Senator Walter Mondale

on

CHILD ABUSE

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Senate

CHILD ABUSE

Mr. MONDALE. Mr. President, on January 31, 1974, the Child Abuse Prevention and Treatment Act, which I introduced in the Senate, was signed into law. This legislation, which emanated from my Subcommittee on Children and Youth, was the result of more than a year of study and extensive testimony by experts in the field.

The public response to this legislation has been extremely gratifying. Thousands of dedicated, concerned individuals have expressed their commitment to combating the tragic problem of child abuse to the subcommittee. Many of them view the new law as an essential vehicle for dealing with child abuse, and have requested information on its purpose and scope. For that reason, I ask unanimous consent that the following questions and answers, analysis and text of the law be printed in the RECORD.

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

QUESTIONS AND ANSWERS ON CHILD ABUSE PREVENTION AND TREATMENT ACT

1. *Why was Federal legislation on child abuse and neglect necessary?*

During 1973, a wide variety of witnesses testified before the Subcommittee on Children and Youth on child abuse. They pointed out that an estimated 60,000 children are reported to have been abused each year in this country. Representtaives of the Department of Health, Education, and Welfare testified that, despite the size of the problem, not one person was assigned full-time in the Federal Government to work on child abuse. Witnesses also testified that limited funding of existing child welfare programs through the Social Security Act has resulted in a lack of focus on child abuse and neglect in these programs at the local and national level.

2. *What is the purpose of the Child Abuse Prevention and Treatment Act?*

The major thrust of the law is to provide funding for promising efforts to prevent, identify and treat child abuse and neglect. In its hearings in several cities, the Subcommittee found that many highly motivated, dedicated persons and agencies were willing to take action on child abuse and neglect, but lacked the funding to do so. Another major purpose of the law is to provide the technical assistance and other resources needed to increase and expand efforts to prevent, identify, and treat child abuse and neglect.

3. *How much money will be available for implementing the Act?*

The law authorizes $15 million for fiscal year 1974; $20 million for 1975; and $25 million each for 1976 and 1977. The amount of funds actually available will be determined through the appropriations process in Congress.

4. *How does the Act define child abuse and neglect?*

These terms are defined as physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of 18 by a person who is responsible for the child's welfare.

5. *Who is eligible to apply for funding under the Act?*

Programs may be supported through two different sections of the Act. One is the demonstration grant program. Under this section, a wide variety of individuals, institutions and state or local agencies—for example, hospitals, police or welfare departments, universities, parent organizations—may apply for funding.

In addition, some funds are specifically reserved for technical assistance to state governments.

6. *How does the demonstration grant program work?*

The Act requires that at least 50% of funds appropriated in any year be spent on the demonstration grant program. Under the program, HEW may award grants and contracts for the following purposes:

A. Training programs for professionals and paraprofessional personnel in fields relevant to dealing with child abuse and neglect.

B. Creation of regional centers to provide multidisciplinary services related to child abuse and neglect.

C. Provision of trained child abuse teams as consultants to rural and other areas which do not have resident experts.

D. Innovative programs and projects, including parent self-help programs.

7. *How does the state technical assistance program work?*

A minimum of 5% and maximum of 20% of the annual appropriation for this Act is reserved for grants to state governments. In order to qualify for these funds, a state must meet a series of requirements including having a child abuse reporting law, an investigation procedure, and procedures and resources for working with affected families.

8. *Who will administer the Act at the Federal level?*

The Act creates a new National Center on Child Abuse and Neglect in the Department of Health, Education, and Welfare. This Center, which has been located in the Office of Child Development, will administer the demonstration grant and state assistance programs. Inquiries concerning funding under the Act should be addressed to the Center.

9. *What else will the Center do?*

The Center will be responsible for publishing an annual summary of research on child abuse and neglect; conducting research; maintaining a clearinghouse on child abuse and neglect programs; conducting a study of the incidence of child abuse and neglect; and providing technical assistance.

10. *How does this Act affect other Federal laws with respect to child abuse and neglect?*

This Act requires that all programs related to child abuse and neglect and funded under Title IV–A or IV–B of the Social Security Act must:

A. Have in effect a child abuse reporting law

B. Have a procedure for investigation of reports of child abuse and neglect

C. Provide for immediate protection of a child, if necessary

D. Provide for confidentiality of records

E. Provide for cooperation among law enforcement, state agency and court officials

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Analysis of Public Law 93–247, Child Abuse Prevention and Treatment Act (S. 1191)

Sec. 2. National Center on Child Abuse and Neglect.—Provides for the establishment of the National Center on Child Abuse and Neglect by the Secretary of Health, Education, and Welfare and outlines the functions of this Center. These include the development of an information clearinghouse; publication of an annual summary of research on child abuse and neglect; compilation of an annual summary of research on child abuse and neglect; compilation and publication of training materials for personnel in the field of child abuse prevention, identification and treatment; technical assistance (directly or through grants or contracts) to public and non-profit private agencies involved in this field; research into the causes of child abuse and neglect and methods of preventing, identifying and treating it; and a full study of National incidence of child abuse and neglect.

