dire need of housing.

Mr. ASHLEY. Mr. Chairman, it is my understanding, I will say to the gentlewoman from Illinois (Mrs. COLLINS), and this is what I meant when I said it was

premature, that negotiations now are taking place and that by the end of December of this year, a new letter of agreement between the plaintiffs and the Secretary of HUD must be signed.

Very clearly, this is not a situation in which there is inaction. The parties to the suit are presently in discussions or in negotiations in an effort to fashion a remedy.

Again, I sympathize with the gentlewoman because of her frustration in that 10 years after the decision, the community that she represents is, in fact, being victimized by the outcome of the Gautreaux decision. That is really what the gentlewoman is saying.

Mrs. COLLINS of Illinois. That is correct.

Mr. ASHLEY. I am sympathetic in that respect. We have a similar situation in the city that I represent where, in an effort to expedite the civil rights decision, there have been restrictions put on the amount of housing that can go into selected neighborhoods in my city. The general effect is that every single neighborhood in my city of Toledo is benefiting from the HUD program except those neighborhoods which are most seriously impacted and the hardest hit, those neighborhoods which are in the greatest need of housing.

Therefore, when I say that I sympathize, these are not just idle words. I am opposing this amendment not because Mrs. Harris has urged me to do so and not because I agree with her with respect to the implications of the moratorium, a moratorium just as pernicious as the Nixon moratorium on housing of some years ago.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHLEY) has expired.

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

Mr. ASHLEY. But, Mr. Chairman, I am urging that this amendment be voted down because it seems to me that this represents an inappropriate intrusion into efforts to fashion a legal remedy pursuant to a Supreme Court decision. I am just reluctant to have this congressional intrusion, which, in effect, would direct the Secretary, at the behest of the Congress, to take a particular position. This, it seems to me, would prejudice the negotiations which are taking place at this time.

Mr. Chairman, it is for that reason alone, not because of the broader policy on which I think we agree, that I am obliged to oppose the gentlewoman's amendment.

Mrs. COLLINS of Illinois. If the gentleman will yield further, Mr. Chairman, I am glad to know that the Secretary has advised someone on the staff that they plan to take this matter up by December of this year, because when I talked with her just a very short while ago, it was not my understanding that they were ready to take action that quickly.

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

Mr. Chairman, I want to take this opportunity to commend the distinguished gentlewoman from Illinois (Mrs. COLLINS) for offering an eminently sensible, practical amendment which seeks to do something to get some public housing built for people who need it and who cannot wait indefinitely to satisfy the whims of the Federal courts. Far from calling this an intrusion, Mr. Chairman, it is the judiciary which has done the intruding. It seems to me that Congress ought to do the legislating, not the court.

Waiting for the opportunity to put up public housing throughout suburban communities before public housing can be put up in the inner cities where the people are, including the people who have the greatest need, seems to me to be very counterproductive.

Mr. Chairman, I think this is an eminently sensible amendment which seeks to assert the will of the Congress in place of judicial fiat.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois (Mrs. COLLINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHLEY: Page 10, line 8, insert after "1965" the following: "; except that, in the case of any such project which is not insured under the National Housing Act, such assistance may not be provided before October 1, 1979".

Page 11, insert the following after line 11 and redesignate the subsequent paragraphs accordingly:

(3) the owner, together with the mortgagee in the case of a project not insured under the National Housing Act, has provided or has committed itself to providing assistance to the project;

Mr. ASHLEY. Mr. Chairman, I am pleased to say that the distinguished ranking member of the Housing Subcommittee, Mr. BROWN of Michigan, is joining me in offering this amendment. Very simply the amendment would delay for 1 year the availability of assistance to uninsured assisted housing projects under the new troubled projects program. This delay is necessary to allow the Department to work with the State and local agencies who are the mortgagees of these uninsured projects to develop procedures which will allow these uninsured projects to be effectively assisted. The problems of uninsured projects are somewhat different than those of projects insured under the FHA programs and, therefore, it is both Mr. BROWN's and my feeling that the delay will both aid the Department and these uninsured assisted housing projects.

The amendment would also make explicit that owners and uninsured mortgagees should share with the Federal Government the responsibility for assuring the financial stability of their projects. As stated in the committee report on the bill before us, the committee believes that the Secretary should require the owners of projects applying for assistance to make available or pledge additional capital prior to her making assistance available under the program. The committee, however, did recognize, as do I, that nonprofit sponsors may have limited resources and that the Secretary should take care not to unduly burden them with added financial responsibilities. The committee also stated its belief that mortgagees of uninsured projects should also become involved in assisting those projects. Our amendment simply requires what the committee itself has stated as its intent. It does nothing more, nothing less. Mr. BROWN and I believe that it is appropriate to set the committee intent into the statute so that there be no ambiguity. Mr. Chairman, this amendment is relatively noncontroversial and I urge my colleagues to join in supporting it.

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

Mr. Chairman, I do support the amendment of the gentleman from Ohio. It has always been the intention of the members of the committee to assure that all parties involved in the projects being assisted, provide some support or assistance to the projects.

One point should be made clear, that the term "assistance to the project" can take many forms such as the provision of various services, forebearance on delinquencies, tax considerations, rental subsidies or capital contributions. The type of assistance should be arrived at in the spirit of partnership and negotiated between the parties treating all types of projects in an equitable fashion.

From the beginning, I strongly supported including States agency projects in the program. The States joined with the Federal Government in an effort to provide needed housing for low- and moderate-income persons. Their record has been good and probably better than the Federal Government's insure projects. Also, HUD is just beginning to realize that State agencies are vital to meeting the production goals of the section 8 program. It has been difficult to get HUD to recognize these facts, but hopefully, during the 1 year delay before State projects are eligible under the program, a set of guidelines can be developed concerning the expectations of all parties, and that this will be done with a recognition that each party is integral to the overall effort of assisting low- and moderate-income families to obtain a decent place to live.

Mr. GREEN. Mr. Chairman, as the member of the committee who offered the amendment in the full committee which led to covering of uninsured projects, I think it is appropriate that I also support the amendment.

At the time I offered the amendment in the full committee it was my understanding that HUD had done a canvass of its own FHA-insured projects and had identified a list of projects that would be assisted under this title of the act before us.

It was also my understanding that no such survey had been done by HUD with respect to uninsured projects, and that this would require time to accomplish.

It was certainly never my intention to delay HUD in providing this assistance to FHA-insured projects, nor was it my intention that HUD must rashly rush ahead with respect to uninsured projects without first canvassing the field and

identifying those uninsured projects in need of assistance under this title.

Moreover, in the case of uninsured projects, the housing finance agencies that financed them do have supervisory responsibility for the projects. It has always been my understanding that they would have to participate in any plan devised to assist any uninsured projects.

I commend the chairman of the subcommittee for discussing this problem with HUD and coming up with a more definitive version of the amendment I had offered that was adopted by the committee, and therefore I support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PEPPER

Mr. PEPPER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEPPER: On page 24, after line 16, insert the following:

PUBLIC HOUSING SECURITY

SEC. 204. (a) This section may be cited as the "Public Housing Security Demonstration Act of 1978".

(b)(1) The Congress finds that—

(A) low-income and elderly public housing residents of the Nation have suffered substantially from rising crime and violence, and are being threatened as a result of inadequate security arrangements for the prevention of physical violence, theft, burglary, and other crimes;

(B) older persons generally regard the fear of crime as the most serious problem in their lives, to the extent that one-fourth of all Americans over 65 voluntarily restrict their mobility because of it;

(C) crime and the fear of crime have lead some residents to move from public housing projects;

(D) an integral part of successfully providing decent, safe, and sanitary dwellings for low-income persons is to insure that the housing is secure; and

(E) local public housing authorities may have inadequate security arrangements for the prevention of crime and vandalism.

(2) It is, therefore, declared to be the policy of the United States to provide for a demonstration and evaluation of effective means of mitigating crime and vandalism in public housing projects, in order to provide a safe living environment for the residents, particularly the elderly residents, of such projects.

(c)(1) The Secretary of Housing and Urban Development shall promptly initiate and carry out during the fiscal year beginning on October 1, 1978, to the extent approved in appropriation Acts, a program for the development, demonstration, and evaluation of improved, innovative community anticrime and security methods, concepts and techniques which will mitigate the level of crime in public housing projects and their surrounding neighborhoods.

(2) In selecting public housing projects to receive assistance under this section, the Secretary shall assure that a broad spectrum of project types, locations and tenant populations are represented and shall consider at least the following: the extent of crime and vandalism currently existing in the projects; the extent, nature and quality of community anticrime efforts in the projects and surrounding areas; the extent, nature and quality of police and other protective services available to the projects and their tenants; the demand for public housing units in the locality, the vacancy rate, and extent of abandonment of such units; and the characteristics and needs of the public housing tenants.

(3) In selecting the anticrime and security methods, concepts and techniques to be demonstrated under this section, the Secretary shall consider the improvement of physical security equipment for dwelling units in those projects, social and environmental design improvements, tenant awareness and volunteer programs, tenant participation and employment in providing security services, and such other measures as deemed necessary or appropriate by the Secretary. Particular attention shall be given to comprehensive community anticrime and security plans submitted by public housing authorities which (i) provide for coordination between public housing management and local law enforcement officials, or (ii) coordinate resources available to the community through programs funded by the Law Enforcement Assistance Administration, the Department of Health, Education, and Welfare, the Department of Labor, the Community Services Administration, ACTION or other State or Federal agencies.

(d) The Secretary shall initiate and carry out a survey of crime and vandalism existing in the Nation's public housing projects. The survey shall include the nature, extent and impact of crime and vandalism and the nature and extent of resources currently available and employed to alleviate crime and vandalism in public housing.

(e) The Secretary shall report to the Congress not later than eighteen months after the date of enactment of this Act. Such report shall include the results of the survey on crime and vandalism in public housing; findings from the demonstration and evaluation of various methods of reducing the level of crime; and legislative recommendations, if appropriate for (i) a comprehensive program to increase security in public housing projects and (ii) increasing the coordination between anticrime programs of other State and Federal agencies that may be used by public housing authorities. Any recommendations shall include estimated costs of such programs.

(f) Of the additional authority approved in appropriation Acts with respect to entering into annual contributions contracts under section 5(c) of the United States Housing Act of 1937 for the fiscal year beginning on October 1, 1978, the Secretary may utilize up to $12,000,000 of such authority in the fiscal year beginning on October 1, 1978, for the establishment of the public housing security demonstration program authorized by this section.

Mr. PEPPER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

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

There was no objection.

Mr. PEPPER. Mr. Chairman, I am joined in sponsoring this amendment by a bipartisan group of my distinguished colleagues on the Select Committee on Aging: the gentleman from California (Mr. ROYBAL), the ranking majority member on the committee and chairman of the Subcommittee on Housing and Consumer Interests; the gentleman from Virginia (Mr. WAMPLER), our ranking minority member; the gentleman from New York (Mr. BIAGGI), who chairs our Subcommittee on Human Services; the gentleman from Arkansas (Mr. HAMMERSCHMIDT), the ranking minority member of the Subcommittee on Housing and Consumer Interests; the gentlelady from Ohio (Miss OAKAR), a member of the Aging Committee who also serves on the Banking, Finance, and Urban Affairs Committee, and who sponsored major legislation on this subject; the gentleman from New York (Mr. LUNDINE), an Aging Committee member who also serves on the Housing Subcommittee which produced H.R. 12433; and the gentleman from Indiana (Mr. EVANS), who serves on the same two panels. Their support in this effort has been invaluable.

I also wish to acknowledge the assistance and cooperation of the distinguished gentleman from Ohio (Mr. ASHLEY), who chairs the Subcommittee on Housing and Community Development. He and his staff have been helpful far beyond the normal requirements of courtesy, and his input has resulted, I believe in a much improved amendment.

The gist of the amendment is the same as a bill that I introduced some time ago with many of the same cosponsors I have named, and others. It recommends that the Secretary of Housing and Urban Development shall promptly initiate and carry out during the fiscal year beginning on October 1, 1978, to the extent approved in appropriation acts, a program for the development, demonstration, and evaluation of improved, innovative community anti-crime and security methods, concepts and techniques which will mitigate the level of crime in public housing projects and their surrounding neighborhoods.

It provides that there shall be earmarked a sum not to exceed $12 million of the new contract authority funds authorized in the bill for the establishment of a public housing security demonstration program authorized by this section.

The amendment would also require the Department of Housing and Urban Development to evaluate any new techniques and results from these targeted grants, and report to Congress within 18 months after enactment.

Money contained in this amendment would be available both for physical security equipment such as better locking devices and design improvements—so-called hardware programs—and for such steps as funding guard or escort services, television monitors, and tenant awareness activities—known as software.

The amendment is structured to promote cooperation among HUD and other Federal agencies. Particularly important will be coordination with elements of the network of State and area agencies on aging. Also, projects receiving funds under this amendment should make the maximum use possible of the expertise and resources of private, nonprofit organizations, many of whom have been very active in fighting crime and the fear of it. These steps are vital if the programs funded under this amendment are to flourish after the 1-year grant as solid, continuing, community-based efforts.

It is important to note, Mr. Chairman, that my amendment would not increase expenditures or budget authority under the bill by a single dollar. It would merely specify that a small portion of the money now available to HUD for a variety of

purposes be directed at one of the most serious problems facing public-housing residents today—crime and the fear of crime.

Mr. Chairman, I have the privilege of chairing the House Select Committee on Aging. In that capacity, I have become even more keenly aware during this Congress of the impact crime has on the lives of older persons—who, it should be noted, comprise about 47 percent of the residents of public housing nationwide.

The Aging Committee has held hearings on this issue in Los Angeles, Indianapolis, New York City, Miami, and Washington, D. C. What we have found are increasing instances of victimization of older people, particularly by teenaged youths. A front-page story in the Washington Post last week shocked thousands of people, including the author of the pending amendment. Two young hoodlums apparently terrorized an elderly couple over a period of months, beating and robbing them of their social security checks, even to the extent of sleeping overnight in their apartment. Although the couple did not live in public housing, a major factor in their plight was that there were inadequate locks—even no locks at all at some times—for their apartment.

A little bit ago in my own city of Miami, an 81-year-old blind resident of a federally assisted housing project was brutally murdered, according to police, by a 15-year-old who climbed a tree next to the building, jumped onto a ledge, and pushed his way through an unprotected window into the man's apartment. At the Aging Committee hearing shortly thereafter in Miami, a responsible representative of HUD testified and made this comment:

> Congressman PEPPER's pending legislation on crime against the elderly and Senator BROOKE's pending legislation on residential security in public housing have the potential, if passed, to significantly expand this emerging demonstration program and improve the quality of life in projects across the Nation.

So the principle of this amendment is approved by HUD, and my distinguished colleagues are supporting this amendment.

I do not need to tell this House how prevalent crime against the elderly is.

Here is the Washington Post of June 16 with the headline saying, "Hoodlums Prey on the Aging."

I have an editorial from the Miami Herald of May 25 that says, "Protect the Elderly From Criminals."

Here is one from the Los Angeles Times of May 15 that reads, "Must the Elderly Forever Live in Fear?"

This is one from the Washington Post of April 16, 1978, an editorial "Crimes Against the Elderly."

Then the last one from U.S. News & World Report of June 13, 1977, "Step-Up in Fight on Crimes Against Elderly."

As distressing as incidents like these are, perhaps even more alarming is the level of fear about crime among older people. In a report by the Aging Subcommittee on Housing and Consumer Interests last year, fear of crime among the elderly was cited as "the most pervasive and consistent finding of the subcommittee and other major research studies." In the major survey by Louis Harris and sponsored by the National Council on the Aging, the elderly ranked fear of crime as the single most serious problem they faced—a greater problem than health, income or loneliness.

The result of this pervasive fear is, inevitably, isolation. Older persons literally do not venture beyond their own apartments.

Mr. Chairman, the extremely competent report by the House Committee on Banking, Finance, and Urban Affairs notes that HUD is about to launch a demonstration program using approximately $8.5 million in reprogramed funds from fiscal year 1978. I heartily applaud that initiative, and I note that this amendment is intended to build upon and supplement, not to substitute for, that initiative.

What my amendment proposes, Mr. Chairman, is that HUD, which is already cognizant of the problem, will have some more money earmarked from its discretionary contract authority for fiscal year 1979 specifically earmarked in order to help them to establish demonstration projects—sometimes changing of the contours of the buildings, providing more secure locks on the doors and windows, and the like, perhaps having guards around the place, perhaps television cameras in the corridors and around the exterior of the building. Then they are to report to the Congress upon the results that they have obtained from these demonstrations.

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

Mr. PEPPER. I yield to my distinguished colleague, and a valued member of the Aging Committee, the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague, the gentleman from Florida (Mr. PEPPER).

The Subcommittee on Housing and Consumer Interests of the Select Committee on Aging, which I chair, recently published the first comprehensive national study on elderly crime victimization. The study clearly demonstrates that the elderly are not only seriously affected by crime, but greatly affected by the fear of crime.

Burglary was shown to be the most predominant crime perpetrated against the elderly. In Los Angeles, for example, 1 out of every 56 persons over the age of 65 has suffered a burglary. As an example of what happens to an elderly burglary victim, allow me to cite the following finding of the committee:

First. Many elderly burglary victims are reluctant to leave their homes, however, they also manifest a heightened fear of remaining alone in their residences.

Second. Elderly victims of burglary, almost without exception, displayed a long-lasting sense of fear that emanated from a feeling of anonymous invasion and latent threat.

Third. The majority of burglary victims suffer anxiety and feel compelled to restrict their activities due to pervasive and continuing fear of crime.

The study also found that the elderly rank fear of crime as the most serious problem they experience. It is this fear that causes the elderly to become virtual prisoners in their own homes or apartments.

Mr. Chairman, security in one's own residence is one of the most basic human rights. If we are truly serious about our work to improve the quality of life for the senior citizens of this Nation, we must actively seek to eliminate the incidence of crime against them, and the damaging effects of the fear of being victimized. The fact that our senior citizens are victimized is horrendous enough, but financially, physically, and emotionally, they are the least able to cope with the loss or injury that results from a criminal act.

The enactment of this amendment would not cost any additional funds, but would utilize funds already authorized. I urge my colleagues to give their wholehearted support to this amendment.

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

Mr. PEPPER. I am happy to yield to the gentleman from Arkansas, also an important member of the Aging Committee (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman for yielding and I want to commend the gentleman in the well from Florida (Mr. PEPPER) on his amendment.

I rise in support of the amendment by the distinguished chairman of the Select Committee on Aging, Mr. PEPPER, to designate $12 million of the housing and community development bill's housing assistance funds for crime prevention measures. Specifically, these moneys would be used to provide security devices for doors and windows, television monitors, and guards in public housing projects.

As a member of the Select Committee on Aging, I would like to comment on the impact which these security measures would have on the 48 percent of public housing residents who are elderly. Slightly more than a year ago, the Housing and Consumer Interests Subcommittee, on which I serve as ranking minority member, completed the first national study on elderly crime victimization. Two of the findings of the study are significant to this discussion. It was indicated that most crimes against the elderly are theft and are committed by persons under the age of 30, particularly by teenagers 13 to 18. The provision of simple security devices can be a substantial deterrent to these young and unsophisticated burglars.

The elderly are the group most severely debilitated by crime. Once older persons have been victimized, the fear of being away from home, or even being in their homes, adds stress to this already vulnerable group.

Personally and emotionally, the elderly are the least able to cope with the

losses that result from crimes of theft. One-fourth of all persons 65 and over are retired and live on fixed incomes at or below 125 percent of the poverty level.

The theft of $20 from an older person on a fixed income can represent a much greater relative loss than the same amount stolen from an employed person. Many older people have no bank accounts from which they can withdraw funds in an emergency, for example, if robbed. They must often wait until their social security, pension, or supplemental security income checks arrive in the following month. This protracted loss also occurs when an older person's property is stolen or damaged. The elderly generally do not have the financial capability to replace or repair the property.

As my colleagues know, I am very concerned with fiscal responsibility. With this amendment, we are not authorizing additional funds. Rather, we are asking that funds be set aside for increasing the security of the elderly and other residents of public housing projects. This could make a tremendous difference in their lives.

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

Mr. PEPPER. Mr. Chairman, I am pleased to yield to my distinguished colleague who serves on the Select Committee on Aging, the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I thank the gentleman from Florida (Mr. PEPPER) for yielding me this time.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. PEPPER. I thank the gentleman for the additional time.

Mr. BIAGGI. Mr. Chairman, if the gentleman will yield further, I commend the gentleman from Florida (Mr. PEPPER) in having introduced this amendment and I am privileged to be a cosponsor of this amendment.

Mr. Chairman, I have been a member of the House Select Committee on Aging since its establishment in 1974. During that time I have chaired and participated in numerous hearings around the Nation looking into problems confronting America's elderly. It has been documented in areas urban, suburban, and rural that a foremost concern of older Americans is crime. I am therefore proud to join with the distinguished chairman of the House Select Committee on Aging, Mr. PEPPER, in cosponsoring this amendment to provide $12 million in funds to develop improved security measures in public housing projects.

This amendment is a modest first step in dealing with a major national problem of crime in public housing. We have reached the rather paradoxical point of having spent billions of dollars in new public housing for all groups, yet for some groups like the elderly, they are unsafe to live in due to crime. The vulnerability to crime increases with age and therefore when working for solutions we should start with the elderly.

This amendment will allow a series of demonstration projects to be funded in selected areas around the Nation where crime problems exist in public housing projects. Funds will be used to improve physical security equipment, make social and environmental design improvements, and institute special tenant awareness programs. Special consideration in the awarding of funds will be given to those areas where comprehensive and coordinated crime prevention programs are in effect. Crime and the fear of it has driven many senior citizens to become prisoners of their own homes. All across the Nation the numbers of elderly living alone is increasing. Polls taken in a number of cities including New York identify crime as the major concern of all age groups but especially the elderly.

I recall vividly the testimony of New York City's chief medical examiner during a hearing I chaired in New York City on crimes against the elderly. He stated that 51 percent of the homicides committed against persons over age 60 occurred within the person's residence. Another 16.5 percent occurred in front of the residence such as in hallways, elevators, or stairways. The New York City police commissioner at the same hearing said that the elderly made up 27 percent of all victims of dwelling robberies.

In simple terms many of our public housing projects are conducive for criminal activity against the elderly. Many projects were built in a time when the reality of crime was not as severe as today. Others developed inadequate responses to the problem. Still others provided no special consideration for the elderly despite their high susceptibility to crime.

Our amendment today represents a positive first step demonstration of our concern about crimes against the elderly in public housing. We cannot expect to perform miracles with only $12 million but what we do fund may provide the catalyst for a larger Federal commitment later. It is also a message that future public housing projects should be more concerned about protecting their residents, especially its elderly from crime.

I urge support of this amendment. It is needed. Security too should begin at home.

Mr. MICHAEL O. MYERS. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. MICHAEL O. MYERS).

Mr. MICHAEL O. MYERS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Speaker, I rise to speak in full support of this amendment, and to ask my distinguished colleague from Florida a question regarding section (d) of this proposed amendment.

This language, which calls for the demonstration and evaluation of improved physical security equipment in publicly assisted housing projects, clearly infers that existing physical security equipment is inadequate.

I have statistics provided by the Philadelphia Housing Authority police which show that the crime most committed in publicly assisted housing in Philadelphia at least, is burglary. The burglary rate in Philadelphia public housing is almost 100 percent over the national average.

At the same time, we know that nationally the crime most committed against the elderly is also burglary.

Many kinds of security devices would be useful to combat this problem. We can conclude that more effective locking devices on living units in publicly assisted housing would go far toward providing the security to which the poor and elderly are entitled.

Mr. Speaker, I have here an article from the New York Times of July 31, 1977, which I will later submit for the RECORD. This article indicates that the maximum degree of security to be obtained from a locking device is found in multipoint locking systems. This secures the door on three of four sides, is virtually burglar proof, and can be opened by turning a single knob. Would this kind of locking system be the sort of physical security equipment that we would expect to see demonstrated and evaluated under the provisions of this amendment?

Mr. PEPPER. HUD would be the one to select the specific thing, but that sounds like the best device that could be employed.

Mr. MICHAEL O. MYERS. I thank the gentleman.

I would note that the increased cost in providing the maximum security in housing units would be greatly offset by the savings that will result if we can prevent abandonment and destruction of our public housing projects.

I commend my esteemed colleague for offering this much needed amendment to the Community Development and Housing Act.

The article follows:

HOME AND APARTMENT DWELLER'S GUIDE TO LOCKS

(By Bernard Gladstone)

Although there may be some Utopian community where people can still feel secure without locking doors, in most areas residents recognize the need for equipping entrance and exit doors with at least one good quality lock. Even the best locks and other security arrangements will not be enough to stop a truly determined professional burglar, but a good door lock will go a long way toward preventing a break-in in the vast majority of cases.

The reason for this is that most burglaries are spontaneous crimes—the would-be thief moves from house to house (or apartment to apartment) looking for an "easy mark"—a home which will be quick and easy to enter through unprotected windows, or through doors which have locks that are easy to pick or jimmy open. Burglars don't like noise, and they don't like delays; if one lock gives them trouble they will usually move on to another that offers less resistance.

The least expensive type of door lock, and the one that also offers the least amount of security, is the springlatch lock. This is the type that has a latch bolt (the piece that goes into the opening in the door frame) with a sloping face so that the door locks when it is slammed shut. In this type of lock

the latch is spring-activated—that is, the bolt is pushed out by a spring on the inside.

Although springlatch locks are convenient because they lock automatically when slammed shut, they are also the easiest to force open. When a plastic credit card or strip of metal is forced between the edge of the door and the frame it presses against the sloping face of the latch bolt to force it open.

Some springlatch locks are designed to prevent this by including a small secondary bolt, called a deadbolt, behind the primary latch. When the door is locked this deadbolt does not fit into the opening in the strike plate, it presses against it and deadlocks the latch so it cannot be forced open easily.

For maximum protection against this type of break-in it is better to install a separate deadbolt lock or auxiliary locking deadbolt. These are not spring-activated, they can only be opened or closed with a key from the outside, and with either a key or a knob from the inside. Unlike the spring latch, the front face of the metal bolt is not sloping—it is squared-off so that it cannot be pried open the way a spring latch can.

As further protection, some deadbolts have steel rods through the center that rotate, so that a saw blade cannot cut them (burglars sometimes slide a hacksaw blade between the edge of the door and the frame, then saw through the bolt).

Auxiliary deadbolt locks come in two basic types or styles: surface-mounted locks that are installed on the inside of the door; and bored or recessed locks that fit into a recessed or hole bored into the edge of the door. The better quality ones have bolts made of hardened steel that will resist cutting, and they have tapered locking rings around the cyclinder on the outside to prevent burglars from prying or pulling the cylinder out of the door.

Surface-mounted auxiliary deadbolt locks are popular for apartment doors because they are less expensive than bored or recessed locks, and they are easier to install. They are also used on doors in homes, but some people object to their appearance (from the inside) when used on front doors.

Deadbolt locks also differ in how they are opened from the inside. Some have a knob to lock or unlock them; others require a key on the inside as well on the outside. This latter type, known as a double cylinder lock, is recommended for doors which have glass panes, or which have glass close by. If the thief breaks the glass, he still cannot open the lock from the inside without a key.

However, it must be remembered that in a panic situation, such as a fire, occupants on the inside will also need a key to open the door. That is why fire experts recommend that when occupants are at home the key should always be left in place in the lock on the inside (or nearby where occupants can easily find it) so that the door can be unlocked quickly for emergency exiting.

One of the strongest and most secure types of door locks is a heavy duty mortise lock. This lock is enclosed in a heavy metal case and has both a spring latch and a separate deadlatch or locking deadbolt. It is recessed (mortised) into the edge of the door and often requires "double locking"—that is, from the outside an extra turn of the key is required to lock it.

From the inside a separate small knob, in addition to the large doorknob, must be turned to unlock it. The newest models, however, permit unlocking from the inside with just a single turn of the one large knob. This unlocks the deadbolt as well as the latch bolt to simplify getting out when occupants have to leave in a hurry.

Another type of entrance door lock which provides deadlocking features is the cylindrical lock. Not as burglarproof or as tough as the mortise lock described above, it is easier to install and still provides better protection than a springlatch. These usually have the keyhole in the knob on the outside, and a small button in the center of the knob on the inside for locking or unlocking the deadbolt feature.

Most people also do not realize the importance of having their locks equipped with a really pick-resistant cylinder. An expert burglar can pick the average lock in a matter of a minute or so, regardless of how tough the construction of the lock is, so for complete protection purchasers should specify one of the various specialty cylinders which are highly pick-resistant. Made by several different manufacturers, for use in their own locks, as well as for use in other brands, these cylinders have special pin and tumbler mechanisms that are virtually pickproof. Some also use special keys that cannot be duplicated by local locksmiths or hardware stores.

No lock can be any more secure than the door on which it is installed, so make certain the door is a sturdy one that fits snugly in its frame and see to it that the frame cannot be easily pried away from the door to loosen the latch bolt. Also, the lock must be securely mounted with the proper bolts and fasteners.

For really maximum protection one can even buy a new type of multiple bar lock—it consists of four or more locking bolts inside the door which go into the door's frame at the top and bottom, as well as at each side. This prevents a burglar using a jack for force the door's frame apart enough to permit removing the door without even unlocking it. A single key, that fits into a pick-resistant cylinder in the center of the door, opens all four bolts at one time.

Mr. PEPPER. I also want to note, Mr. Chairman, that this amendment has gained the support of a broad coalition of aging and other organizations, including the National Council of Senior Citizens, the National Council on the Aging, the National Retired Teachers Association/American Association of Retired Persons, the Urban Elderly Coalition, the National Caucus on the Black Aged, and the Ad Hoc Coalition for Low-Income Housing, which represents more than 60 organizations active in the field.

The question is asked by some, "Why concentrate on public housing projects alone? Many elderly people live in rundown apartments and houses in some of the slum areas of our cities." Mr. Chairman, this amendment is not intended to solve the whole problem. That is one of the most challenging problems facing our country today—what to do about crime. We must combine assuredness of prosecution, severity of punishment, and also I think we must try to provide a way to stop school dropouts and do other things. But this amendment will give HUD an opportunity to demonstrate what can be done to protect the elderly and the poor who are concentrated in these public housing projects. I believe it will ultimately be helpful in dealing with the problem in respect to other people in the country. I hope the amendment will be adopted.

Ms. OAKAR. Mr. Chairman, I rise in obvious support of the amendment offered by the distinguished chairman of the Select Committee on Aging, the gentleman from Florida (Mr. PEPPER). The language that the gentleman puts before us today is similar to an amendment that I offered in the committee markup of this legislation, and it was deadlocked by a 16-to-16 vote and, therefore, did not pass. So I am grateful to the subcommittee chairman for giving us the opportunity to vote on the same issue or a similar issue today.

I personally believe that one of the real national scandals in our country is crime against the elderly and other poor in public housing. Security in our public housing projects is practically nil. Rising crime and violence threatens the property and persons of all who live in the housing projects, for whom we authorize and appropriate funds. Elderly and other low-income residents have been forced to restrict their lifestyles and daily routines to avoid being victimized. The total inadequacy of security arrangements in public housing is an issue that we must finally face head on. It threatens the success of public housing programs themselves, which is, by the way, a $19 billion investment. Most importantly, it threatens the lives of our most vulnerable citizens to crime.

In hearings held by the Select Committee on Aging, of which I am a member, in the city of Cleveland, for example, we heard testimony that public housing is not safe for emotional, physical, and spiritual development. We heard many horror stories, and this is true not only in my own city but in other urban areas throughout the country. We heard of the murders, the muggings, the robbings, the broken bones, the concussions, the physical damage to these people, let alone the psychological damage. We heard, for example, that in our housing estates in Cleveland, which mirrors what is happening nationally, 23 residents were killed in and around public housing estates. More than 300 burglaries and break-ins were reported in 1977, and these were only the kinds of records that were reported. Clearly, many of these victims are either the elderly or women who are the heads of households. They comprise more than 60 percent of the population. In short, we believe very strongly that these citizens, like every other citizen, should be free from day-to-day fear that their lives are in danger. In short, they must be free human beings. We do not believe that housing should merely be placing a roof over someone's head. We believe very, very strongly in the concept of total housing for these individuals and all Americans.

We believe very strongly that we should remove these people, who are virtual prisoners in their own homes. Therefore, I applaud our esteemed chairman, the gentleman from Florida (Mr. PEPPER) for this very important amendment and I urge its unanimous adoption.

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

Mr. Chairman, recently, I chaired a hearing of the Subcommittee on Housing and Consumer Interests of the Aging Committee in Indianapolis. Our inquiry focused primarily on crimes committed against the elderly. The testimony presented illustrated the dominant fact that elderly victimization is on the rise and,

moreover, confirmed the sad truth that many live each day in anticipation that they may be robbed, beaten, sexually accosted, in none other than the supposed sanctity of their home.

At that investigative hearing we had as one of the witnesses, George Sunderland, senior coordinator for criminal justice programs of the National Retired Teachers Association and the American Association of Retired Persons. Let me quote something Mr. Sunderland found distressing, namely, that the "population of older persons who very seldom commit crimes, receive the least attention in our criminal justice system." He questioned whether they "should become more criminal and more militant to get (their) fair share of attention." Nevertheless, he confessed that there was little need to fear such an occurrence "because the older person will work within the institution, supporting our institution, and supporting our elected leaders to work toward the satisfactory redress of this very grievous wrong."

Commenting about remedial measures Sunderland expressed the belief that "legislation is the mover, because, with that, we exercise power." He further commended the Congress for its efforts relative to amending the Omnibus Crime Control and Safe Streets Act of 1968.

Mr. Martin Miller, president of the Indiana Senior Citizens Association, noted that most burglars enter a residence through a door. Statistically, the second choice is through a window. The very points of entry which we are addressing in this amendment.

Sgt. Bob Warren of the Marion County sheriff's department stressed the necessity for development of preventive measures. "The use of adequate locks and security devices on windows and doors" received his endorsement, since as he testified "the elderly are often as vulnerable in their homes as they are on the street."

I am hopeful that the input from these witnesses will help us adopt these meaningful remedies here today. I believe support for this amendment presents such an opportunity. It gives us the chance to partially arrest this national scandal involving our senior citizens. Support for this amendment will mean we recognize the fact that elderly victimization is an outrage.

We can no longer ignore rape, robbery, assault, burglary, and murder when it has infiltrated senior housing. The time has come for us to say that we will not force our elderly to become recluses.

Because I am concerned over increased Federal spending, I especially want to point out that this amendment does not mean added spending, but rather more effective earmarking of funds already set to be spent. It designates $12 million already authorized in the Housing bill for monitors, security guards, and safer locks, doors, and windows, to help insure the safety of our elderly. At the risk of simplifying a crucial matter—this is an important step to take. I know, I have spoken with and heard from hundreds of older Americans about their fear of crime.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Indiana. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the amendment. I wanted to take a minute to compliment the gentlewoman from Cleveland, Ohio. It was she who initiated this activity in the Committee on Banking, Finance and Urban Affairs, and although it was not successful there, she persisted in her efforts and, really, I think the gentlewoman is due a great deal of complimentary praise for her persistence in moving this legislation through.

Mr. Chairman, I do wholly and fully support the amendment.

Mr. EVANS of Indiana. Mr. Chairman, I thank the gentleman for these remarks.

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

Mr. Chairman, I want to take this occasion to congratulate the gentleman from Florida (Mr. PEPPER), the chairman of our committee, for this very creative amendment.

I have in my hand a report put out by the Select Committee on Aging where this problem is set forth in terms that really will horrify anybody who reads it. We read here of the elderly all across this country who have this built-in fear of crime and in many instances they have been actually victimized; so I commend the gentleman for a very well thought out and creative proposal.

This amendment is not just another $12 million for some vague purpose. It is very carefully thought out, that it shall be a program for the development, demonstration, and evaluation of improved innovative community anticrime and security methods and it is carefully delineated as to exactly what the Secretary of HUD shall do with this particular money.

Mr. Chairman, this is one further effort by the distinguished and devoted chairman of the Select Committee on Aging, and I am happy to join in this effort. I urge my colleagues enthusiastically to support the amendment.

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

Mr. Chairman, I support the amendment of my esteemed friend from Florida.

A similar amendment was offered in committee during markup and was defeated by a tie vote. I voted against the proposal at that time because it appeared that a great deal of money was already available and would be available in fiscal 1979 to increase security in public housing projects. The Assistant Secretary of HUD testified that a public housing security demonstration program will be instituted during fiscal 1978—$8.5 million will be used for that program. In addition, in fiscal 1979 close to $29 million will be available specifically to increase security measures and services by using public housing operating subsidies and modernization funds. Many communities will also focus some of their community development block grants, LEAA grants and CETA public service positions on this problem.

However, I have since been persuaded by my eloquent colleague from Florida, the distinguished chairman of the Select Committee on Aging, that more needs to be done to protect the residents, particularly the elderly residents, of public housing projects. While I still believe that a thorough and useful demonstration program can be conducted for less than the $12 million included in the gentleman's proposal, I have reluctantly agreed to support the amount contained in this amendment.

I expect that the Department will incorporate the demonstration program being initiated this year with the one this amendment would authorize for next year and come back to Congress with appropriate recommendation regarding a comprehensive approach to increasing security in these projects and to coordinating the funds available through the anticrime programs of other State and Federal programs. As you know, I am not in favor of establishing separate categorical grant programs for each discreet problem related to housing our lower income citizens and I am hopeful that any legislative proposal will recommend a careful integration with existing programs.

For these reasons, Mr. Chairman, I ask my colleagues to join me in supporting this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 20 after line 13, section 203 is amended by inserting the following new subsection (b) and relettering each succeeding subsection accordingly.

"(b) Section 8(c)(1) of such Act is amended by adding the following new sentence at the end thereof:

'Notwithstanding any other provision of this section, the Secretary may not, after the date of enactment of the Housing and Community Development Amendments of 1978, enter into any contract under this section for any dwelling unit with respect to which the total of the debt service and any insurance premium charged under Title II of the National Housing Act exceeds $100 per month per room contained in such unit; except that, in the case of one-bedroom efficiency or any dwelling unit located in Alaska or Hawaii, this sentence should not apply.'"

Mrs. FENWICK. Mr. Chairman, this amendment is precisely the amendment, with the exception of the one-bedroom apartment exemption, that our former colleague, Herman Badillo, offered to the bill last year. That amendment was approved in committee, and it came to the floor of the House. It was described as follows in the committee report:

The committee has become concerned about the increasing costs of construction of section 8 housing. Through efficient construction management and by other efficiencies the committee intends these increases can be kept in check. To encourage

this greater efficiency the committee has included a requirement in the bill that contracts for section 8 assistance cannot be made for units in which the debt service, plus any FHA insurance premium, exceeds $100 per room.

Mr. Chairman, this was part of the bill last year, and it was put in the bill by Mr. Herman Badillo.

Why did he say this? I must call the attention of the House to this. I do not know how the people of this country stand it. Mr. Shanker, the head of the Teachers Union in New York, has announced proudly that the pay of teachers would start at $13,000 yer year. That is not a very grand sum; it is not as much as being paid on a HUD subsidy rental. In other words, HUD is prepared to pay over $15,000 a year for one family on a rent subsidy.

Now, this is more than most people make in this country. I am not saying it should be controlled, because I know it is difficult to put a rent ceiling on. But what are we doing? I am just asking this: Is this the most simple, commonsense approach? Do we really say that we are prepared to meet the problems in section 8 housing? What happens?

As Herman Badillo pointed out, this is what happened in New York City in the Manahattan Plaza: They built this thing, and they put it in the wrong place. Was it luxury apartments? It rents for about $750 a room, and they put it over west of Times Square. Then they turned it into section 8 housing, and that is now going to cost the Federal Government $11.5 million every year in rent subsidies for the next 40 years.

This was done by HUD in February of 1977. It was vigorously objected to by Mr. Badillo. We simply have no way of controlling it. It makes no difference what the committee puts in the bill or puts in the report. It was knocked out by the Senate, and HUD is going to do it because they have the power to do it.

I know the distinguished chairman of the subcommittee, who knows much more about housing than I do, is going to say it is not right to have a limit, but, for pity's sake, where do we start? What do we say to the people of this country who have jobs paying $15,000 to $18,000 a year—and that is not so terrible—or $20,000 a year, on which they pay local, State of New York, and Federal income tax, when they find somebody is getting a rent subsidy, a tax-free subsidy, of $15,000 a year?

It is absolutely beyond comprehension that people can stand this kind of abuse. We must not wonder why we get proposition 13—because it is nonsense, and we know it and they know it.

Mr. HANNAFORD. Mr. Chairman, will the gentlewoman yield?

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

Mr. HANNAFORD. I thank the gentlewoman for yielding.

Mr. Chairman, in the example that the gentlewoman cites, was not a substantial part of that real estate common property, used for recreational purposes by the larger community?

Mrs. FENWICK. No. That is not the one. That is a different one.

Mr. HANNAFORD. Was not that part of that same project?

Mrs. FENWICK. No. This is one which had a swimming pool, and all, and was very much objected to also. But the one on West 43d Street did not have. That is another one. But the point the gentleman is making, it is true, they have taken over the construction of things. I do not know what we are going to do in the way of commonsense in this place. People have to have decent places to live. But this has taken up so much of New York's section 8 housing allotment. As the gentlemen said, they could have had three in the Bronx. But $11.5 million a year for 40 years?

Well, I guess I better just ask the House to look at what we are doing, to see what it is possible to do, no matter what our intentions are and no matter what the committee says in the way of report, what it is possible to do under the legislation that we make on this floor.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment offered by my colleague, the gentlewoman from New Jersey.

This amendment would set an arbitrary development cost limit for HUD's subsidized housing programs. I am sure that all Members share our colleague from New Jersey's concern to economize. However, there are methods for limiting all assisted housing costs that are more appropriate than attempting to arbitrarily limit only one aspect of these costs—room or unit development costs. Our concern must be with overall costs rather than attempting to limit just one—the development portion. This is very likely to raise the operating costs—utilities, repairs, maintenance—to such a degree that the very opposite of what the gentlewoman and all of us seek will result.