Sec. 3. Definition of child abuse and neglect.—Defines the term "child abuse and neglect" to be the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of eighteen by a person who is responsible for the child's welfare.

Sec. 4. Demonstration program and projects.—(a) Authorizes the Secretary to make grants to and contracts with public or nonprofit private agencies or organizations for demonstration projects designed to prevent, identify or treat child abuse and neglect. These grants or contracts may be for the following:

1. Development and establishment of training programs for professional and paraprofessional personnel in the fields of medicine, education, social work and other relevant fields, and training programs for children and persons responsible for the welfare of children in methods of protecting children from abuse and neglect.

2. Establishment and maintenance of centers, serving defined geographic areas, to provide services related to child abuse and neglect, including direct support and supervision of satellite centers and attention homes and advice and consultation to both individuals and agencies.

3. Furnishing services of teams of professional and paraprofessional personnel, on a counsulting basis, to small communities where services for child abuse and neglect are not available.

4. Innovative programs and projects which show promise of successfully preventing, identifying or treating cases of child abuse and neglect.

No less than 50 percent of the funds appropriated under this act for any fiscal year may be used for carrying out the provisions of this subsection.

(b) Provides for grants to the States for the development, strengthening and carrying out of child abuse and neglect prevention and treatment programs. In order to qualify for this assistance the State must meet the following requirements:

1. Must have in effect a State child abuse and neglect law which includes immunity from prosecution for persons reporting instances of child abuse and neglect, arising out of such reporting.

2. Must provide for the reporting of suspected instances of child abuse and neglect.

3. Upon reporting of known or suspected instances of child abuse or neglect, the State must initiate an investigation to determine the accuracy of such a report and if it is accurate, take immediate steps to protect the health and welfare of the abused or neglected child, as well as any other child under the same care who may be in danger of abuse or neglect.

4. Must demonstrate that there are in effect, throughout the State, administrative procedures, personnel trained in child abuse and neglect prevention and treatment, training procedures, institutional and other facilities and other multidisciplinary programs and services necessary to assure that the State will deal effectively with child abuse and neglect cases.

5. Must provide for confidentiality of all records in order to protect the rights of the child, his parents or guardians.

6. Must provide for the cooperation of law enforcement officials, courts of competent jurisdiction and appropriate State agencies.

7. Must provide a guardian ad litem (for the purpose of litigation) to represent the child in a case involving child abuse or neglect which results in a judicial determination.

8. Must provide that the total amount of State funds for programs or projects related to child abuse and neglect are not reduced below the level provided during fiscal year 1973 and that federal funds made available under this Act will be used to supplement and, where practical, increase the level of current State funds available for such programs or projects.

9. Must provide for the dissemination of information to the general public on the problem of child abuse. Programs or projects related to child abuse and neglect assisted under part A or B of Title IV of the Social Security Act must comply with the requirements in Section 4(b) relating to reporting, investigation, immediately follow-up action to protect the child, confidentiality of all records and co-operation of law enforcement officials.

Assistance under this section is not available for construction of facilities, but is available for the lease or rental of facilities when necessary and for repair or minor alterations or remodeling of existing structures.

Not less than 5 percent, and not more than 20 percent of the funds appropriated may be used for these grants made to the States.

Sec. 5. Authorizations.—This section provides authorization for appropriations of $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976 and for the succeeding fiscal year.

Sec. 6. Advisory Board—Requires the Secretary to appoint, within 60 days, an Advisory Board on Child Abuse and neglect. This Board is to be composed of representatives from Federal agencies with responsibility for programs related to child abuse including the Office of Child Development, the Office of Education, the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Social and Rehabilitation Service and the Health Service Administration.

The function of the Advisory Board will be to assist the Secretary in coordinating new programs relating to child abuse and neglect with those being administered by Federal agencies, and to assist the Secretary in the development of Federal standards for these programs and projects. Only one-half of one percent of the funds appropriated, or $1,000,000 (whichever is less) may be used for the preparation and submittal (within eighteen months of enacted date) to Congress and the President of a report on programs assisted under this act and all related programs assisted by Federal agencies with membership on the Advisory Board. The report is to include also a study on the relationship between drug addiction and child abuse and neglect.