We have had experience with such limits in the past. They proved to be unworkable mainly because they ignored differences among regions and areas. In this regard, the gentlewoman would have us take an ill-advised step backward.

Now, let us look closely at what this amendment would do. It would set a limit for debt service at $100 a room which would effectively limit the cost of development to $15,000 a room. This level would limit the cost of efficiency and one bedroom unit projects somewhat realistically, but as the number of bedrooms increases, then the limit becomes unrealistically high. For example, an efficiency apartment, which with its bathroom constitutes two rooms would be limited to $30,000 of development cost. A two-bedroom apartment which is considered to have five rooms would have a limit of $75,000 while we could effectively limit costs in efficiency and single bedroom unit projects through this amendment, its overall effect could be excessively high limits for two-, three-, and four-bedroom unit projects—defeating the very purpose of greater economy.

Worse yet, the amendment could prohibit the installation of better insulation, more efficient boilers or stronger doors, and a range of other cost-reducing capital improvements. Capital improvements which are designed to reduce operating costs, which represent at least 60 percent of what we subsidize, may have more effect on lowering the cost of the subsidy than simplistic limitations on development costs. Yet this amendment ignores this fundamental fact.

Finally, this amendment would work against, if not prohibit, projects with shorter term FHA or conventional financing. We must encourage these types of projects—they are cheaper to the Government because we pay the interest costs for only 20 years rather than 40. Yet this amendment would make only the more expensive long-term projects possible.

In fact, we now have effective and sophisticated methods for controlling excessive development costs. We have maximum development cost limits, mortgage amount limits, limits based on comparable costs of similar units of the same type and design, fair market rents, and cost certification. This is an adequate set of methods for controlling costs which when employed recognize cost differences among regions and for different types of construction.

In both last year's bill and the bill before us, we have taken several carefully thought out steps for effectively controlling costs. Mr. Chairman, I am as cost conscious as any Member of this House and I share my colleague's intentions to prevent excessive costs in our housing assistance programs, but I would urge the House to oppose this amendment as it is unnecessary and very probably counterproductive in view of the protections we already have in this bill, in law, and in regulation.

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

Mr. ASHLEY. Yes, I am pleased to yield to my colleague, the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, one of the implications of the gentlewoman's amendment which concerns me is that I doubt whether we can build any senior citizen housing or section 8 family housing in my area of the country if the gentlewoman's amendment were adopted.

Would the chairman care to comment on that subject?

Mr. ASHLEY. As I have already said, the really horrendous implications of the gentlewoman's amendment fall not so much on housing for the aged, which in most instances can be built within the community limitation, the $100-per-room limitation.

The really bad effect for northern New Jersey, for New York, and for other areas is with regard to the two-, three-, and four-bedroom units.

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

Mr. Chairman, I think the gentlewoman from New Jersey (Mrs. FENWICK) raises a very important issue; but I think the solution of the problem that she poses is not the solution which she has offered us.

I think, first of all, that it should be understood that the telephone book numbers she has given us are the result of the design of the section 8 program and do not really reflect actual outlays under the section 8 program.

As a result of the 1974 Housing and Community Development Act, HUD, in allocating section 8 subsidies to a project, is required to make a reservation against future inflation. Therefore, in order to comply with that congressional mandate, HUD reserves the full amount of the fair-market rent of the project, and those are the numbers which the gentlewoman from New Jersey quotes as the section 8 subsidies for the project.

In fact, though, from that amount for each project must be subtracted the actual rent paid by the families in residence, so that the amount of the subsidy is smaller than the fair-market rent as published or the actual contract rent committed for the individual project.

Therefore, Mr. Chairman, I think the Members should understand that the amounts of actual cash outlays under this program are smaller than the fair-market rent or the contract rent, whichever applies.

I would suggest that the published numbers are realistic numbers of what it costs to produce housing containing the number of bedrooms called for under each of the fair-market rent geographical categories, particularly in view of the extra expenses that are inherent in a Government-operated program. I would point out, Mr. Chairman, that we had a debate earlier this evening on the impact of the Davis-Bacon Act on housing costs.

What I would suggest is that if we want to address this problem, I think the committee in the future is going to have to take a look at the decision that is currently in effect, which is, in essence, that the mix among new construction, rehabilitation, and existing housing in the section 8 program is going to be determined not by us and not administratively, but by the decisions of the individual communities in their individual HAP plans as aggregated by HUD.

I think we really are going to have to take a look, if we are concerned with the expenses of the section 8 program, as to whether we should not be giving greater emphasis to the existing portion of the section 8 program, where the fair market rents, and as a result the outlays, are substantially lower than in the new construction program. I think, as the chairman of the subcommittee pointed out in his remarks, our experience with fixed statutory construction cost limits has not been good. We decided in the early 1970's to get away from those limitations in the public housing program because it was clear that they were constantly getting obsolete as the result of inflation, and therefore stifling the program. I think just to go back to an approach that was proven inadequate would be a mistake.

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

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

Mr. BROWN of Michigan. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am sorry the gentleman from New York does not agree with what the Department of HUD, according to their letter to me dated June 13, 1978, said, in which they state quite clearly, of course, that the $1,050 a month does include the portion contributed by the tenant.

But—but, they also have—it may be 15 percent or it may be 25 percent—of the income of the tenant, but also they can have a 20-percent addition. So that, in other words, they are not limited to the $1,050, which may or may not have 15 or 25 percent. But, they also can add to this figure the 20-percent add-on that they sometimes give.

Mr. GREEN. Mr. Chairman, will the gentleman from Michigan yield?

Mr. BROWN of Michigan. I will be glad to yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I certainly agree with the gentlewoman that the HUD regulations do permit an add-on over the administratively determined fair market rent based on comparable non-Federal projects, in order to allow for——

Mrs. FENWICK. But, for God's sake——

Mr. GREEN. HUD recognizes the additional cost of Government-operated programs as opposed to free market costs, but we still have to deduct from that final figure the amount the family is paying in rent.

Mrs. FENWICK. Can I just say something?

Mr. BROWN of Michigan. Very briefly.

Mrs. FENWICK. Really and truly, are we going to sit here and say that we are preparing to pass into law—I do not care whether we use a $100 subsidy or take a flat fee and just say that we will not subsidize rents that go beyond wages people are making in this country when they work hard. That is what I am trying to bring it down to, in a commonsense area.

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

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

Mr. ASHLEY. Mr. Chairman, the gentlewoman from New Jersey says postal workers and others are earning $13,000. Can we take a limitation of $15,000? That $13,000 per year postal worker is in the market for a $35,000 home. Do not try to equate oranges and pineapples; it does not work. We know perfectly well that the median-priced home today is selling in the neighborhood of $50,000.

If we do not want to provide shelter, any shelter in Toledo or in New Jersey or in Sioux City or any place else, just put a limitation that under no circumstances will shelter be made available—new construction—that costs more than, say, $35,000. We can get rid of the program very easily by doing that, but the simplistic kind of a test that the gentlewoman proposes does not make any sense.

It is counter-productive. This economy she is so urgently urging upon us is not going to be accomplished by that $100 a room limitation. We get into the four and five-bedroom homes, and we are up to $75,000. That is what we will do.

Mr. BROWN of Michigan. Mr. Chairman, I think, since I have not used any of my time, I would like to use maybe a couple of seconds of it.

When we adopted the fair market rent plan we got away from setting a limitation. If one does not like the fair market rent plan principle, where basically we allowed what the subsidy would be on the basis of what comparable units cost in the same area, just repeal the section 8 provision.

I like the $100 limitation per room per month. I would rather have it be $50, and then I could say what a great nonspender I am. But unfortunately that is just not feasible if we intend to provide shelter under the section 8 program. We always get active criticism of the section 8 program. However, we do not do a similar cost analysis of what we are doing in the high cost areas for public housing, and it might be well if we would do that sometime.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK).

The question was taken; and on a division (demanded by Mrs. FENWICK) there were—ayes 12, noes 21.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 24, after line 16, insert the following:

DEMONSTRATION PROGRAM

SEC. 204. (a) The Secretary of Housing and Urban Development shall conduct a demonstration program, beginning in fiscal year 1979, for the purpose of determining new methods by which the program established by section 8 of the United States Housing Act of 1937 can be improved in order to encourage more owners of new, substantially rehabilitated, and existing housing to utilize such program and thereby provide additional housing for low-income families, particularly families which have more than two children and which reside in market areas with a low-vacancy rate in rental housing. In carrying out this section, the Secretary may utilize the additional authority to enter into contracts for annual contributions provided on October 1, 1978, and approved in appropriation Acts, under section 5(c) of the United States Housing Act of 1937.

(b) The Secretary shall report to both Houses of the Congress annually, during the duration of such demonstration program, for the purpose of providing a detailed accounting of the results of such program.

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

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

There was no objection.

Mr. PANETTA. Mr. Chairman, the amendment I propose here is to require that the Secretary of Housing and Urban Development conduct a demonstration program to approve the effectiveness of section 8 as it applies to low vacancy areas. The purpose of section 8 was to provide an incentive to the private sector to get involved in providing low-income housing. One of the areas where it is not working is in the low vacancy areas where rents are escalating beyond the ability of the elderly and of the low-income families to afford the housing and private owners and the private developers are inhibited from getting involved.

This is part of the problem I think that was discussed in the previous amendment. The fact is that everyone recognizes there is a problem in the low vacancy areas as shown in studies done by the committee, the Congressional Research Service, the General Accounting Office, and HUD itself.

The fact is that in the low vacancy areas the owners and developers have no reason to participate. The fair market rents established by HUD are no incentive. In addition, there are administrative and management problems that inhibit section 8 from going into the low vacancy areas.

There are no easy answers to this area and I do not pretend to have any. Yet I am concerned about a program that was developed for the purpose of providing housing for all people, including those located in the high vacancy areas as well as those located in the low vacancy areas.

My proposal is to permit the Secretary of Housing and Urban Development to start a demonstration program in 1978 to look specifically at the problem of the low vacancy areas and fair market rents in these areas.

It does not provide any additional funding but it can operate out of the present section 8 authority and requires an annual reporting requirement to determine what steps can be taken to make this program effective.

I believe it is most important that this housing program be applicable to all people if it is to be an effective housing program for the Nation. It's not working now. We need to insure that it does work or get rid of it.

That is the purpose of the amendment.

I am hopeful that the committee will accept the amendment.

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

Mr. PANETTA. I will be pleased to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I want to say that I applaud the gentleman from California (Mr. PANETTA) for his amendment. I think it is a most constructive amendment. It has been discussed by me with the appropriate officials in the Department of Housing and Urban Development and it represents a contribution which I think will have some value in the deliberations of the Department and of this committee.

So I do want to commend the gentleman from California (Mr. PANETTA) and to congratulate him on his amendment and to indicate my support of the gentleman's amendment.

Mr. PANETTA. I thank the gentleman.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am happy to yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman from California (Mr. PANETTA) for yielding to me. I do not intend to oppose the gentleman's amendment. I may not applaud it with the great approbation, and so on, that my colleague, the gentleman from Ohio (Mr. ASHLEY) does because it seems to me that this is what HUD should be doing at the present time and that the gentleman's amendment should not be necessary. But, if he has said it is not being done, and this situation is continuing to exist, then I think the message that we must send to the department by the gentleman's amendment is desirable.

Mr. PANETTA. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

● Mr. PATTERSON of California. Mr. Chairman, I rise in support of H.R. 12433 and I wish to commend the chairman, the gentleman from Ohio (Mr. ASHLEY), for the fine work which has been done in bringing this bill to the floor. I am well aware of the many hours and the hard decisions that went into shaping this legislation. I wish also to commend my colleagues on the Housing Subcommittee who worked hard to provide for an authorization bill which not only continues many of the important housing programs administered by the Department of Housing and Urban Development but addresses some other housing issues which have been of concern to the committee for quite some time.

Included in this bill is a provision to extend section 8 rental assistance to eligible families who own their mobile homes but rent the space on which it is located. It was at my urging that the chairman agreed to include this provision in the housing authorization bill and I applaud him for giving this issue the attention it deserves. This matter has been one of great concern to me for several years, when it was first brought to my attention by a number of my constituents living in mobile homes on fixed incomes and who were finding it increasingly difficult to meet their monthly housing costs.

As you know, Mr. Chairman, under the section 8 program a wide variety of rental housing is eligible including rental mobile homes. Currently, owner occupied mobile homes on rented sites are not eligible for rental assistance. My amendment would change the section 8 program to include owner occupied mobile homes on rented sites. This will provide the needed relief for many low and moderate income elderly families who have chosen mobile home ownership as an affordable alternative to traditional housing.

Traditional section 8 housing is very expensive and mobile homes are a cost effective alternative which should be encouraged by the Federal Government. Title 16 of the National Housing and Urban Development Act of 1968 sets housing goals. Congress determined to achieve these goals over the next decade by the construction and rehabilitation of 6 million units for low and moderate income families. Since the early 1970's, mobile homes have been considered to be a viable alternative to meet these goals. However, the section 8 program which was established to provide for low and moderate income housing to help meet our national housing goals specifically excludes mobile homes as a viable assisted housing alternative.

I again commend the chairman of the Housing Subcommittee and my colleagues for their work on this bill.●

● Mr. ALEXANDER. Mr. Chairman, it seems to me that during the past decade when Congress has enacted legislation intended to benefit certain classes of cities, small towns, or communities we have made that clear in the language of the law. It follows then that it is a direct violation of the intent of Congress for any executive branch agency or department to exclude or make it more difficult for smaller cities, towns, or communities to participate in programs in order to narrow the field of applicants further than the language of the law specifies.

Therefore, the Grassley amendment is unnecessary. It should be, but those of us concerned with the negative effect of this kind of regulation for agency convenience or to achieve a goal the Congress has not approved know only to well, from past experience, how necessary it is.

This amendment was meant to prohibit the Secretary of Housing and Urban Development from discriminating against smaller cities, towns, and communities unless Congress says, by law, this should be done.

Under the Constitution the Congress has the responsibility to write the laws. The executive branch, under the leadership of the President, has the responsibility for carrying them out. That responsibility for faithfully executing the laws does not mean reshaping them to fit the executive branch's concept of how those laws should have been written in the first place.

Had the executive branch been diligent in carrying out its constitutional responsibility this proposed amendment would not be necessary. It would not be necessary to earmark a specific share of the funds for smaller cities, towns, or communities as we have had to do in Department of Housing and Urban Development legislation. Nor would it have been necessary, or be necessary, for the Congress to protect its responsibilities by including in legislation mandatory congressional oversight of administrative regulatory proposals.

Too often these proposed regulations commit a triple offense. They violate congressional intent. They discriminate against the interests, rights, and needs of smaller cities, towns, and communities. And, in doing so, they promote an unhealthy sense of regionalism.

When the regulations of a department or agency such as HUD applies tougher tests than required by law to places under 50,000 population than to larger place they discriminate against 98 percent of the 18,750 municipalities in this Nation. They work against the interests of 66 percent of the Nation's people.

That HUD takes this kind of insensitive, callous, and arrogant attitude toward smaller places is easily documented. Regulations proposed for implementing the urban development action grant program enacted last year made it harder for places under 50,000 to qualify for assistance, and, in the case of those under 2,500, would have virtually eliminated them. And, of course, the smaller places had to wait many weeks longer to get their regulations than did the bigger cities.

Why, with the distressing big city examples that come to mind, should HUD assume that simply because a city is big its government is competent to administer a federally aided community project and, on the other hand, because a place is smaller its government is incompetent?

If we are fair we will admit that administrative competence or incompetence is not the exclusive property of any size category of government.

I am not convinced that when an executive branch department or agency writes a regulation favoring places with populations of more than 50,000 there is anything more complicated involved than that agency or department's determination to help the bigger city without regard to the equally strong needs and rights of the people of the smaller cities, towns, and communities. The competence issue does make a convenient smokescreen though, doesn't it? To some it may even gloss over the blatant discriminatory treatment involved.

Where possible, I believe in allowing the executive branch flexibility for administering programs. In the past we have done that. Now we are finding that the resulting experiences have been so bitter that the choice is between flexibility and achieving congressional intent. I must choose the objective of achieving congressional intent. That is the goal of the amendment offered by Mr. GRASSLEY.

I urged my colleagues to vote against the amendment, for making clear that the Congress expects its intent to be faithfully executed by the executive branch.●

● Mr. BINGHAM. Mr. Chairman, I rise in support of title VI of H.R. 12433. This measure would transform the Urban Reinvestment Task Force into the Neighborhood Reinvestment Corporation, a public corporation.

I had planned to offer an amendment to this portion of the bill to increase the authorization from $8.5 million to $12 million for fiscal year 1979. It seemed to me that the task force's 5-year track record of success merited a larger authorization. The task force has painstakingly developed and tested its programs during that 5-year period, and now deserves the funds necessary to expand its activities. The congressional district I represent, which contains a portion of the South Bronx as well as nearby areas, desperately needs the assistance of such programs.

However, the prevailing mood of the Congress in the wake of proposition 13 against increased expenditures even for cost-effective programs such as the task force, coupled with the opposition of the administration and the distinguished chairman of the Housing and Community Development Subcommittee, persuaded me not to offer the amendment. However, I urge my colleagues who will serve on the conference committee to take a flexible view regarding the authorization for the Neighborhood Reinvestment Corporation. I remind them that our colleagues in the Senate voted unanimously for a 3 year, $65 million authorization for the task force.

The record compiled by the Urban Reinvestment Task Force during the 5 years since its creation in 1974 fully merits the establishment of the Neighborhood Reinvestment Corporation. The task force's neighborhood housing services and neighborhood preservation projects have come to be recognized as perhaps the Federal Government's most effective neighborhood revitalization programs. However, the status of the task force has always been precarious. It was formed in 1974 through an interagency agreement between HUD and the Federal Home Loan Bank Board. The Federal Reserve, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation subsequently joined the agreement. The task force has been funded by a 5-year demonstration grant from HUD. The grant is coming to an end this year, and the time is appropriate to give the task force a more secure base of operations than an interagency agreement.

The Neighborhood Reinvestment Corporation is a well-suited vehicle to give the task force the more permanent status it has earned. The Corporation would preserve the interagency involvement which has been so essential to the past success of the task force. Officers of HUD and the four regulatory agencies would make up the board of directors of the new Corporation. They would assist the Corporation in bridging the gap that often exists between neighborhood groups and local governments attempting to revive declining inner-city areas, and the financial institutions on which they must depend for assistance. The Neighborhood Reinvestment Corporation is thus an appropriate structure to carry on the work of the Urban Reinvestment Task Force on a more permanent basis.

The success of the Urban Reinvestment Task Force has in large part been based on its unique approach to neighborhood revitalization. The task force requires the key actors in a community—neighborhood groups, financial institutions, and local government—to develop a plan to revitalize the neighborhood. If the plan is approved, the task force will provide technical assistance to the community to implement the plan. In addition, the task force will contribute money to a high risk revolving loan fund to assist homeowners or businesses which are unable to obtain financial assistance from banks.

The virtues of the task force's approach to neighborhood revival are numerous. First, the program is nonbureaucratic. The idea for each neighborhood project must come from the neighborhood, and a local, private, nonprofit corporation is set up to carry out the project. There are no government regulations to follow, and the task force's involvement is limited to providing technical assistance and contributing to the high risk revolving loan fund.

Second, the task force gets the maximum bang out of the Federal Government buck. By establishing good relations with local financial institutions and foundations, the task force has been able to leverage more than $8 in non-Federal investment in inner-city areas for every dollar of Federal money spent. Since the creation of the task force in 1974, the Federal Government has spent $9 million on the program. During that period, the task force has leveraged $75 million in inner-city investment from private banks, foundations, and local governments. Further, each task force project requires a relatively small investment of Federal funds. The maximum grant available for a task force project is $100,000.

Third, each neighborhood project is run at the local level by neighborhood people. The community initiates and implements the neighborhood redevelopment project with the assistance of task force personnel. Once the project is off the ground, the community takes over full control of the program.

The two principal programs operated by the task force are neighborhood housing services and neighborhood preservation projects. Neighborhood housing services projects are aimed at improving the housing stock of neighborhoods that are just beginning the slide it to decline. There are currently 47 NHS's operating in 52 neighborhoods around the country, and 29 more are under development. The neighborhood preservation projects are directed at neighborhoods which have experienced a somewhat greater degree of deterioration. The NPP's attempt to develop new approaches to revitalizing declining urban neighborhoods. The projects include apartment building rehabilitation, neighborhood business district revival, and homeownership development. There are currently 16 NPP's in operation, with 14 more planned.

In addition, the task force has recently developed a new component of its program, the Neighborhood Housing Services of America. NHSA is a private, nonprofit corporation that is creating a secondary loan market for loans from the high-risk revolving loan funds of the NHS and NPP projects. Loan purchases by the NHSA increase the liquidity of the high-risk funds, and enable the funds to increase the amount of investment money flowing into the inner-city projects. Thus far NHSA loan purchases in

excess of $500,000 have been completed from 12 NHS programs.

The Urban Reinvestment Task Force is one of the few bright lights shining in the inner-city darkness. Districts such as mine in the Bronx are desperately in need of such innovative programs. The task force has earned the more permanent status that would be afforded by the creation of the Neighborhood Reinvestment Corporation. I only hope the new Corporation is granted the funds necessary to carry out its programs on a larger scale.●

Mr. ASHLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. NATCHER, having assumed the chair, Mr. BENNETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12433) to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes, had come to no resolution thereon.

LATTA SAYS COURT'S DECISION NOT IN BEST INTEREST OF U.S. TELEVISION INDUSTRY

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

Mr. LATTA. Mr. Speaker, the Supreme Court's decision in favor of the Government and against the Zenith Corp. on the question of imposing countervailing duties on Japanese TV sets imported into the United States is the second heavy blow this administration has helped administer to our domestic television industry and its employees within the last 13 months. When you combine the administration's action in this case with its action of May 20, 1977—when it set aside the International Trade Commission's recommendation that it protect the jobs of U.S. workers by increasing the duty on Japanese sets for the next 5 years and replaced it with an agreement permitting a 70-percent increase in imports above normal years of Japanese sets for the next 3 years—you have to wonder whether the administration knows whose jobs are being destroyed and how long our TV industry can survive under such anti-domestic policies.

It is difficult for me to believe, Mr. Speaker, that the U.S. Solicitor General would go before the Supreme Court in the Zenith case representing the administration and argue in favor of the Japanese position and against the U.S. television industry and its employees. The Solicitor General should have been arguing the sole issue before the Court—whether Japan's failure to levy the same tax on TV's for export that it applies to sets sold within Japan requires the levying of a duty of a like amount on sets imported to the United States—rather than going international and admonishing the Court that a ruling for Zenith could "undermine our negotiating flexibility" in the multilateral talks in Geneva. Section 303 of Tariff Act of 1930 provides that whenever a foreign country pays a "bounty" or "grant" upon the exportation of a product from that country, the Secretary of Treasury must levy a countervailing duty equal to the same when the product is imported into the United States.

How the Supreme Court and this free-trading administration could possibly come to the conclusion that Japan's failure to apply its own commodity tax to TV sets for export was not a benefit to the exporter—and therefore a "bounty" or "grant" to that exporter under section 303—is beyond me.

Zenith claimed that the tax break would permit Japanese manufacturers to charge 15 to 20 percent less for TV sets sold in the United States than in Japan. Such an advantage will have an adverse effect on the entire domestic television industry including the excellent GTE-Sylvania facility located in my district at Ottawa, Ohio.

U.S. Steel and Bethlehem Steel submitted briefs to the Court in favor of Zenith's position as the American steel industry has been complaining of similar tax breaks given to foreign steel manufacturers by their governments.

Mr. Speaker, it is past time for this administration to change its import policies. It is time for it to start protecting the jobs of U.S. workers rather than exporting them overseas.

PROPOSED CEILING ON FEDERAL EMPLOYEE PAY RAISES

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

Mrs. SPELLMAN. Mr. Speaker, I call my colleagues' attention to yesterday's Senate passage of H.R. 12930, the Treasury and Postal Service appropriations bill for fiscal year 1979. In particular, I want to discuss the Senate's acceptance of an amendment placing a 5.5-percent ceiling on Federal employee pay raises for the coming fiscal year.

I will not discuss now the economic validity of the 5.5-percent cap, but I do wish to say Congress should not be debating this issue at this time through this amendment. The reason is, it usurps the power of the congressional authorizing committee.

In the early 1970's, Congress, recognizing the difficulty involved in making and keeping Federal employees' pay comparable to salaries in private industry, enacted two laws: Public Law 91-656, the Pay Comparability Act of 1970, which applies to Federal white-collar workers, and Public Law 92-392, which applies to blue-collar employees.

The Pay Comparability Act of 1970 established a system for maintaining parity between pay in the Federal work force and pay in the private sector. It vested authority in three advisory groups—economic experts, union representatives, and officials of the Office of Management and Budget and the Civil Service Commission—along with the President. Together, these groups and the President were to implement annually an adjustment to Federal white-collar salaries that would keep them comparable to pay scales in private industry.

Congress purposely was excluded from this system to keep the system as free from political influence as possible. However, if the President feels—based on economic conditions—Federal salaries should be depressed, Congress has the right to disapprove the President's recommendation. I do not have to remind anyone here just such an action is a possibility this year since President Carter has said he wants to limit Federal pay raises to 5.5 percent, even though several statistical sources suggest salaries in private industry have risen higher.

Public Law 92-392 refined and codified a complex procedure for establishing pay comparability in the blue collar wage area. Essentially, it authorized lead agencies, by the use of local wage surveys, to keep their salaries even with blue collar salaries outside Government.

As you can see, Congress has created two comprehensive, fairly successful, systems for maintaining pay comparability or for allowing the President, with congressional approval, to depress Federal pay rates. Despite this, we soon will have before us an appropriations bill that, if enacted as now written, will prevent these systems from performing as planned. Ultimately, it will deny the President and Congress their proper roles in setting Federal pay scales.

I know there has been much concern lately over the growing power of the Appropriations Committees at the expense of the authorizing committees, and I believe this bill is further evidence that these concerns are not groundless. Specifically, section 614 of H.R. 12930, as passed by the Senate, not only attempts to usurp the authority of an existing legislative program, but is an "end run" around the members of the House Post Office and Civil Service Committee, who have jurisdiction over Federal pay. For these reasons, I urge my colleagues to soundly reject section 614 of H.R. 12930, and thereby reaffirm our belief in the legislative processs.

TRIBUTE TO AMERICAN FREEDOM

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

Mr. DORNAN. Mr. Speaker, I rise today to remind this House that a young Californian, an American citizen named Gary Acker, rots for his second year and fifth month in a Communist cell in Angola.

This morning I had the honor of meeting young Michael Gearhart, a courageous 9-year-old, whose father Daniel was captured in Angola the day before Mr. Acker's capture, and who after a phoney kangaroo trial was executed by a Communist firing squad on July 10, 1976.

Both these brave soldiers were American "Freedom Fighters" in whom their fellow countrymen can take great pride.

New evidence has come to light that our CIA briefed these men in Angola for their combat roll and that these volunteer soldiers were funded by our Government in the same manner that the "Lafayette Escadrille" was supported before our entry into World War I, the way

our American Flying Tigers fighting in China were funded in 1941 and, also, in the manner our young pilots were supported in 1940 to fly with the American Eagle Squadron in England which fought alone with the RAF against the enemies of liberty in those dark days before our entry into World War II.

Danny Gearhart was a modern day "Flying Tiger," a young General Lafayette, anything but a cynical "mercenary."

Mrs. Sheila Sullivan Gearhart and the four Gearhart children were unbelievably dishonored by not hearing a eulogy at their father's graveside because Danny was denied the dignity of his hero's death by poisoned American public opinion. It is a sad day for our great Nation when we turn our backs on those young men who fight and die for liberty. We simply must honor those who volunteer to be among the vanguard of those fighting for that freedom we so cherish in the United States.

I believe it long overdue, 2 years overdue, that someone pay grateful tribute before this House to a courageous, contemporary American freedom-fighter, Daniel F. Gearhart.

In 1976 Danny left for Angola firmly committed to rekindling the torch of freedom that had been left barely flickering by the U.S. Congress tragic and shortsighted decision to end all assistance to the forces fighting for freedom there. A man possessed of deep dedication to liberty—the inherent right of a people to be free—Danny Gearhart had fought fearlessly and honorably in Vietnam. The conquest of the Vietnamese people by its new totalitarian masters was a loss deeply felt by many Americans, including Danny. When he learned of the Communist aggression in Angola he decided to go there to do what he personally could do prevent another several million people from falling under a marxist dictatorship imposed upon them by communism. In this case the instrument of killing was the Soviet-backed Cuban force.

His decision was reached not for reasons of money, glory, or excitement. Danny Gearhart went to Angola on the belief that a man must do more than just hold to his principles; a man must sometimes live by his principles. A proudly idealistic American, he was sickened by the retreatest attitude that so infested the leadership echelons of this country. Danny was going to make this mission count, the forces of democracy would triumph, and he would have a part in it.

As we know, it did not happen that way, the pro-Western forces never even came close. But it was not due to the likes of a man like Danny Gearhart, gutty, full of spit and vinegar, and, going into combat, determined that liberty would be victorious.

Well, as U.S. involvement in Angola is reassessed, as new facts are revealed, we now know that it is impossible to be victorious when your own Government cuts off the freedom forces from all weapons and supplies. As I said earlier Danny was briefed by our Central Intelligence Agency there in Angola and sent to the city of Sao Salvador which the Agency knew would probably be encircled and overrun by Cuban forces. Danny did not know this. He was never told. And we also know from the former CIA commander of the Task Force on Angola that at that point, to quote him, "they simply didn't care."

Danny went into a "death trap" where he was ambushed, captured, and tried before that Angolan kangaroo court. Shortly after our July 1976 Bicentennial, Daniel F. Gearhart was executed by a firing squad by the order of the Communist People's Republic of Angola.

God help us if that dark day ever comes when we, as a nation of people, do not mourn the loss of each and every American who gives up his or her life in furtherance of those principles upon which this Nation was founded.

I, for one, fully intend to use the powers of my office to restore the good name of the Gearhart family for his widow, Sheila, and the four beautiful Gearhart children.

My condolences and prayers go out to Sheila and the children. While they have suffered a great loss, they can be proud of their man. For Danny Gearhart died while attempting to bring our freedoms to other people and died as a true American patriot, in defense of liberty. A modern Nathan Hale.

To those of us who revere freedom, morality, and principle, his life should never be forgotten. God took him to his eternal resting place. May that same loving God continue to protect the free world, our Nation, and our families with selfless men of courage and dedication—men of excellence like Daniel F. Gearhart.

VETERANS' AND SURVIVORS' PENSION IMPROVEMENT ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, I strongly support H.R. 10173, the Veterans' and Survivors' Pension Improvement Act of 1978, which will benefit the nonservice connected pension program for veterans of all wars.

I have received many letters from veterans in Michigan and throughout the country concerning the fact that when social security benefits are increased, veterans' pensions are decreased. I do not think this is fair and therefore proposed legislation to eliminate this inequity. I am pleased that we, in the House Veterans' Affairs Committee, approved H.R. 10173, and I support its passage by the full House. This bill will not only aid in reducing the distress from disability among our veterans but it will also show our Nation's gratitude for faithfully performed service.

H.R. 10173 will automatically index pension rates to the Consumer Price Index on the same basis as social security payments. Thus, when social security benefits are increased, veterans will receive the full increase in both veterans' pensions and social security benefits.

This bill is a positive move forward which will insure veterans the fair and decent income they have earned and which they deserve. I reiterate my strong support for H.R. 10173.●

SERIOUS DEFECTS IN ECONOMETRIC MODELS USED IN FORMULATION OF PUBLIC ECONOMIC POLICY

The SPEAKER pro tempore under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, on February 22, 1977, I reviewed on this floor an article by Dr. Paul Craig Roberts. In the article, Dr. Roberts pointed out some serious defects in the econometric models which are used in the formulation of public economic policy.

On March 3, I sent a letter to Mr. Bert Lance, then Director of the Office of Management and Budget, enclosing a copy of Dr. Robert's article and requesting that OMB respond to the points made by Dr. Roberts.

In its response, OMB acknowledged unequivocally that the econometric models upon which they rely for guidance in the choice of economic policy alternatives do not include any relative price effects of changes in personal income tax rates. However, since they believe that the performance of the economy is a function of spending levels, not of production incentives, they expressed little concern over their neglect of the supply side effects of fiscal policy.

As the issues raised by Dr. Roberts have attracted a growing interest over the past 15 months, and have become a topic of public debate, I am inserting for the Record OMB's response to Dr. Robbert's criticisms of econometric models:

WASHINGTON, D.C.,
March 22, 1977.

Hon. JOHN H. ROUSSELOT,
House of Representatives,
Washington, D.C.

DEAR MR. ROUSSELOT: I am writing in response to your letter of March 3, in which you asked several questions about econometric models.

The Office of Management and Budget uses three econometric models for studying fiscal and monetary policy: Chase, DRI, and Wharton. DRI has been available and used the most number of years, but all three have been used for some time. OMB staff members have found these models valuable for analyzing the economy and evaluating policy alternatives. This does not imply, however, that the results from simulating a particular policy on an econometric model are simply assumed to be correct. The results frequently differ from one model to another, and in some cases the differences are substantial. More fundamentally, the results of econometric simulations must always be evaluated in terms of our knowledge about the characteristics of the models and in terms of our knowledge about the economy. The econometric models are valuable evidence, but they do not comprise everything that we know. The final estimates of the effects of any policy, therefore, are influenced by what we learn from these models but are not determined by them alone.

The Chase, DRI, and Wharton econometric models all depend upon supply conditions and relative prices in many ways. A reduction in the corporation income tax rate, for example, increases the profitability of holding capital and thereby stimulates investment in plant and equipment. It is true, to

be sure, that these models do not include relative price effects caused by changing the individual income tax rate. In many cases an economist using these models to estimate the effect of policy changes can, if he wishes, make adjustments to take some account of effects that are omitted but that he believes to be significant. However, we do not believe it has been shown that relative price effects caused by a change in the individual income tax rate are important for answering the questions that these models are designed to study, such as the effect of an individual income tax rate change on GNP over a one-to-three year horizon. For studying supply conditions over a longer period these effects may be much more significant, but the models are not designed to evaluate that kind of question.

An enclosed staff memorandum by Robert W. Kilpatrick comments on the critique of econometric models, written by Paul Craig Roberts, that you enclosed with your letter. Your staff should talk to him (395-3667) if they have any questions.

Sincerely,

BERT LANCE,
Director.

COMMENTS ON "ECONOMETRIC MODELS, ECONOMIC POLICY, AND POLITICS," BY PAUL CRAIG ROBERTS

(By Robert W. Kilpatrick)

Paul Craig Roberts is correct in stating that the econometric models primarily used by Congress and the Executive Branch—Chase, DRI, and Wharton—"all share in common the Keynesian emphasis on the primacy of demand." From this he develops two principal conclusions: that the models' emphasis on demand prevents any consideration of supply; and that "their emphasis on demand sets the limits to the debate, regardless of the political persuasion of the participants." Both conclusions have some validity but only to a limited extent.

SUPPLY CONDITIONS

Roberts writes that the Chase, DRI, and Wharton models do not take any account of supply conditions and, although on this he is less explicit, that they also do not take any account of relative prices. This is not correct. The most direct effect of supply conditions is perhaps in the equations for plant and equipment, housing, and consumer durables, in which the stock of goods outstanding is often used as one of the variables that determines the amount of new goods demanded. Less direct, but more significant, are the sectors of these models that determine prices, productivity, wage rates, and employment. Productivity, for example, is estimated in all three models. It affects unit labor costs and inflation and thereby affects real and nominal GNP and the effect of fiscal policy on real and nominal GNP. Employment and the unemployment rate are estimated in these models, and they, in turn, affect inflation and the impact of fiscal policy on real GNP and inflation. Not only do the models contain supply conditions, such as these, but the supply and demand conditions interact.

The models also contain relative prices. The consumption equations usually include relative price as one of the variables determining the quantity demanded. The user cost of capital is one variable determining investment in plant and equipment; and the user cost, in turn, is composed of interest rates and other relative prices. Interest rates affect housing starts. The monetary or financial sectors of the models are largely about interest rates. And so on.

Thus, Roberts at most should have argued that the econometric models exclude certain supply conditions and relative prices that he judges significant. Furthermore, his way of introducing the excluded effects that he judges significant is confusing. Roberts builds his argument around the premise that people produce for three reasons: because people buy, in order to get income, and in order to get profits. He does not define the difference between profit and income, which is obscure, since profit is usually defined as one form of income. Nor does he explain the difference between "producing because people buy" and "producing to get income (or profit)." These two motives, which he says are separate, instead seem inextricably intertwined. If people are not willing to buy a product (at a price that covers cost, including a normal return on capital), no one can make a profit by producing it and consequently no one will produce it; if people are willing to buy a product (at a price that covers all costs), someone can make a profit by producing it and consequently someone will produce it. Similarly, people will not work at a job unless someone buys their labor (i.e., pays them wages).

Despite this objection to the framework in which Roberts introduces his argument, he is correct that Chase, DRI, and Wharton do not include any relative price effects from an individual income tax rate reduction—no incentives to work longer, to work harder, to save more, to take greater risk, to be more innovative, etc. Disposable income is increased, which raises consumption, and that is the only direct effect.

Undoubtedly a permanent individual income tax reduction does have relative price effects on the economy, including the ways that Roberts argues, and at least for some purposes they may be significant. The types of effects that Roberts discusses have been theoretically analyzed for many years and sometimes empirically tested, but we are not very certain about their size or how long it takes for them to go into effect. In some cases we are not even sure of the direction of the incentive or of the total net effect. A permanent individual income tax reduction has "income effects" as well as "substitution effects," and people will work less if the former effect predominates. A greater incentive to save would reduce income (and saving and investment) unless the incentive to invest is likewise increased.

As all of this suggests, we do not know of any evidence that the relative price effects from an individual income tax rate reduction would significantly modify the results of econometric simulations with the Chase, DRI, and Wharton models. We most certainly do not know of any evidence to support Robert's claim that because these effects are omitted the models "grossly exaggerate the tax revenue losses which would result from cutting tax rates." (This presumably implies that he believes that the models grossly underestimate the effect of a tax rate cut in raising GNP.) For the purpose of estimating the effects of a tax rate change of reasonable size over a one-to-three year horizon, we do not believe that the omitted effects are important.

Roberts emphasizes in his critique what he regards as deficiencies in the models' responses to an individual income tax rate reduction. However, he also says that DRI and Wharton (but not Chase) "predict GNP declines if corporate tax rates are reduced." This criticism is fundamentally not correct. In all three models a cut in the corporation income tax rate increases real GNP, and in all three models an important part of the effect is due to relative prices. The tax cut reduces the user price of capital, which increases the profitability of holding capital and thereby stimulates investment in plant and equipment.

This result may be obscured in Wharton by the necessity of distinguishing between real and nominal GNP. A corporate tax rate cut raises real GNP after a one or two quarter lag but lowers nominal GNP for about the first two years. Thus, looking at nominal GNP alone would be misleading. The primary reason for these divergent results seems to be that the reduction in the user cost of capital decreases the price mark-up and the inflation rate until this effect is offset by higher capacity utilization. Eventually inflation increases, nominal GNP (as well as real GNP) is higher than in the control solution, and after about three years the price level is also higher than in the control solution. Nominal and real investment in plant and equipment are both higher throughout the entire forecast period.

In DRI a straight simulation of a corporation income tax rate cut has very small initial negative effects on nominal and real GNP but raises GNP beginning three or four quarters after the tax change is enacted. This stimulus lasts about two years before turning negative. The stimulus to investment in plant and equipment begins upon enactment of the tax change and lasts throughout a four-year forecast interval. To be sure, the stimulative effects on GNP are small; and if one isolates the relative price effect of the tax reduction by changing only the maximum statutory rate (RTCGFS) but not tax receipts (RTCGF or +TCGF), real and nominal GNP are both reduced for the whole period. This perverse effect is not due to interest rates. Interest rates quite properly do rise when the economy is stimulated, thereby retarding investment, but they do not have as large an effect as Roberts supposes. The perversity is instead because a reduction in the tax rate directly and substantially reduces multi-unit housing starts. If one finds this result objectionable, which would be a reasonable conclusion, one can eliminate it by making multi-unit housing starts exogenous. With this modification, a corporation income tax rate reduction stimulates the economy significantly throughout a four-year forecast interval. (The 1975 version of DRI, unlike the present version, did have an intractable problem with the corporation income tax.)

This review of selected supply conditions and relative price effects in the econometric models suggests that for the most part Roberts' criticisms are not justified. The models clearly have deficiencies. They must, for they differ among themselves, are frequently modified, and are judgmentally adjusted for their monthly forecasts. The results of econometric simulations must always be evaluated in terms of one's knowledge about the characteristics of the models and in terms of one's knowledge about the economy. Nonetheless, Chase, DRI, and Wharton all contain many supply conditions and relative price effects. They could contain more, and they are hardly ideal for studying such events as oil embargoes and droughts. However, at least as of now, the evidence is lacking that the effects about which Roberts is concerned would make a great deal of difference to the questions that the models are designed to answer. For long-run supply effects, however, such as for the determination of potential GNP, they may be much more significant.

LIMITS TO THE DEBATE

To a certain degree Roberts is right that the structures of the models and the emphasis on demand "set the limits to the debate." By using the models, people may be influenced to think most naturally in terms of the variables and the relationships that these models contain. The extent of this influence may be slight, however models and presumably most of their users are in the mainstream of standard Keynesian macroeconomic analysis, so the users are presumably predisposed to think in the same terms. Such a predisposition is not detrimental unless it is shown that an alternative approach

to macroeconomics is preferable. The use of the models may perhaps encourage too much emphasis on the short-run. As has been suggested above, however, Roberts' critique of the models does not embody a preferable approach.

Even though the models are oriented in certain ways, they may sometimes be adjusted to reflect one's judgment about excluded variables and relationships. One example, given above, is the effect of a corporation income tax rate reduction in DRI. Another example, more directly related to the main part of Roberts' critique, would arise if one believed that an individual tax rate reduction would stimulate effort and thereby increase the growth in productivity. This could be introduced into the models by add factors to the appropriate equations, and the simulated result of a tax rate cut would reflect this effect. This would not be fully satisfactory, since the effect on productivity would not be estimated by the model itself and the adjustment would be crude, but it would be a large step in the direction that was hypothetically desired.

Moreover, even though the models are oriented toward demand, this does not mean that policy conclusions using demand-oriented models are predetermined. The St. Louis model is an example of a model that emphasized demand, that did not include the relative price effects that Roberts wants to include, but that yielded policy simulation results that were very different from those of Chase, DRI, and Wharton.

More specifically, the latter three models very definitely do not show "tax rate reductions, tax rebates, and government spending programs financed by deficits to be equally effective economic policy tools." First of all, economic policy tools should be evaluated on numerous criteria, not just their effects on GNP—as this statement seems to imply. Depending on the choice of the tool, consumption or investment may be stimulated; the Federal, State and local, or private sector may be expanded; income distribution may be altered; efficiency in resource allocation may be enhanced or retarded; individual freedom may be expanded or contracted; etc. Unless one is indifferent about these and many other types of outcomes, the alternative policy tools listed by Roberts cannot be fully judged let alone judged equally effective. Some of these various outcomes would be shown in the models as differing from one policy tool to another, whereas other outcomes would have to be judged by other evidence.

Secondly, in terms of GNP alone, all three models show different multipliers for the various kinds of spending, the various kinds of taxes, and between taxes and spending. They also show, or may show, different results for tax rate reductions and rebates. In judging the relative effectiveneses of rebates and rate reductions Roberts presumably means their effects dollar-for-dollar, since of course a rebate and a rate reduction would differ substantially in duration (and, for this reason, would probably differ substantially also in their size during the initial period). For the corporation income tax the models imply that a rebate would have a much smaller effect dollar-for-dollar than would a rate reduction, since the user cost of capital would be unaffected by the rebate. For the individual income tax the models taken literally would imply that the rebate and rate reduction would have the same dollar-for-dollar effects. However, if one believes that the marginal propensity to consume was smaller for a temporary tax cut than for a permanent one, one could easily introduce this judgment. For example, if one believes that the marginal propensity to consume for a rebate was half the effect of a normal income change, one could simulate a tax change that was half the size of the rebate being proposed. In this way the rebate would have only half the dollar-for-dollar effect of a rate reduction (assuming that a rate reduction would approximate the effects of a normal change in disposable income).●

WOOD RESIDUE UTILIZATION ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, today I am introducing the Wood Residue Utilization Act of 1978, legislation designed to establish pilot projects which will demonstrate and evaluate methods and techniques for collecting, handling, and processing wood residues from harvesting, protecting and managing timber and from the manufacture of wood products.

There has been longstanding concern about the need to utilize wood residues, improve the appearance of timber harvest areas, and reduce the smoke from forest and mill residue burning. Wood residues include logging and manufacturing wastes which result from harvesting timber and its conversion to conventional forest products. Other potential sources include cuttings from thinning operations and salvage of dead and diseased timber. These operations generate huge volumes of wood and bark residues each year. Present use of residues has been limited almost entirely to mill residues.

These wood residues can provide a number of usable products and benefits. They represent a great source of biomass for energy production. Some of the material can be converted into wood products. For example, it is estimated that two-thirds of the logging residues now left in the woods is sound chippable wood.

Logging residues represent a large source of wood waste. They include rotten and defective logs, limbs, and undersized material. About 100 million dry tons of logging residues are generated annually. Per acre volumes reach 57 dry tons on cutover lands in the national forests of western Oregon and Washington.

In my own State of Oregon, there were over 4 million tons of logging residues burned in the forest in 1976. In addition to being a wasted source of energy, the burning of slash put over 20,000 tons of particulates into the atmosphere. Had weather and smoke management conditions been ideal, over 6 million tons of slash would have been burned.

Another source of forest residues is from intermediate cuttings associated with caring and tending the forest and from salvage cuttings. Annual mortality losses from fire, insects, disease, storm, and other destructive agents were estimated at about 4.5 billion cubic feet in 1970, equivalent to 100 million dry tons.

Several studies indicate improvement can be made in existing residue utilization systems. Substantial improvement opportunities exist in the areas of residue collection and transportation. Present logging technology is aimed at removing the primary product, generally logs. There are opportunities for efficiency if the objective becomes total removal of all material.

More efficient and economical material handling systems will be required to harvest and transport residues. Pelletizing to increase bulk density, pipeline transportation and unit trains are a few of the promising possibilities for future handling of wood residues.

The legislation I am introducing will authorize the Forest Service to establish pilot projects to test and demonstrate existing technology for collecting, transporting, sorting and processing wood residues. The objective is to substantially increase the economic utilization of these residues. The authority for these projects will expire in 5 years.

Mr. Speaker, I submit it is time that we move ahead in the utilization of our timber resources. Wood residues offer a tremendous potential in helping to meet our national energy and wood products needs. In addition, there are numerous public benefits from improved utilization of wood residues. They include: improved air quality, cleaner appearance of the forest, reduced fire hazard, better reforestation access and a net addition to the Nation's energy.

The legislation I am offering today will enable us to take better advantage of this potential and make wood residue utilization a fully operational and integral part of forest management.●

U.S.S. "GROTON" TO BE COMMISSIONED JULY 8, 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

● Mr. DODD. Mr. Speaker, it is with a great deal of pride that I bring to the attention of my colleagues the fact that on July 8, 1978 the U.S.S. *Groton* will be commissioned.

The U.S.S. *Groton* is the latest and very best nuclear fast attack submarine to enter the U.S. Navy. I mention this with pride because the *Groton* was built at the Electric Boat Co., the largest employer in Connecticut's Second Congressional District, which I have the privilege of representing in Congress.

The U.S.S. *Groton* takes its name from the town of Groton, Conn., where it was built. The name Groton carries a proud heritage in the highly complex field of submarine construction. For over 76 years, the Electric Boat Co. has enjoyed the reputation of being the premier designer and builder of submarines in the world. The reputation is a well deserved one.

The SSN 694 *Groton* will be the 266th submarine, and the 46th nuclear powered submarine, delivered to the U.S. Navy by Electric Boat. The world's first nuclear-powered submarine, the *Nautilus*, which was commissioned almost 24 years ago, was built at Electric Boat. From the *Nautilus* to the *Groton*, it is a proud heritage that Electric Boat, the U.S. Navy, and the town of Groton carry on.

The *Groton* is part of the newest 688-class of nuclear attack submarines. Being 360 feet long and displacing 6,800 tons, this class is by far the largest class of attack subs ever built for the

U.S. Navy. Its mission will be to locate, track, and in the event of war, destroy enemy submarines and surface ships thus preventing them from attacking either United States or Allied targets. To perform this mission, the 688-class has a greater submerged speed, better sonar equipment, and improved weapons systems than any other class of nuclear attack submarines.

The people who should be the most proud on July 8 when the *Groton* is commissioned are the skilled men and women who actually built the submarine. The employees of Electric Boat, most of whom live in the Groton/New London area, are living proof that the work force in southeastern Connecticut is among the most highly skilled, dedicated, and competent in the country. While the dignitaries celebrate the *Groton's* commissioning, we should remember that it is the men and women of Electric Boat who deserve the greatest credit for a job well done.

The southeastern Connecticut community, and all Americans should salute the people of Electric Boat on the occasion of their latest achievement.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, I wish to explain my absence on the procedural vote on ordering a second to the consideration of the bill H.R. 12841. At the time the vote was taken I was chairing a joint hearing by the Subcommittee on Antitrust and Monopoly of the Committee on Judiciary, U.S. Senate and the Subcommittee on Energy and Environment of the Committee on Interior and Insular Affairs, U.S. House of Representatives. The hearing was being held in room 2228 of the Dirksen Senate Office building. I was informed of the vote with only 4 minutes remaining to vote. Considering the fact that I was presiding this important hearing more than 4 minutes from the House floor and that the vote was a procedural vote only, I was absent.●

PROTECTING DIRECT SELLERS FROM ARBITRARY AUDITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, on April 27, I introduced a bill (H.R. 12427) directed at relieving an unfortunate situation facing the real estate industry in this country. Due to recent actions by the Internal Revenue Service which have reversed over 30 years of interpretations of common law, thousands of independent contractors in this industry have been reclassified as employees for Federal tax purposes. This reversal of policy has resulted in financial chaos within a number of independent businesses since they are being retroactively charged for withholding, unemployment insurance, and social security taxes.

More recently, it has been brought to my attention that a similar situation exists for direct sellers. Direct selling is an established industry which markets numerous products and services directly to consumers in the home. Approximately 2 million direct selling salespeople are associated with this industry at any point in time during the year. Direct selling offers unique income opportunities to women, members of minority groups, persons with disabilities, the elderly, and those who are economically disadvantaged. The keystone of the direct selling method of distribution is the independent enterpreneurial status of direct selling representatives. Therefore, direct sellers are particularly interested in preserving the tax status of independent contractors and the income opportunties afforded to millions of small businesspersons.

The Internal Revenue Service's new campaign has produced large tax assessments, jeopardizing many direct selling businesses. For example, it is known that the Service's departure from the common law rules and the resulting retroactive tax assessments contributed to the termination of two direct selling companies, Wheatonware, a division of Wheaton Industries, and Cordon Blue, Inc., a Minnesota corporation. Moreover, these assessments may involve double taxation, because the assessments duplicate taxes already paid by independent contractors. Although the Service has been notably unsuccessful in upholding its position in the courts (that is, Queen's Way to Fashion, Inc. against United States and Aparacor, Inc. against United States), the large retroactive assessments and the threat of double taxation have created serious concern.

Thus, the Court stated in Queen's Way:

> The extended discussion of the facts and relevant factors in this case is a function of the defendant's (the government's) abrupt departure from existing case law and rulings in comparable situations. The resultant and understandable alarm on the part of the plaintiff that its business and the industry of which it is a part are thereby threatened with destruction has resulted in a very large record and lengthy arguments not normally found in a single issue case with a readily apparent solution." (37 A.F.T.R. at 76-1140, n. 41; 556 F.2d at 1018, n. 41)

It is the abrupt departure from the longstanding distinction between employees and independent contractors and the resultant retroactive assessments that caused the conferees on the Tax Reform Act of 1976 to call for a halt to arbitrary and inconsistent IRS tax policies. Since the Service continues to pursue this unfair procedure, it is essential that Congress take immediate action to provide interim relief from such harassment.

Mr. Speaker, the bill I am introducing today is intended to prevent any further action by the Internal Revenue Service which would reverse the tax status of independent contractors in the direct selling industry. Hopefully, my bill will protect not only direct sellers but all other self-employed persons throughout the country. It is time for Congress to take action to clarify this ambiguous area of our tax code by at least eliminating conflicting interpretations of the law.

I include the text of my bill at this point in the RECORD:

H.R. —

A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes from common law in the treatment of individuals as employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the determination of whether any individual is an employee for purposes of chapters 21 (relating to Federal Insurance Contributions Act), 23 relating to Federal Unemployment Tax Act), and 24 (relating to collection of income tax at source of wages) of the Internal Revenue Code of 1954, shall be made under Internal Revenue Service practices, interpretations, and regulations in effect on December 31, 1975.

(b) Notwithstanding subsection (a), an individual shall not be treated as an employee of any person for purposes of chapters 21, 23, and 24 of the Internal Revenue Code of 1954 if such person, in good faith, consistently treated such individual as an independent contractor for such purposes.

(c) This Act shall apply until enactment of any law which expressly repeals this Act.

MAJORITY LEADER JIM WRIGHT HONORED BY SHRINERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, on Saturday, June 24, I was privileged to have been present at ceremonies on Capitol Hill at which our valued colleague, the distinguished majority leader of the House, the Honorable JIM WRIGHT of Texas, was honored at a special meeting of members of the Shrine of North America.

Present for this occasion, which was sponsored by the Capitol Hill Shrine Club, were Fred R. Morrison of Detroit, imperial potentate of the Shrine of North America, and Illustrious Potentate William W. Scott, Almas Temple A.A.O.N.M.S. of Washington, D.C., and other Shriners from the District of Columbia and several Eastern States.

Although, Mr. Speaker, JIM WRIGHT was not able to be present for the ceremony because he was in his home State of Texas with President Carter, I am sure that he would have been pleased by the kind words said about him on this occasion.

I ask unanimous consent to insert at this point in the RECORD the tribute to the majority leader made during the ceremony by Illustrious Potentate William W. Scott:

SATURDAY—DAY

Back in the early Spring, I needed a favor, as Potentate, that only a few people were in position to grant.

Jim Wright, the Majority Leader of the House of Representatives, was suggested to me. I had only met the Honorable Sir once, and I was very reluctant. However, when the call was made for me, I was given an appointment, and when I told him our plight and asked the favor, he showed total concern and put his staff to work on it.

It was then I realized what an asset men like this are to our organization, and yet

we so seldom let them know it. I asked Jim if he would permit me to have a ceremonial in his honor, and I have never seen a more pleased man. The men who spend their life serving the American people in this great House of Representatives are seldom given the credit they deserve. Sometimes back home they may be given a testimonial dinner, but this is where they live and work and serve their community. Jim Wright has spent 27 years in public service; 12 consecutive terms here in the House of Representatives. He is the author of major legislation in the fields of energy, foreign affairs, economic development and water conservation. Jim is known in Washington as one of the most effective and articulate members of the House. He has been chosen frequently to represent the United States in important international meetings.

Jim is a member of Moslah Temple, Fort Worth, Texas.

If you are wondering where he is today—about a week ago I received the following letter from him:

DEAR BILL: As my staff has informed you, the President will be in Fort Worth on the weekend of your ceremonial. While I am deeply pleased that he is going to pay a visit to my district, I deeply regret that this will prevent my attending the ceremonial you have arranged in my honor.

It was very kind of you to honor me in this way. I hope that, in spite of my absence, the event will be a happy one for all who attend.

My staff will continue to work with you on room arrangements, parking and all other details.

Thank you, not only for arranging the ceremonial in the first place, but also for your understanding at this turn of events.

With warmest and best wishes,

Sincerely,

JIM WRIGHT.

However, here to represent JIM is an equally known figure here in Washington, the majority whip of the House, JOHN BRADEMAS. JOHN, I appreciate your being with us today, as I know Congressman WRIGHT does. It has come to my attention that JIM WRIGHT is a student of the Bible. I would like for you to accept this for him. It is a concordance to the Holy Bible which we hope he will find useful in his Bible study.●

OIL IMPORT FEE LIMITATION AMENDMENT TO TREASURY APPROPRIATIONS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, yesterday the Senate approved an amendment to H.R. 12930, the Treasury and Postal Service appropriations bill, which would block the President from spending money to impose oil import fees. I oppose this backdoor attempt to restrict this Presidential authority, and urge the House conferees to reject the amendment in conference.

The issue of Presidential authority to impose oil import duties is still pending before the House-Senate conference committee on the energy tax bill. The Senate had voted to nullify the President's authority to adjust imports of petroleum or petroleum products under section 232 (b) of the Trade Expansion Act of 1962, except in certain instances, and to bar Presidential imposition of or increase import duties on petroleum. The House passed no similar provision. During consideration of this issue by the energy tax conference, I offered a compromise to resolve the differences, but the conference has not yet resolved the issue.

The issue of oil import quota and duty authority must be discussed—and will be discussed by the Trade Subcommittee. Despite continued concern by domestic and international leaders, the United States is not curbing its oil import appetite. Recent reports indicate that imports of petroleum and related products climbed 5.8 percent to a seasonally adjusted $3.32 billion in May. The action taken by the Senate yesterday flies in the face of these concerns. We cannot afford to establish this top priority economic and security policy in such a hasty and ill-conceived manner.●

HUMAN RIGHTS: A COMMON GOAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, I would like to draw the attention of my colleagues to an article which appeared in yesterday's edition of the Wall Street Journal. Dr. Andrei D. Sakharov, noted Soviet physicist and champion of human rights, eloquently addresses the issues of dissent in the U.S.S.R., the Soviet Government's attempts to quell the struggle for civil and political rights, and the Western response to those efforts. Dr. Sakharov appeals to the West to continue to protest violations of human rights in the Soviet Union and, specifically, to defend the imprisoned members of the Helsinki monitoring groups.

In an effort to do just that, the Commission on Security and Cooperation in Europe, which I chair, will hold a public hearing on July 11 at 9 a.m. in room 2255 of the Rayburn House Office Building. The purpose of the hearing is to provide a forum for Members of Congress to express themselves on the issue of Soviet compliance with the human rights provisions of the Helsinki Final Act and to draw public attention to the repeated violations of their Helsinki commitments by the Soviet Government. I invite my colleagues to testify before the Helsinki Commission at this hearing and I urge them to contact the commission staff if they are interested in doing so.

I ask that the article by the Nobel Peace Prize winner be printed in the RECORD so that my colleagues might have the benefit of Dr. Sakharov's thinking.

The article follows:

HUMAN RIGHTS: A COMMON GOAL

(By Andrei D. Sakharov)

The West has finally begun to pay attention to dissent. Public figures now understand that the fight for the victims of repression, in defense of civil and political rights, is an essential foundation of the struggle for international stability and confidence. Still, especially among policy makers, there persists a short-sighted pragmatism—a frivolous hope of obtaining instantaneous solutions for the most complex problems of peace and justice and, on occasion, banal political intriguing to exploit burning human rights problems on which mankind's fate depends.

Not long ago we in the Soviet Union heard radio broadcasts of the comments of several American and European papers on the results of Secretary Vance's visit to Moscow in April. A majority of the commentators agreed that a year before, President Carter's firm human rights policy had been the main reason for the breakdown of the SALT talks with Foreign Minister Gromyko, and that the progress achieved (the scale of which was unknown, but the comments cited the optimistic tone of official statements) was somehow the result of a "softening" or "erosion" of Carter's position. To me such analyses exemplify the myopic pragmatism and superficiality to which I refer. They stand logic on its head and stab the human rights campaign in the back.

I have said more than once that the complications which showed up in the SALT negotiations last year are profound issues which could not be side stepped. They are linked to fundamental flaws in the Vladivostok agreement, to traditional peculiarities of Soviet politics and to certain technical issues—but not in any way to the problems of human rights.

DYNAMIC AND CONSTRUCTIVE

Then and now I perceive the 1977 negotiations as in no sense a failure of American policy; they clearly demonstrated the dynamic and constructive character of the U.S. position, contributed to a degree in delivering the West from certain dangerous illusions and created the basis for further talks and major decisions. It seems obvious to me that a firm policy on human rights could not and cannot "spoil" anything. On the contrary, it shows that the West will not succumb to blackmail or to feelings of weakness and uncertainty, and that it will resolutely defend the principles which hold such fundamental significance for our common future. Weakness or excessive "flexibility" on human rights matters undermines Western positions all along the detente 'front."

Disarmament negotiations have their own substantive significance. The fact that they are under way diminishes to some extent the likelihood that a major war will break out. They cannot, however, eliminate the reasons for politico-military opposition. When they bring about some limitation on military outlays, that is important, but unfortunately such limitation appears to be a reality mainly in the West. Until now, no agreed restraints, as far as I know, have been able to compel the Soviet military-industrial complex to renounce even one projected weapons system or cut back the numerical strength of its army, air force, tanks, artillery, and strategic missiles.

Furthermore, the systematic buildup of armed strength—tanks, multiple-warhead missiles, the world's strongest submarine fleet—is being sychronized with a noisy, demagogic campaign against the neutron bomb. More precisely an enhanced-radiation weapon, this bomb is no more humane than any other weapon, though it is primarily defensive.

No matter how important arms control discussions are, they can produce decisive results only when they are joined to the resolution of broader and more complicated problems of military-political and ideological confrontation, including questions of human rights. The freedom to exchange information at home and across international borders, the freedom to move at home and to travel or emigrate abroad all rank as prerequisites of international trust, basic to the process of diminishing hostility. As long as a country has no civil liberty, no freedom of information and no independent press, then there

exists no effective body of public opinion to control the conduct of the government and its functionaries. Such a situation is not just a misfortune for citizens unprotected against tyranny and lawlessness; it is a menace to international security.

A number of important events in the campaign for human rights have marked 1977 and 1978. The ideas of that struggle have continued to grow and spread, and the struggle itself has taken on new forms. Among other international occurrences the Belgrade meeting gave human rights a central place. An unquestionable spirit of tactical and philosophical kinship animated the growth of the human rights movement in Czechoslovakia (the splendid Charter '77), in Poland (the Workers' Defense Committee and others) and in the U.S.S.R. (the Helsinki Watch).

Even though all this occurred without any organizational ties or contacts, it is now possible to speak of a united movement in the Soviet Union and Eastern Europe. The Eurocommunists of Spain, Italy and France have assumed a new position on human rights. In the United States, President Carter used his inaugural address to proclaim that the defense of human rights the world over would be the moral foundation of American policy. Amnesty International was awarded the 1977 Nobel Peace Prize. And the political amnesties in Yugoslavia, Indonesia and Chile represented even more tangible expressions of the victory of human rights thinking.

Nonetheless, political repression, ethnic and religious persecution and other human rights violations have simultaneously continued and even intensified in a number of countries. There can be no forgetting the suffering and deaths of many, the massive violation of human rights in various nations—Cambodia, Vietnam, Uganda, Brazil, several other African and Central and South American countries, in Iran; the list is a long one.

Among the 35 signatories of the Helsinki Accord guaranteeing respect for human rights, the rulers of those states where rights are systematically violated have employed special tactics to repress those men and women who joined their names and civic activity to Helsinki. The immediate goal is to stem the flow of information, but that goal is unreachable. The repression, accordingly, can be called a bureaucractic reflex. In the U.S.S.R. the mechanistic soullessness of political persecution makes it especially cruel and unjust, particularly when little-known people are its objects.

At present, however, the KGB "brain trust" seems to me to be pursuing an even wider aim. By arresting Helsinki Watch members and sentencing some of them with a cruelty no one could fail to notice, the Soviet authorities were issuing a defiant challenge to the Western Helsinki signatories and Belgrade meeting participants.

They were confronting them with the painful dilemma of either defending the Helsinki principles with uncompromising demands for the liberation of all those arrested—thereby risking heightened tension—or capitulating by backing off from the challenge and thus weakening their positions not only in human rights matters, not only at Belgrade, but in all aspects of detente.

As an added benefit—even if the ploy were a partial failure—the authorities could count on these fresh repressions to draw attention away from the other, massive and permanent human rights violations in the U.S.S.R. What must never be overlooked is the fact that the entire tactic is a bluff; after all, it is the Soviets who have the most at stake in those aspects of Helsinki other than human rights.

AN ENORMOUSLY IMPORTANT EVENT

The closing of the Belgrade meeting brought one episode of the Helsinki drama to an end, but I view the session as an enormously important event with far-reaching consequences. For the first time specific human rights violations were discussed at such a representative international level, and the discussion drew the attention of the press, public figures and world opinion. Despite some slip-ups and compromises, the West in general made it very plain that observance of human rights is a matter of fundamental significance and will remain a central issue. The permanence of human rights concerns was a key feature of the decision of the delegates to meet again in Madrid in 1980.

In this new phase, on the eve of the next series of trials of Helsinki Watch members, I now again call on Western political leaders and on those in society involved in cultural, scientific, trade and technological contacts with the U.S.S.R. and Eastern Europe to follow closely the reports on human rights violations there and do all in their power to prevent and correct them. It is essential to employ all possible leverage—quiet and public diplomacy, the press, demonstrations and other means that strike at prestige, boycotts, cancellations of cooperative activities in one field or another, legislative limitations on trade and contacts similar to the Jackson-Vanik amendment, prisoner exchanges—to save the individual victims of tyranny and lawlessness and entire categories of people suffering injustice and discrimination, to reverse the practice of arbitrary rule.

I must again emphasize the importance of defending the arrested members of the Helsinki groups. Under the circumstances, their defense is the touchstone of Western resoluteness and perseverance as well as a test of the good faith and reasonableness of the Soviet side. This is a major international affairs.

In all the campaigns of support it is terribly important not to divide the arrested and convicted into separate categories—the important ones for whom it is easy to generate backing and publicity and the secondary figures with whom the authorities count on dealing in silence as they wish. I appeal for the creation of a unified international committee to defend all Helsinki Watch members, to bring together the forces of several groups already at work.

HUMANITARIAN ACTIONS

In connection with prisoner exchanges, I wholeheartedly supported the exchange of Luis Corvalan and Vladimir Bukovsky. It was a wise and compassionate act that granted freedom to two men. I hope for further exchanges to save those who are gravely ill, women and political prisoners subjected to especially severe injustice. I consider the exchanges as humanitarian actions standing apart from either political or strictly juridical considerations. Since exchanges of prisoners are not commercial deals, there is no need to worry about making them precisely balanced. For that reason, it comes as bitter news to me to hear that official State Department representatives consider Anatoly Shcharansky's very innocence of espionage charges a possible obstacle to arranging an exchange for him.

I am writing as the world recoils from the monstrous, cold-blooded murder of Aldo Moro, one of Italy's best men. The West has much to worry about; life is difficult, tragic, in no sense unclouded even there. I know that, and I feel it today even more acutely perhaps than usual. But I know something else as well: Most of the problems and tragedies that occur in the West, like those in the totalitarian countries, affect all of mankind. Events like the murder of Moro shock and shake those of us whose democracy is under explosive assault from the Red Brigades and those like them. In truth we are all united by a common goal; in that is our fate and our hope.

(This article is adapted from the Afterword to "Alarm and Hope," a collection of essays, statements and correspondence by Soviet dissident and Nobel Peace Prize winner Andrei D. Sakharov to be published this autumn by Alfred A. Knopf. The article was translated by Alfred Friendly, Jr.) ●

STACKING THE DECK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, when our colleague from Georgia (Mr. LEVITAS) came to Congress in 1975, he set in motion an effort to restore more thorough congressional oversight over a bureaucracy that, more often than not, is unresponsive to the needs of the people. His leadership in the fight to establish a congressional veto over executive agency rules and regulations that go beyond, or ignore, congressional intent, or which are unnecessary and repressive, has been able and constant.

Undaunted by an administration that opposes the concept of a legislative veto, the gentleman from Georgia (Mr. LEVITAS) has time and again brought our attention to the need for such a veto through introduction of amendments to authorizing legislation for the various Federal agencies.

Recently the Atlanta Journal carried an editorial in support of the effort instituted by our colleague from Georgia (Mr. LEVITAS). Mr. Speaker, I commend this editorial to my colleagues and ask that they join with those of us who have sponsored and who support the legislation of the gentleman from Georgia to remind the bloated Federal bureaucracy that it is the "servant of the people and not our master."

STACKING THE DECK

Rep. Elliott Levitas is upset that the Justice Department has refused to defend the one-house veto in court.

Levitas has incorporated into several laws a procedure whereby regulations issued by government agencies pursuant to these laws are subject to congressional review. The regulations become null and void if either house of Congress votes to overrule them.

Levitas thinks that since the Justice Department is the "lawyer for the United States," it should be willing to defend these U.S. laws in court.

But in addition to that point, the Justice Department's attitude is upsetting because the administration supports this same procedure when it suits its convenience to do so. In the matter of President Carter's reorganization of the executive branch, the bill the administration asked for and got gives the president authority to order changes in agency structure which go into effect unless overruled by one house of Congress.

Why does the Justice Department think the one-house veto is constitutional as far as reorganization is concerned but not in other matters? In truth it would seem that, since Congress is supposed to be the legislative branch of government, it is on even sounder ground in reviewing bureaucratic regulations governing citizens with the force of law.

The one-house veto is merely a means to an end. The real objective of Rep. Levitas is to reassert both the authority and responsibility of Congress in making the laws of the land.

We are sure the Constitution is on the side of Rep. Levitas as far as the right of Congress to review regulations is concerned. If there is a problem of mechanics in saying that one house alone can wield this power, that is an issue for the courts to decide. But let the courts make the decision without the Justice Department stacking the deck in favor of the unlimited authority of unelected bureaucrats.●

ALVIN B. WOOD—HARTFORD EDUCATOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, I would like to take this opportunity to pay tribute to a most extraordinary man. He is Alvin B. Wood, a noted educator in my home, Hartford, Conn. Mr. Wood is scheduled to retire soon from his position as principal of the Fred D. Wish Elementary School following 24 years of selfless service to his community. I feel my colleagues should be made aware of his exemplary career.

To know Alvin Wood is to understand the meaning of diligence. Mr. Wood first offered his services to the Hartford school system more than 40 years ago, but was rejected at that time because he was finally granted to him. Since that made in spite of his impressive academic qualifications for the job.

Alvin Wood was not deterred from his goal. He worked as a janitor, postal carrier and after-hours piano player. Then in 1954, some 20 years after his initial application for a teaching position, one was finally granted to him. Since that time, Mr. Wood has consistently proved an outstanding educator and role model to innumerable Hartford youngsters. The city of Hartford is in his debt.

The following article appeared in a recent issue of the Hartford Courant. I think it reveals much of this fine man's character, and I commend it to the reader of the RECORD.

CITY'S FIRST BLACK PRINCIPAL LOOKS BACK, NOT IN ANGER

(By Joel Lang)

Like most men who endure to retirement age, Alvin B. Wood, the first black principal of a Hartford school, has seen the thread of his life cross and recross itself in twists of irony.

Between telephone calls and paper work, Wood remembered back 40 years to the twilight of the Great Depression when, as a new graduate of the prestigious Howard University, he applied for a teaching job in Hartford.

The tall, gangly young man seemed well qualified. He had majored in mathematics, minored in physics and had taken education courses. He was no stranger to Hartford. He had gone to Dwight and Burr schools before his family, one of the few black families in the South End, moved to Bloomfield.

But then superintendent of schools, Fred D. Wish, was candid with Wood. The city just was not ready for a black schoolteacher. Twenty years passed before Wood finally got his teaching job. That, by coincidence, was in 1954, the year the U.S. Supreme Court made its landmark ruling on school desegregation.

Wood taught science and then in 1964 was named principal of Clark Street School. A year later he moved to the school from which he will retire next month. Irony No. 1: the school is Fred D. Wish Elementary School, named for the superintendent who turned Wood away 40 years ago.

Wood, who will turn 69 in September, but could easily pass for 50, recalled his childhood as happy. His mother kept house and earned extra money as a seamstress. He said his father had a good job for a black man in his time: he was a receptionist in the executive suite at Aetna Life & Casualty.

As a youngster, Wood learned to play the piano and the organ. He played the organ in churches and the piano jazz style, in various bands and many clubs that have long passed into history.

It was the piano that helped pay Wood's way through college. As a grocery delivery boy before college, Wood was allowed by his employer to stop for piano lessons at Hartt School of Music, then on Collins and Sigourney streets and part of his delivery route. But Wood never had ambitions to be a full-time professional musician.

"I liked to eat, you see and being a musician then, well it didn't pay."

WANTED TO BE ENGINEER

What Wood wanted to be was an electrical engineer. He had an aptitude for math and he figured skills in a wide-open field would bring him a good job even if he was black. Of course, Wood said, he didn't expect to work in the United States. His scheme was to go to South America. He dropped it when a friend mentioned most of the large employers in South America were U.S. companies.

Although Wood's ambitions were thwarted, his two children have found success early.

Irony No. 2: A daughter teaches school in Bloomfield and a son, Alvin Jr., works as a mechanical engineer for Polaroid Corp. The job is his son's third or fourth, each one a promotion. "Times have changed. Now it's easy to get jobs," said Wood with a shrug.

After college, having been rejected as a teacher, Wood became a janitor at Aetna. He worked there 10 years, always turned down in his occasional bids for advancement. Ironey No. 3: A college graduate, he got the menial job only through his father's influence.

BECAME POSTMAN

Eventually Wood took the civil service examination for postman. He got the highest pure academic score on the test, but war service credits moved two other candidates ahead of him. Wood got the job through the help of a political friend and for 13 years he was Bloomfield's rural route mailman.

All those years he played the piano after hours for extra money. He finally dropped it when he got his teaching assignment at Mark Twain School.

Irony No. 4: he had given up ideas of teaching full time and applied for a night school position as a second job. But Kenneth Meinke, then school superintendent, promised Wood a regular classroom post if he would spend the summer taking refresher courses. Eventually Wood got his master's degree from Central Connecticut State College and did further graduate work at the University of Connecticut.

He has fond recollections of his years at Twain. About half his students came from the Bowles Park housing project, which was pretty well integrated. The other half came from the solidly Jewish middle-class Blue Hills neighborhood.

GOOD KIDS

"I always wanted to be principal at Twain. They were good kids. I see them today still. They're doctors and dentists and lawyers. Not like the kids now. You read about them in the morning paper," he said referring to crime stories.

He said children don't seem as interested as they once were in learning. He blamed the change on the intellectual passivity encouraged by television, the permissive behavior allowed by some parents and also allowed by some educators.

Wood said he resisted, but he too swung with the pendulum of educational theory that resulted in less strict standards for basic academic skills. He drew the line at open classrooms and threatened to quit if any were created at Wish School. None were. Now the educational pendulum is swinging back and Wood said a change in students will be noticeable soon.

Wood expects to be joined in retirement within a few years by his wife M. Beatrice Wood, who is reading coordinator for the Hartford school system. Both Woods have served long terms on the Bloomfield Town Council. Wood now is vice chairman of the Board of Trustees of State Colleges and a member of the state Commission for Student Financial Assistance.

If those unpaid jobs don't keep him busy, he plans to spend time with his neglected hobbies: woodworking, photography and irony No. 5, the piano, which he gave up 20 years ago, and electrical tinkering, which he gave up 40 years ago.

Wood said he has no time to brood about opportunities lost to discrimination.

"I've got a couple of bucks. I've been reasonably successful. So why cloud up my mind with resentment."●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, I was necessarily absent during the sessions of the House on June 23 and 26. I would like to place in the RECORD a statement of how I would have voted on rollcalls taken during the sessions had I been present and voting:

Rollcall No. 488: Amendment by Mr. STEIGER to delete the "Buy America" provisions of the Amtrak Improvement Act (rejected 98 to 207); "no." *

Rollcall No. 489: Amendment by Mr. MADIGAN, as amended, to provide for route terminations prior to the completion of the study of rail routes required by the bill (rejected 119 to 186); "no." *

Rollcall No. 490: Amendment by Mr. NEAL to delegate to the Special Trade Representative authority to determine products to be exempted from the "Buy America" provisions of the bill (rejected 121 to 178); "no."

Rollcall No. 491: Passage of the bill (H.R. 11493) Amtrak Improvement Act (passed 204 to 89); "yea."

Rollcall No. 492: Adoption of the rule (H. Res. 1214) providing for the consideration of the Housing and Community Development Act of 1978 (adopted 282 to 5); "yea."

Rollcall No. 493: Suspension: Army and Air Force Retirement Amendments (Passed 283 to 35); "yea."

*Positions previously recorded by pairs.

Rollcall No. 494: Suspension: Military retirement pay revisions (passed 292 to 30); "yea."

Rollcall No. 495: Suspension: Early Retirement for Non-Indian Employees of the Bureau of Indian Affairs (rejected 118 to 204); "nay."

Rollcall No. 496: Adoption of the rule (H. Res. 1243) providing for the consideration of the National Parks and Recreation Act of 1978 (adopted 331 to 2); "yea."

Rollcall No. 497: Adoption of the rule (H. Res. 1235) providing for the consideration of the Civil Rights Commission Act of 1978 (adopted 303 to 16); "yea."●

LEGISLATION TO ESTABLISH AN OFFICE OF POPULATION POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

Mr. OTTINGER. Mr. Speaker, on June 21 the gentleman from Massachusetts (Mr. HARRINGTON) and I introduced legislation to declare the need for an explicit U.S. population policy and to establish an Office of Population Policy. We are especially pleased that this bill is cosponsored by a majority of the members of the House Select Committee on Population. We are now seeking additional cosponsors.

There was a mistake made in a paragraph of the bill, and the corrected text is included below. I ask unanimous consent to include the bill as part of my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

The bill is as follows:

H.R. —

A bill to declare the need for an explicit population policy and to establish an Office of Population Policy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. The purposes of this Act are—

(1) to declare the need to coordinate the Nation's approach to population growth;

(2) to attain a balance between the environment and human demands made upon it;

(3) to allow greater opportunity and a high standard of living for all;

(4) to establish an Office of Population Policy.

DECLARATION OF POLICY

SEC. 2. (a) Congress recognizes the impact of continued national and international population growth, particularly as that growth affects energy supplies, natural resources, food and agriculture, the environment, governmental expenditures, world security, and diplomatic relations. Congress recognizes further the economic, social, governmental and environmental advantages of declaring an explicit national population policy.

(b) Congress declares that the Federal Government should adopt an explicit national population policy and encourage and assist other countries to achieve their population goals, and that it is the continuing policy of the Federal Government, in cooperation with State and local governments and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which it is possible to plan for population size and growth consistent with a high standard of living relative to available resources, at the earliest possible time.

(c) In order to carry out the purposes and provisions of this Act, it is the continuing responsibility of the Federal Government to use all practicable means, consistent with other essential considerations of national policy, to improve and coordinate Federal plans, functions, programs, and resources to the end that the Nation may attain a high standard of living relative to available resources without incurring major social or economic dislocations, and to encourage and assist other nations to do the same.

ADMINISTRATION

SEC. 3. The Congress authorizes and directs that, to the fullest extend possible—

(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act;

(2) all agencies of the Federal Government shall

(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of reliable demographic research in planning and in decisionmaking;

(B) identify and develop methods and procedures in consultation with the Office of Population Policy established by this Act which will ensure that population dynamics be given appropriate consideration in decisionmaking along with environmental, economic, and technical considerations;

(C) recognize the worldwide and long-range character of population growth and lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing population growth;

(D) make available to States, counties, municipalities, institutions, and individuals, advice and information useful in improving the quality of life by attaining a balance between populaton and the environment; and

(E) assist the Office of Population Policy established by this Act.

POLICY REVIEW

SEC. 4. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this Act and shall propose to the President such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this Act within six months of its enactment. The policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies.

ANNUAL REPORT

SEC. 5. (a) The President shall transmit to the Congress annually a Population Growth and Distribution Report (hereinafter referred to as the "report") which shall set forth—

(1) the status of population growth and distribution;

(2) current and foreseeable trends in the growth and distribution of population both as it relates to demographics and to immigration;

(3) the adequacy of available natural resources for fulfilling human and economic requirements of the Nation at current and foreseeable population sizes;

(4) a review of the programs and activities (including regulatory activities) of the Federal Government, the State and local governments and nongovernmental entities or individuals, with particular reference to their effect on population dynamics; and

(5) a program for remedying the deficiencies of existing programs and activities, together with recommendations for legislation.

(b) The Secretary of State and the Director of the Agency for International Development shall submit for inclusion in the report required by subsection (a) the most recent available data with respect to each nation of the world on—

(1) the status of population growth and distribution;

(2) foreseeable trends in the growth and distribution;

(3) the adequacy of available natural resources for fulfilling human and economic requirements of such nation at current and foreseeable population sizes; and

(4) a review of the program of the Federal Government, international agencies, and the local national government to address population growth problems, their deficiencies, and recommendations for administrative and legislative actions which would improve these programs or provide new programs to address population problems.

OFFICE OF POPULATION POLICY

SEC. 6. (a) There is created in the Executive Office of the President an Office of Population Policy. The Office may employ such officers and employees as may be necessary for the carrying out of its functions under this Act. It shall be the duty and function of the Office—

(1) to assist and advise the President in the preparation of the Population Growth and Distribution Report required by this Act;

(2) to gather timely and authoritative information concerning the conditions and trends in population growth both current and prospective and both attributable to demographics and immigration; to analyze and interpret such information for the purposes of determining whether such conditions and trends are interfering, or are likely to interfere with the achievement of the policy set forth in this Act; and to compile and submit to the President and Congress with respect thereto;

(3) to review and appraise the various programs and activities of the Federal Government in the light of the purpose and provisions of this Act for the purpose of determining the extent to which such programs and activities are contributing to the achievement of such policy, and to make recommendations to the President and Congress with respect thereto;

(4) to develop and recommend to the President and Congress national policies to meet the environmental, social, economic, health, and other requirements and goals of the Nation;

(5) to conduct investigations, studies, surveys, research, and analyses relating to population growth and distribution;

(6) to document and define changes in population growth and distribution and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(7) to report at least once each year to the President and Congress on the state and condition of population size and distribution;

(8) to coordinate with the Secretary of State and the Director of the Agency for International Development with respect to our international policies affecting population growth; and

(9) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President and Congress may request.

(b)(1) In exercising its powers, functions, and duties under this Act, the Office shall—

(A) consult with such representatives of science, industry, health, education, agriculture, labor, conservation, social welfare and population organizations, State and local governments and other groups, as it deems advisable; and

(B) utilize to the fullest extent possible, the services, facilities, and information of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Office's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

(2) Each department, agency, and instrumentality of the Executive Branch of the Government, including any independent agency, is directed to furnish the Director such information as the Director deems necessary to carry out the functions of the Office under this Act.

(c)(1) Directors of the Office shall serve full time and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) Section 5314 of title 5, the United States Code, is amended by inserting immediately after paragraph (37) the following new paragraph:

"(38) Director, Office of Population Policy.".

(d) In carrying out the functions of the Office under this Act, the Director is authorized to—

(1) appoint such officers and employees as may be necessary to perform the function now or hereafter vested in the Office and to prescribe their duties;

(2) obtain service as authorized by section 3109 of title 5, United States Code, at rates not to exceed the rate prescribed for GS-18 under section 5332 of such title; and

(3) enter into contracts and other arrangements, subject to prior appropriation of funds, for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as may be to carry out the provisions of this Act.

(e) There are authorized to be appropriated to carry out the provisions of this Act not to exceed $800,000 for the first fiscal year commencing after the date of enactment of this Act, $1,200,000 for the second fiscal year commencing after the date of enactment of this Act, and $1,600,000 for each fiscal year thereafter.

CONGRESSMAN FRANK ANNUNZIO—KEEPING AHEAD OF THE TIMES

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, our distinguished colleague, the gentleman from Illinois (Mr. ANNUNZIO) should feel some personal pride in the New York Supreme Court's ruling that Citibank's former practice of charging 50-cent fees to customers who had paid their balances in full was illegal.

As chairman of the House Banking Subcommittee on Consumer Affairs, Mr. ANNUNZIO lashed out at this practice from the day it was initiated by Citibank and was instrumental in bringing the fee to the attention of both the press and the consumers. Consumers were indignant and rightly so at the concept of being surcharged for promptness in paying their debts. Three Citibank customers were outraged sufficiently to bring suit against the bank, the second largest financial institution in the country. Last week's ruling is the result of their suit.

The court not only ruled Citibank's 50-cent fee charge was illegal, but ruled that all customers who had paid the fees are entitled to be reimbursed for the amount illegally charged. An aid of the court estimated reimbursements could amount to $1 to $2 million to customers who paid the fee during April 1976 to January 1978, the time the fee was in effect.

Mr. ANNUNZIO fought this issue on several grounds. However, he was particularly upset by the 50-cent fee, because Citibank had promoted the use of its Master Charge accounts by telling customers they would not be charged if their account was paid in full each month. Only later did the bank initiate the 50-cent charge.

At the time, he described the bank's action as like "the spider who lured the fly into its parlor and then trapped it in its web." Now, it appears the spider has been caught in its own web.

According to Citibank, this ruling will effect about one-third of its 1 million Master Charge account holders who had paid their bills promptly in full to avoid paying high interest rates.

In handing down the decision, Justice Andrew DiPaola said that under New York's personal property law a service charge can only be imposed on "outstanding indebtedness." He further said:

To uphold as valid the 50 cents charged by the defendant (Citibank) on a monthly billing . . . would be to construe the statute in a manner which would defeat its primary purpose of protecting the consumer. It would thereby encourage the very evil which the statute was enacted to prevent.

He continued:

It is unfairly discriminatory to assesss a service charge against one who promptly pays his current bill as against one who does not pay the outstanding installment on the due date.

This ruling confirms what (Mr. ANNUNZIO) argued for over 2 years—the practice blatantly violated the rights of consumers. Our colleague should be praised for this stance and should feel pride in the ruling of last week.

HUMAN RIGHTS ABUSE IN NORTHERN IRELAND CONTINUES

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, today I join with my fellow members of the Ad Hoc Committee on Irish Affairs to point out as expressly as possible the continued abuse of human rights in Northern Ireland. Amnesty International, the respected human rights organization, recently completed an investigation into brutal treatment of prisoners by the Royal Ulster Constabulary. Certainly, continued disregard of basic human rights can only serve to inflame and further the bitterness and strife in that shattered land.

I insert the following case to outline an example of what occurs when governments and individuals allow hate and insensitivity to overcome basic laws of justice and due process:

Case No. 74: Male, arrested 1977 and brought to Castlereagh Holding Centre. Detained for three days and then released without charge. No information about medical examination on arrival at the detention center. He had medical examinations by police doctors during his stay at Castlereagh and on release, and by Dr. D1, two days after his release from police custody.

Maltreatment alleged: Physically exhausting procedures. General beating. Finger pressure under the ears. Was spun round and round, head banged against a wall. Threats to kill him. One of the interrogators rode on his back as if he were a horse and forced him to count holes in the wall. One of the intereogators forced him to eat mucus from his (the interrogator's) nose. Interrogators spat in his face.

Symptoms: Patient stated that while he was in Castlereagh he was mentally unbalanced to the extent that he tried to hang himself, but without success.

Medical report: By Dr. D1, two days after his release from Castlereagh.

Signs: Twelve bruise marks spread over chest, back, left hip, left inner arm, right leg. Tender in epigastrium. Mentally very nervous and agitated.

Conclusion: There is consistency between the alleged maltreatment and the signs. It would be of great value to compare the report of Dr. D1 with the police doctor's reports.●

PERSONAL EXPLANATION

● Mr. OTTINGER. Mr. Speaker, on Friday, June 23, 1978, I was not present, because I was attending a funeral for a member of my immediate family. As a consequence, I missed rollcalls 488 through 492.

Mr. STEIGER offered an amendment to strike protectionist provisions which I feel can only work to our country's own detriment. Had I been present, I would have voted "aye" on the amendment—rollcall No. 488.

Mr. MADIGAN offered an amendment to establish a dollar loss per passenger mile discontinuance criteria for Amtrak trains. While I find this idea interesting, I would have voted "nay" on the amendment, because it had not been adequately considered in subcommittee and committee and thus its full implications were not clear—rollcall No. 489.

My colleague from Kansas (Mr. SKUBITZ) offered an amendment which would have given Amtrak an incentive to do more of the business which the Postal Service has to offer, which would have also helped to reduce Amtrak's continual operating deficit. Had I been present, I would have voted "aye" on the amendment—rollcall No. 490.

On final passage of H.R. 11493, rollcall No. 491, I would have voted "aye."

In its final action on Friday, the House took up the rule providing for the consideration of H.R. 12433, the Housing and Community Development Amendments of 1978. Had I been pres-

ent, I would have voted "aye"—rollcall No. 492.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ALEXANDER (at the request of Mr. WRIGHT), for today, on account of attending a funeral.

Mr. CORCORAN of Illinois (at the request of Mr. RHODES), for June 28 and 29, 1978, on account of medical reasons.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. STEIGER (at the request of Mr. RHODES), from 3:30 today, for the balance of the week on account of official business to attend Trade Negotiations as a U.S. Representative.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. TRIBLE) to revise and extend their remarks and include extraneous material:)

Mr. SAWYER, for 5 minutes, today.

Mr. BOB WILSON, for 1 hour, on June 29, 1978.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. ROUSSELOT, for 10 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. DODD, for 5 minutes, today.
Mr. CARR, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. ALEXANDER, for 30 minutes, today.
Mr. COTTER, for 5 minutes, today.
Mr. MOAKLEY, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BURKE of Massachusetts, and to include extraneous matter.

Mr. ZEFERETTI, and to include extraneous matter.

Mr. EVANS of Colorado, and to include extraneous matter.

Mr. OBERSTAR, to revise and extend his remarks prior to the vote on Hagedorn amendment.

Mr. GILMAN, to revise and extend his remarks, immediately following those of Mr. GRASSLEY on his amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. TRIBLE) and to include extraneous matter:)

Mr. MICHEL.
Mr. GILMAN.
Mr. WHITEHURST in two instances.
Mr. FINDLEY in two instances.
Mr. SAWYER.
Mr. CARTER in three instances.
Mr. DORNAN.
Mr. PRESSLER.
Mr. DERWINSKI.
Mr. STEERS in two instances.
Mr. YOUNG of Alaska.
Mr. ASHBROOK in two instances.
Mrs. FENWICK.
Mr. HAGEDORN in four instances.
Mr. DICKINSON.
Mr. LENT.
Mr. MARRIOTT.
Mr. STEIGER in three instances.
Mrs. SMITH of Nebraska.
Mr. ANDERSON of Illinois in five instances.
Mr. FORSYTHE.
Mr. SYMMS in three instances.
Mr. CRANE in 10 instances.
Mr. CONABLE.
Mr. MOORE.
Mr. HORTON in two instances.
Mr. YOUNG of Florida in five instances.
Mr. ROUSSELOT in two instances.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. KILDEE.
Mr. ROE in two instances.
Mr. BAUCUS in two instances.
Mr. MCHUGH.
Mr. FARY.
Mr. ROSENTHAL.
Mr. ICHORD.
Mr. NOLAN.
Mr. EDGAR in two instances.
Mr. HAMILTON.
Mr. WAXMAN.
Mr. LEHMAN.
Mr. WOLFF in two instances.
Mr. WRIGHT.
Mr. UDALL in two instances.
Mr. BRECKINRIDGE.
Mr. WEAVER.
Mr. MOAKLEY.
Mr. ADDABBO.
Mr. SKELTON.
Mr. ROGERS in five instances.
Mr. TSONGAS.
Mr. EILBERG in 10 instances.
Mr. EDWARDS of California.
Mr. FASCELL in five instances.
Mr. ZABLOCKI.
Mr. SANTINI.
Mr. MCDONALD in five instances.
Mr. BRADEMAS in six instances.
Mr. OBEY in two instances.
Mrs. SPELLMAN.
Mrs. BURKE of California.
Mr. PEPPER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 419. An act to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes; to the Committees on Armed Services and Interior and Insular Affairs;

S. 1006. An act for the relief of Concrete Industries (Monier), Ltd.; to the Committee on the Judiciary;

S. 1562. An act for the relief of Datronics Engineers, Inc.; to the Committee on the Judiciary;

S. 2450. An act to extend the assistance programs for community mental health centers and for biomedical research, and for other purposes; to the Committee on Interstate and Foreign Commerce; and

S. 2579. An act to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 995. Joint resolution to designate Sunday, June 25, 1978, as "National Brotherhood Day."

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 2351. An act to designate the proposed new Veterans' Administration hospital in Little Rock, Ark., as the "John L. McClellan Memorial Veterans' Hospital," and for other purposes; and

S.J. Res. 128. Joint resolution designating July 1, 1978, as "Free Enterprise Day."

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 9 minutes p.m.), the House adjourned until tomorrow, Thursday, June 29, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4455. A letter from the Secretary of Housing and Urban Development, transmitting a statement endorsing the retention of section 307(b) in H.R. 12433, the Housing and Community Development Amendments of 1978; to the Committee on Banking, Finance and Urban Affairs.

4456. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-205, "To amend the Child Development Facilities Regulation (Regulation 74-34), to expand the number of parent members on the Council's Advisory Commission on Child Development Facilities, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4457. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-206, "To provide for the Fire Chief to order the immediate closing of any public facility in certain circumstances," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4458. A letter from the Chairman, Council of the District of Columbia, transmitting a

copy of Council Act No. 2-208, "To provide for the recovery, from tortiously liable third persons, of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia to members of the Metropolitan Police Department and the District of Columbia Fire Department, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4459. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting the first semiannual report on the status of action on the recommendations of the Commission on Federal Paperwork, pursuant to section 3(d) of Public Law 93-556; to the Committee on Government Operations.

4460. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of proposed changes in two records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4461. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4462. A letter from the Secretary of the Interior, transmitting notice of a proposed refund for excess payments on a lease by Chevron U.S.A. Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4463. A letter from the Secretary of the Interior, transmitting a report on the study of the impact of the exclusion of certain privately owned lands near and adjacent to Lake Quinault from Olympic National Park, Wash., pursuant to section 320(d) of Public Law 94-578; to the Committee on Interior and Insular Affairs.

4464. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the second quarter of fiscal year 1978, pursuant to section 8 of the Board for International Broadcasting Act of 1973, as amended (90 Stat. 832); to the Committee on International Relations.

4465. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

4466. A letter from the Chairman, U.S. International Trade Commission, transmitting a report on the economic impact of exports of industrial technology, pursuant to section 119 of Public Law 95-52; to the Committee on International Relations.

4467. A letter from the Secretary, Aviation Hall of Fame, Inc., transmitting the organization's annual report and audit for calendar year 1977, pursuant to section 15(b) of Public Law 88-372; to the Committee on the Judiciary.

4468. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Omaha, Nebr., Federal Building, Post Office and Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4469. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the St. Louis, Mo., Federal Center, 4300 Goodfellow Boulevard, Building 104, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4470. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Lansing, Mich., U.S. Postal Service Building, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4471. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Detroit, Mich., Federal Building and U.S. Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4472. A letter from the Acting Comptroller General of the United States, transmitting a report on deep ocean mining for manganese nodules (PSAD-77-127, June 28, 1978); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Merchant Marine and Fisheries.

4473. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1977 on implementation of the Indian Health Care Improvement Act, pursuant to section 701 of the act (Public Law 94-437); jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee of conference. Conference report on S. 2401 (Rept. No. 95-1322). Ordered to be printed.

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 12264. A bill to designate certain lands in the State of Wisconsin as wilderness (Rept. No. 95-1323). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 10311. A bill to amend the District of Columbia Redevelopment Act of 1945, and for other purposes (Rept. No. 95-1324). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 13224. A bill to provide for the transfer of certain real property in the District of Columbia from the United States to the District of Columbia Redevelopment Land Agency (Rept. No. 95-1325). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1024. Joint resolution making urgent supplemental appropriations for the Department of Agriculture, Agricultural Stabilization and Conservation Service, and for other purposes for the fiscal year ending September 30, 1978 (Rept. No. 95-1326). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 13299. A bill to authorize the coinage of 50-cent pieces bearing a design emblematic of the 1980 Winter Olympic Games; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANDERSON of California (for himself, Mr. WHITEHURST, Mr. BINGHAM, Mr. BRODHEAD, Mr. D'AMOURS, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. EMERY, Mr. FLORIO, Mr. GORE, Mr. GUYER, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Ms. KEYS, Mr. LENT, Mr. MOAKLEY, Mr. MOTTL, Mr. RODINO, Mr. RUPPE, Mr. SARASIN, Mr. THOMPSON, Mr. WEISS, and Mr. YATRON):

H.R. 13300. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

By Mr. CORRADA:

H.R. 13301. A bill to amend title 13, United States Code, to require that the Secretary of Commerce treat the Commonwealth of Puerto Rico as a State for the purpose of making surveys to furnish interim current data on subjects covered by censuses; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN of Tennessee:

H.R. 13302. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

H.R. 13303. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. FLOWERS:

H.R. 13304. A bill to amend the Federal Trade Commission Act and the Clayton Act to exempt incorporated or unincorporated associations of health professions personnel from the Federal Trade Commission Act and the antitrust laws; jointly to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. GUYER:

H.R. 13305. A bill to secure and protect the rights of citizens and protect freedom of the press; to the Committee on the Judiciary.

By Mr. HANNAFORD:

H.R. 13306. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the amount of the personal exemption and in the individual tax rates; to the Committee on Ways and Means.

H.R. 13307. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. BEDELL, Mr. EILBERG, Mr. ENGLISH, Mr. GEPHARDT, Mr. JENRETTE, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. CHARLES WILSON of Texas, Mr. YOUNG of Missouri, Mr. DERWINSKI, Mr. HOLLENBECK, Mr. HYDE, and Mr. WHITEHURST):

H.R. 13308. A bill to amend the Congressional Budget Act of 1974 to require periodic review of new authorizations of budget authority, spending authority, and tax expenditures, to prevent the Federal Government from imposing additional fiscal burdens on State and local governments, and for other purposes; to the Committee on Rules.

By Mr. HANSEN:

H.R. 13309. A bill to provide for the striking and public sale of gold coin commemoratives, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. GOLDWATER, Mr. MCCLOSKEY, Mr. LUKEN, and Mr. TSONGAS):

H.R. 13310. A bill to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; to the Committee on Science and Technology.

By Mr. MURPHY of New York (for himself, Mr. BIAGGI, Mr. TREEN, Mr. JONES of North Carolina, Mr. DE LA GARZA, Mr. PRITCHARD, Mr. STUDDS, Mr. EILBERG, Mr. YOUNG of Alaska, Mr. DE LUGO, Mr. PATTERSON of California, Mr. BAUMAN, Mr. BONIOR, Mr. GINN, Mr. LENT, Mr. BONKER, Mr. D'AMOURS, Mr. EVANS of Delaware, Mr. HUGHES, Ms. MIKULSKI, Mr. AKAKA, Mr. ZEFERETTI, Mr. EMERY, and Mr. TRIBLE):

H.R. 13311. A bill to amend the Ports and Waterways Safety Act of 1972, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MOAKLEY:

H.R. 13312. A bill to authorize the Coast Guard Cutter *Chautaqua* to be made available for use as an exhibition and education center under contracts with nonprofit organizations; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 13313. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes from common law in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. ANDERSON of California, Mr. BAUCUS, Mr. BEDELL, Mr. BINGHAM, Mrs. BURKE of California, Mr. BURKE of Massachusetts, Mr. CARNEY, Mr. CLAY, Mr. CONTE, Mr. CONYERS, Mr. CORNELL, Mr. CORNWELL, Mr. DELLUMS, Mr. DIGGS, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. FASCELL, Mr. FISH, Mr. FLOOD, Mr. FOLEY, and Mr. FORD of Michigan):

H.R. 13314. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of service health care, and for other purposes; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. GREEN, Mr. GUYER, Mr. HANLEY, Mr. HARRINGTON, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HORTON, Mr. HOWARD, Mr. HYDE, Mr. JENRETTE, Mr. LAFALCE, Mr. LEFANTE, Mr. LEHMAN, Mr. LENT, Mr. LOTT, Mr. LONG of Maryland, Mr. MAZZOLI, Mr. MCHUGH, Mr. MINETA, Mr. MOAKLEY, Mr. MOTTL, and Mr. MURPHY of Pennsylvania):

H.R. 13315. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payments may be made under both part A and B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. NEAL, Mr. NEDZI, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTEN, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. RYAN, Mr. SEIBERLING, Mr. SIMON, Mr. ST GERMAIN, Mr. SOLARZ, Mr. STUDDS, and Mr. THORNTON):

H.R. 13316. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. TRAXLER, Mr. TRIBLE, Mr. TSONGAS, Mr. UDALL, Mr. WAXMAN, Mr. WHITEHURST, Mr. CHARLES H. WILSON of California, Mr. CHARLES WILSON of Texas, Mr. YATRON, Mr. YOUNG of Florida, Mr. ZEFERETTI, Mr. KELLY, and Mr. GILMAN):

H.R. 13317. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. COHEN, Mr. CORMAN, Mr. BRODHEAD, Mr. DUNCAN of Tennessee, Mr. ROYBAL, Mr. ROONEY, Mr. BIAGGI, Mr. JOHN L. BURTON, Mr. BEARD of Rhode Island, Mr. BONKER, Mr. DOWNEY, Mr. FLORIO, Mr. HUGHES, Mr. Drinan, Mrs. MEYNER, Mr. LUNDINE, Miss OAKAR, Mr. HAMMERSCHMIDT, Mr. WALSH, Mr. COCHRAN of Mississippi, and Mr. RINALDO):

H.R. 13318. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 13319. A bill to secure and protect the freedom of the press from unwarranted intrusions; to the Committee on the Judiciary.

By Mr. ROE (for himself and Mrs. COLLINS of Illinois):

H.R. 13320. A bill to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976; to the Committee on Public Works and Transportation.

By Mr. SATTERFIELD:

H.R. 13321. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

My Mr. STEERS (for himself, Mr. HARRINGTON, Mr. GILMAN, and Mr. KEMP):

H.R. 13322. A bill to provide that certain refugees who were paroled and later admitted for permanent residence into the United States will be treated, for determining their period of residence for purposes of naturalization, as establishing permanent resident status as of the date of their arrival to the United States; to the Committee on the Judiciary.

By Mr. THONE (for himself, Mr. ANDREWS of North Dakota, Mr. BAFALIS, Mr. BURGENER, Mr. COLLINS of Texas, Mr. DEVINE, Mr. FISH, Mr. FORSYTHE, Mr. GUYER, Mr. KINDNESS, Mr. LOTT, Mr. ROBINSON, Mr. SEBELIUS, and Mr. WHITEHURST):

H.R. 13323. A bill to amend the Congressional Budget and Impoundment Control Act to limit total Federal budget authority and budget outlays in fiscal years 1980, 1981, 1982, and 1983; jointly, to the Committees on Government Operations, and Rules.

By Mr. WEAVER:

H.R. 13324. A bill to establish pilot projects for testing and demonstrating practical application of existing technology for the utilization of wood residues from timber harvesting, forest protection and management, and the manufacture of wood products; to the Committee on Agriculture.

By Mr. WIRTH:

H.R. 13325. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 13326. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska (for himself, Mr. MARRIOTT, Mr. LOTT, Mr. DUNCAN of Tennessee, Mr. SYMMS, Mr. CHARLES WILSON of Texas, Mrs. LLOYD of Tennessee, Mr. JOHNSON of Colorado, and Mr. FRENZEL):

H.R. 13327. A bill to amend the Endangered Species Act of 1973 to provide for an annual review of species listed as endangered species or threatened species, to provide for the relocation of endangered or threatened species in certain cases, to provide a method for determining in certain cases whether the operation or construction of certain projects affecting endangered or threatened species should be suspended or halted, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CARR (for himself, Mr. DOWNEY, Mr. BONIOR, and Mr. NOLAN):

H.R. 13328. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide incentives for the funding of education by means other than property taxes; to the Committee on Government Operations.

By Mr. CUNNINGHAM:

H.R. 13329. A bill to direct the President to abrogate all treaties entered into by the United States with Indian tribes in order to accomplish the purposes of recognizing that in the United States no individual or group possesses subordinate or special rights, providing full citizenship and equality under law to Native Americans, protecting an equal opportunity of all citizens to fish and hunt in the United States, and terminating Federal supervision over the property and members of Indian tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DIGGS:

H.R. 13330. A bill to increase the contractual authority of the Temporary Commission on Financial Oversight of the District of Columbia with respect to financial planning services and auditing services, and for other purposes; to the Committee on the District of Columbia.

By Mr. KASTENMEIER:

H.R. 13331. A bill to amend title 28 of the United States Code to make certain changes in the places of holding Federal district courts in the divisions within judicial districts, and in judicial district dividing lines; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 13332. A bill to amend title 13, United States Code, to provide for the review of Federal authority for the collection of statistical information, to require certain information to be included in committee reports accompanying legislation in which there is provided Federal authority for the collection of information, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MINISH (for himself and Mr. REUSS):

H.R. 13333. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by States and local government, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRESSLER:

H.R. 13334. A bill to redesignate the Badlands National Monument as the Badlands National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RANGEL (for himself, Mr. CORMAN, Mr. VANDER JAGT, Mr. STARK, and Mr. BURKE of Massachusetts):

H.R. 13335. A bill to amend part A of title IV of the Social Security Act to provide additional fiscal relief for States and political subdivisions with respect to the costs of certain welfare programs; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 13336. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from withholding of tax on nonresident aliens for ship suppliers in respect of certain commissions paid to nonresident aliens; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.J. Res. 1035. Joint resolution proposing an amendment to the Constitution of the United States providing that all persons have the right to equal opportunity and providing that the right to equal opportunity may not be denied because of quotas or ratios based on race, color, national origin, religion, or sex; to the Committee on the Judiciary.

By Mr. HALL (for himself, Mr. CUNNINGHAM, Mr. BURLESON of Texas, Mr. DUNCAN of Tennessee, Mr. STUMP, Mrs. LLOYD of Tennessee, Mr. WHITLEY, Mrs. HOLT, Mr. YATRON, Mr. HUCKABY, Mr. SIMON, Mr. NICHOLS, and Mr. EDWARDS of Oklahoma):

H.J. Res. 1036. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. TEAGUE (for himself, Mr. CORMAN, Mr. SCHULZE, Mr. MAGUIRE, Mr. VAN DEERLIN, Mr. WON PAT, Mr. CONABLE, Mr. ERTEL, Mr. LATTA, Mr. MCFALL, Mr. EDWARDS of California, Mr. FORD of Michigan, Mr. DIGGS, Mr. DON H. CLAUSEN, Mr. RISENHOOVER, Mr. NATCHER, Mr. MCDADE, Mr. FLOOD, Mr. CORRADA, Mr. KREBS, Mr. CLEVELAND, Mr. DE LUGO, Mr. PRESSLER, and Mr. D'AMOURS):

H.J. Res. 1037. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. MOOREHEAD of California, Mr. PERKINS, Mr. MONTGOMERY, and Mr. HANLEY):

H.J. Res. 1038. Joint resolution to designate May 21, 1978, as "Firefighters' Memorial Sunday"; to the Committee on Post Office and Civil Service.

By Mr. AKAKA (for himself, Mr. DRINAN, Mr. HEFTEL, Mr. STARK, Ms. SPELLMAN, and Mr. MINETA):

H.J. Res. 1039. Joint resolution requiring improvement and expansion in the collection, analysis, and publication of statistical data relating to women in the professional, technical, and managerial occupations, and for other purposes; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. WYDLER (for himself, Mr. ADDABBO, Mr. CAPUTO, Mr. CLEVELAND, Mr. CORRADA, Mr. HORTON, Mr. HYDE, Mr. KEMP, Mr. LAGOMARSINO, Mr. OTTINGER, Mr. RANGEL, Mr. ROE, and Mr. YOUNG of Florida):

H. Con. Res. 655. Concurrent resolution relative to the rights of Rumanian citizens; to the Committee on International Relations.

By Mr. DORNAN:

H. Res. 1250. Resolution directing the Permanent Select Committee on Intelligence to conduct an investigation of the involvement of the Central Intelligence Agency in the civil war in Angola during the period of 1975 and 1976, and of any illegal activities by such Agency in the United States during such period which were related to such involvement; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

442. By the SPEAKER: Memorial of the Legislature of the State of Florida, relative to preventing extraction of phosphate ore by surface mining methods in the Osceola National Forest, Fla.; to the Committee on Agriculture.

443. Also, memorial of the Legislature of the State of Florida, relative to urging freedom for Soviet Jews; to the Committee on International Relations.

444. Also, memorial of the Legislature of the State of Florida, relative to supporting the observance of "Sun Day"; to the Committee on Post Office and Civil Service.

445. Also, memorial of the Legislature of the State of Florida, relative to the need for expanded Veterans' Administration services and facilities in the State of Florida; to the Committee on Veterans' Affairs.

446. Also, memorial of the Legislature of the State of Florida, relative to restricting American-Cuban trade; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEVILL:

H.R. 13337. A bill for the relief of Dr. Romulo G. Villanueva; to the Committee on the Judiciary.

By Mr. MURTHA:

H.R. 13338. A bill for the relief of Eugenia Cortes; to the Committee on the Judiciary.

By Mr. SHARP:

H.R. 13339. A bill for the relief of Kil Soo Kim; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

484. By the SPEAKER: Petition of students at the Hans-Beimler-Oberschule, Berlin, East Germany, and others, relative to production of the neutron bomb; to the Committee on Armed Services.

485. Also, Petition of the Minnesota Conference of the United Church of Christ, Minneapolis, Minn., relative to support of Indian Treaties; jointly, to the Committee on Interior and Insular Affairs, the Judiciary, and Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1609

By Mr. UDALL:

—Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the 'Coal Pipeline Act of 1978".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(a) "carrier" means any carrier of coal by coal pipeline that is subject to any of the provisions of this Act;

(b) "Secretary" means the Secretary of the Department of the Interior;

(c) "right-of-way" includes necessary land or other property for the location of pipelines, pumping stations, pressure apparatus, tanks or other stations, equipment, or appurtenances required for the proper operation of a coal pipeline or pipelines; and

(d) "control" means the power to exercise control by whatever means; and any person who (1) is a director of a carrier or of any other person, or (2) owns in excess of 20 per centum of the voting stock (or any like evidence of participation) of a carrier or of any other person shall be deemed to have the power to exercise control of such carrier or other person, as the case may be.

RIGHTS-OF-WAY ON FEDERAL LANDS

SEC. 3. Subsection 28(a) of the Mineral Leasing Act of February 25, 1920, as amended by the Act of November 16, 1978 (87 Stat. 576), is further amended by inserting the word "coal," between "natural gas," and "synthetic".

EMINENT DOMAIN

SEC. 4. (a) Except as provided in subsection (b), when any carrier cannot acquire by negotiation the right-of-way required to construct, operate, and maintain any proposed coal pipeline or pipelines, such carrier may acquire the same by the exercise of the power of eminent domain in the district court of the United States for the district in which such property is located or in the courts of the State in which such property is located.

(b) The power of eminent domain shall not be exercised to acquire (1) lands owned by the United States or by any State, or (2) lands held in trust by the United States for an Indian or Indian tribe.

(c) Nothing in this Act shall be construed to permit the United States, the Secretary, or a coal pipeline operator to acquire any right to use or develop water through the exercise of the power of eminent domain.

CERTIFICATION OF PUBLIC CONVENIENCE AND NECESSITY

SEC. 5. (a) The power of eminent domain granted pursuant to this Act may be exercised only by a carrier holding a certificate of public convenience and necessity issued by the Secretary of the Interior. The Secretary is authorized to issue such a certificate if the Secretary finds, with respect to the particular project of the carrier as to which said power is sought, that the project is in the national interest and provides the capacity necessary to fulfill the requirement of a common carrier of coal, as determined by the Secretary. In addition to other factors customarily considered in determining common carrier status in the case of pipeline common carriers, the Secretary shall consider contracts for the carriage of coal which are in existence or proposed as of the date of the application for certification and may also consider such contracts for such carriage as may reasonably be anticipated, at the time of issuance of the certificate, to be entered into after such date. In determining the size of the pipeline to be certificated, the Secretary shall take into account the resultant cost to ultimate consumers of services or products affected by such transportation.

(b) In making the findings required in (a) of this section the Secretary shall consider

and make findings on the extent to which the project—

(1) would help meet national needs for coal utilization, considering, among other matters, alternate routes or means of transportation of coal and the relative costs of such alternative routes or means;

(2) may be impeded or delayed unless granted the power of eminent domain;

(3) involves disruption to the environment, as compared with disruption from other routes or modes of transportation or other methods of utilization of the coal resources involved;

(4) considers the balance between the energy needs of the area to be benefited by the project and the water requirements and other impacts on the area from which the coal is to be transported;

(5) would be likely to impair the financial integrity of other common carrier modes of transportation or the level or type of transportation services any such mode is able to offer;

(6) will be likely to result in lower rates for the transportation of coal than would be in effect if such coal were transported by a common carrier by railroad under part I of the Interstate Commerce Act; and

(7) would unduly impact on the surface and ground water at the point of destination and disposal of such water on the environment.

The Secretary's findings as to whether a project is in the national interest shall be based on the record as a whole taking into consideration each of the criteria set forth in this subsection. The Secretary's findings under paragraphs (1), (5), and (6) of this subsection must be concurred in by the Secretary of Transportation and the Interstate Commerce Commission.

(c) The Secretary shall require as a condition of issuance of a certificate of convenience and necessity under this Act that any pipeline for which such certificate is issued be constructed, operated, and maintained as a common carrier, in fact, fully subject to rate and charge regulation by the Interstate Commerce Commission as provided in the Interstate Commerce Act. Any violation of such condition shall be enforced as provided in such Act, and nothing in this paragraph shall be construed to limit, impair, or otherwise affect any provision of such Act.

(d) (1) No carrier certified under this Act shall transport any coal mined by it or under its authority or which it may own in whole or in part, or over which it may have any control, direct or indirect, except that such a carrier may transport coal which it owns after it is mined and before it enters the pipeline or during shipment for the sole purpose of achieving transportation and storage economies through blending and commingling of coal acquired from several coal producers or for several coal users, if the Secretary determines that such ownership of the coal facilities the achievement of such transportation and storage economies and is in the national interest. The transportation and storage charges permitted under the preceding sentence by the Secretary shall be included in tariff's filed with the Interstate Commerce Commission. The Interstate Commerce Commission shall have the same authority respecting rate regulation under part I of the Interstate Commerce Act in the case of coal which a carrier owns under the preceding sentences as the Commission has in the case of coal owned by any person other than such a carrier.

(2) The prohibition contained in subsection (d)(1) shall not apply to the construction, ownership, and operation of a feeder line for the purpose of gaining access to a coal pipeline by any person who would otherwise be ineligible if—

(A) the carrier has declined a formal request to construct, own, and operate the feeder line;

(B) the owner of the feeder line will operate the line as a common carrier for any excess capacity in the feeder line; and

(C) the Secretary has determined that an exemption from subsection (d)(1) is in the public interest.

(3)(A) No certificate of public convenience and necessity may be issued to any carrier which controls, is controlled by, or is under common control with any person which uses or will use coal transported by the carrier or which supplies coal to the pipeline and (B) no carrier granted the power of eminent domain under this Act may control, be controlled by, or be under common control with any such person.

(4) The penalties and enforcement provisions of section 8 shall not apply to this subsection, but whenever, on the basis of any information available to it, the Interstate Commerce Commission finds that any carrier or other person is in violation of paragraph (1) or (3)(B) it shall notify such carrier or other person. If such violation extends beyond the thirtieth day after the date of such notice, the Commission shall, after notice and opportunity for hearing, issue an order requiring such carrier or other person to comply. Failure to obey any such order shall be subject to the same penalty as provided for in section 16(8) of the Interstate Commerce Act (49 U.S.C. 16(8)).

(e) If the Secretary determines, in the course of the consultations and findings required by subsection (b) or the hearings required by section 6 that the project right-of-way may be utilized for additional uses compatible with operations of the project line, the Secretary may, in his discretion, require as a condition to the grant of a certificate of public convenience and necessity that the particular project right-of-way be subject to such compatible uses.

(f) The Secretary shall require the additional use described in subsection (e) only if he by rule—

(1) finds—

(A) the additional use is a compatible use, and

(B) conditioning the issuance of the certificate upon the availability of the right-of-way for the additional use is in the public interest, and

(2) establishes reasonable provisions for the payment of compensation for the additional use to the person otherwise entitled to the exclusive use

(g)(1) The Secretary shall not approve an application for a certificate of public convenience and necessity for a coal pipeline which proposes to use underground water (whether groundwater or other subsurface waters) for the purpose of transporting coal, unless—

(A) the United State Geological Survey has conducted a comprehensive study which demonstrates that the use of such underground water source over the life of the coal pipeline, and considering the cumulative effect of any other coal pipelines using the same underground aquifier as a source of water, will not cause a significant adverse impact on the quality and quantity of the water table in surrounding areas or adjoining States, and

(B) the applicant has obtained any and all permits or authorizations for the use of any surface or underground water required by the State or States having jurisdiction over the surface waters to be used, or having a valid legal interest in the underground waters to be used and beneath whose lands the underground aquifier lies constituting the source of the underground water to be used.

(2) Any other interested State shall have the opportunity to make its views known to, and shall be given full consideration by, the Secretary regarding any determination made under subsection (g)(1)(A) of this section.

PROCEDURE

SEC. 6. (a) Applications for a certificate of public convenience and necessity under this Act shall be filed with the Secretary pursuant to such regulations as the Secretary may prescribe. Each carrier applying for a certificate shall reimburse the Secretary for administrative and other costs incurred in processing the application as the Secretary shall prescribe.

(b) A certificate authorized by section 5 may be issued only after public notice and public hearings in accordance with this section.

(c) The carrier shall publish, in accordance with regulations promulgated by the Secretary, a notice that it has filed an application for a certificate of public convenience and necessity under this Act in a newspaper of general circulation in each county in which the project will be located. The notice shall, among other things, specify to the greatest extent practicable the land which would be subject to the power of eminent domain.

(d) The Secretary shall publish in the Federal Register a notice of the receipt of each application under this Act.

(e) Upon the receipt of an application for a certificate of public convenience and necessity with respect to a particular project, the Secretary shall request the Secretary of Transportation and the Interstate Commerce Commission to make recommendations with respect to the impact of the proposed project on other modes of transportation. The Secretary of Transportation and the Interstate Commerce Commission shall submit such recommendations to the Secretary within six months after the date of the Secretary's request.

(f) The Secretary shall hold at least one public hearing in each State in which the project involved will be located. Any interested person may present relevant material at any hearing. After all hearings in each State are concluded, the Secretary shall hold at least one public, formal adjudicatory hearing in accordance with the provisions of section 554 of title 5, United States Code, in the District of Columbia at which the Secretary of Transportation, the Interstate Commerce Commission, the Secretary of Energy, and the Environmental Protection Agency shall, and other Federal, State, and local agencies may, participate.

ANTITRUST REVIEW

SEC. 7. (a) The Secretary shall not issue any certificate pursuant to section 5 of this Act unless it has received the advice of the Attorney General of the United States and the Federal Trade Commission that such action would not restrain trade, further monopolization, substantially adversely affect competition, or otherwise create or maintain a situation in contravention of the antitrust laws. The issuance of a certificate under this Act shall not be admissible in any way as a defense to any civil or criminal action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(b)(1) Nothing in this section shall be construed to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the operation of a coal pipeline.

(2) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

(3) As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 15, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

ENFORCEMENT AND PENALTIES AND JUDICIAL REVIEW

SEC. 8. (a) At the request of the Secretary, the Attorney General may institute a civil action in the district court of the United

States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

(b) If any carrier shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary may assess and collect any such penalty.

(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act, or makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or both.

(d) Whenever a carrier violates any provision of this Act, or any regulation or order issued under the authority of this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

(e) Petitions for judicial review shall be filed in the court of appeals of the United States for the circuit in which the pipeline's originating point of coal transportation is located.

CONSTRUCTION OF LAW

SEC. 9. (a) In granting a State water permit or authorization to a pipeline granted a certificate of public convenience and necessity under this Act any State may, to effectuate a legitimate State public interest, condition pursuant to State law the water rights of such pipeline. The State may limit or terminate the right of a pipeline to transport water for coal pipeline use if so required by such conditions.

(b) Nothing in this Act, including the exercise of the power of eminent domain authorized by this Act, shall be construed—

(1) as affecting in any way any law, regulation, or rule of law governing appropriation, use or diversion of water, or as affecting any Federal, State, or private right to water; or as granting a right to the use of water to any carrier holding a certificate of convenience and necessity issued pursuant to this Act; or as superseding or modifying any State law, regulation, or rule of law governing the acquisition and administration of water rights so as to excuse any person from compliance with such law, regulation, or rule of law in acquiring or maintaining water rights necessary in connection with the operation of a coal pipeline;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, or interest in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; or

(5) as diminishing in any manner the authority of a State to grant or deny water use or establish or place terms or conditions regulating or limiting such use in any water permit or authorization, which authority such State would have in the absence of this Act.

REGULATIONS

SEC. 10. (a) The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act.

(b)(1) Notwithstanding any other provision of this Act, simultaneously with promulgation or repromulgation of any rule or regulation under this Act, the Secretary shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2) of this subsection, the rule or regulation shall not become effective, if—

(A) within ninety calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule or regulation promulgated by the Secretary of the Interior dealing with the matter of , which rule or regulation was transmitted to Congress on .", the blank spaces therein being appropriately filled; or

(B) within sixty calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within thirty calendar days of continuous session of Congress after such transmittal

(2) If, at the end of sixty calendar days of continuous session of Congress after the date of promulgation of a rule or regulation, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule or regulation and neither House has adopted such a resolution, the rule or regulation may go into effect immediately. If, within such sixty calendar days, such a commitee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule or regulation may go into effect not sooner than ninety calendar days of continuous session of Congress after such rule is prescribed unless disapproved as provided in paragraph (1) of this subsection.

(3) For purposes of paragraphs (1) and (2) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of thirty, sixty, and ninety calendar days of continuous session of Congress.

(4) Congressional inaction on, or rejection of, a resolution of disapproval shall not be deemed an expression of approval of such rule or regulation.

UNDERGROUND CONSTRUCTION

SEC. 11. All coal pipelines subject to this Act shall, to the maximum extent practicable, consistent with environmental protection, safety, and good engineering and technological practices, be buried underground and on all rights-of-way replace on the disturbed areas sufficient topsoil, so that a vegetative cover can be reestablished at least equal in extent of cover as that which sustained the natural vegetation in the area.

RELATIONSHIP TO INTERSTATE COMMERCE ACT

SEC. 12. Except where otherwise provided by this Act, the provisions of part I of the Interstate Commerce Act (24 Stat. 379) as amended (49 U.S.C. 1–40) shall be applicable to coal pipelines subject to this Act.

APPLICABILITY TO EXISTING PIPELINES

SEC. 13. This Act shall not be applicable to the line or route or operations of any carrier of coal by coal pipelines which was in bona fide operation on January 1, 1978.

SEPARABILITY OF PROVISIONS

SEC. 14. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

H.R. 10587

By Mr. STEERS:

—Page 32, strike out line 18 and all that follows down through line 8 on page 35, and insert in lieu thereof the following:

SEC. 7. (a) The Secretary of the Interior shall enter into appropriate arrangements with the National Academy of Sciences (hereinafter in this section referred to as the "Academy") to conduct a study of the population dynamics of wild free-roaming horses and burros on public lands. Such study may be conducted by the Academy, or by a Task Force appointed by the Academy, utilizing such scientific and other expert personnel from various fields as the Academy determines necessary to carry out the study.

(b) The study required under subsection (a) shall be conducted over a period of not less than two breeding seasons. Such study shall include a current inventory of the wild free-roaming horses and burros on the public lands and projections concerning the size of the population of such horses and burros on the public lands for the foreseeable future. Such projections shall be based upon the number of offspring, the mortality rate, breeding characteristics, and such other factors as may be appropriate.

(c) Upon completion of the study required under subsection (a), the Academy (or Task Force appointed by the Academy, as the case may be) shall submit a report containing the results of the study to the Secretary of the Interior and to the President of the United States Senate and the Speaker of the United States House of Representatives.

(d) If the report submitted under subsection (c) recommends that the study of wild free-roaming horses and burros on the public lands should be continued following the submission of such report, the Secretary of the Interior may specify a Federal range area wherein a detailed and indepth study of such horses and burros may take place and shall enter into such contracts or other arrangements with the National Academy of Sciences or any other appropriate scientific group to conduct such study and provide periodic reports to the Secretary and to the Congress.

H.R. 12005

By Mr. ROYBAL:

—Page 11, strike out line 11 and all that follows through line 18 and redesignate succeeding sections accordingly.

H.R. 12433

By Mr. GARY A. MYERS:

—Page 51, line 18, strike out (ii)" and all that follows through line 19, and insert in lieu thereof the following: "(ii) the greater of (I) 35 per centum of the income of such applicant or (II) $100 per month.".

H.R. 12931

By Mr. MILLER of California:

—Insert after line 16 on page 13:

SEC. 116. None of the funds appropriated or made available pursuant to this Act shall be used to finance the use of the herbicide paraquat to eradicate marijuana fields under programs of international narcotics control.