Sec. 7. Regulations. Requires the Secretary to issue regulations and make arrangements to ensure effective coordination between programs and projects under this act and other child abuse and neglect programs assisted by Federal funds.

PUBLIC LAW 93-247

An act to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, to establish a National Center on Child Abuse and Neglect, and for other purposes.

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 "Child Abuse Prevention and Treatment Act".

THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT

SEC. 2. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to in this Act as the "Secretary") shall establish an office to be known as the National Center on Child Abuse and Neglect (hereinafter referred to in this Act as the "Center").

(b) The Secretary, through the Center, shall—

(1) compile, analyze, and publish a summary annually of recently conducted and currently conducted research on child abuse and neglect;

(2) develop and maintain an information clearinghouse on all programs, including private programs, which show promise of success with respect to the prevention, identification, and treatment of child abuse and neglect;

(3) compile and publish training materials for personnel who are engaged or intend to engage in the prevention, identification, and treatment of child abuse and neglect;

(4) provide technical assistance (directly or through grant or contract) to public and nonprofit private agencies and organizations to assist them in planning, improving, developing, and carrying out programs and activities relating to the prevention, identification, and treatment of child abuse and neglect;

(5) conduct research into the causes of child abuse and neglect, and into the prevention, identification, and treatment thereof; and

(6) make a complete and full study and investigation of the national incidence of child abuse and neglect, including a determination of the extent to which incidents of child abuse and neglect are increasing in number or severity.

DEFINITION

SEC. 3. For purposes of this Act the term "child abuse and neglect" means the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of eighteen by a person who is responsible for the child's welfare under circumstances which indicate that the child's health or welfare is harmed or threatened thereby, as determined in accordance with regulations prescribed by the Secretary.

DEMONSTRATION PROGRAMS AND PROJECTS

SEC. 4. (a) The Secretary, through the Center, is authorized to make grants to, and enter into contracts with, public agencies or nonprofit private organizations (or combinations thereof) for demonstration programs and project designed to prevent, identify, and treat child abuse and neglect. Grants or contracts under this subsection may be—

(1) for the development and establishment of training programs for professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of the prevention, identification, and treatment of child abuse and neglect; and training programs for children, and for persons responsible for the welfare of children, in methods of protecting children from child abuse and neglect;

(2) for the establishment and maintenance of centers, serving defined geographic areas, staffed by multidisciplinary teams of personnel trained in the prevention, identification, and treatment of child abuse and neglect cases, to provide a broad range of services related to child abuse and neglect, including direct support and supervision of satellite centers and attention homes, as well as providing advice and consultation to individuals, agencies, and organizations which request such services;

(3) for furnishing services of teams of professional and paraprofessional personnel who are trained in the prevention, identification, and treatment of child abuse and neglect cases, on a consulting basis to small communities where such services are not available; and

(4) for such other innovative programs and projects, including programs and projects for parent self-help, and for prevention and treatment of drug-related child abuse and neglect, that show promise of successfully preventing or treating cases of child abuse and neglect as the Secretary may approve.

Not less than 50 per centum of the funds appropriated under this Act for any fiscal year shall be used only for carrying out the provisions of this subsection.

(b)(1) Of the sums appropriated under this Act for any fiscal year, not less than 5 per centum and not more than 20 per centum may be used by the Secretary for making grants to the States for the payment of reasonable and necessary expenses for the purpose of assisting the States in developing, strengthening, and carrying out child abuse and neglect prevention and treatment programs.

(2) In order for a State to qualify for assistance under this subsection, such State shall—

(A) have in effect a State child abuse and neglect law which shall include provisions for immunity for persons reporting instances of child abuse and neglect from prosecution, under any State or local law, arising out of such reporting;

(B) provide for the reporting of known and suspected instances of child abuse and neglect;

(C) provide that upon receipt of a report of known or suspected instances of child abuse or neglect, immediate steps shall be initiated promptly to substantiate the accuracy of the report, and, upon a finding of abuse or neglect, immediate steps shall be taken to protect the health and welfare of the abused or neglected child, as well as that of any other child under the same care who may be in danger of abuse or neglect;

(D) demonstrate that there are in effect throughout the State, in connection with the enforcement of child abuse and neglect laws and with the reporting of suspected instances of child abuse and neglect, such administrative procedures, such personnel trained in child abuse and neglect prevention and treatment, such training procedures, such institutional and other facilities (public and private), and such related multidisciplinary programs and services as may be necessary or appropriate to assure that the State will deal effectively with child abuse and neglect cases;

(E) provide for methods to preserve the confidentiality of all records in order to protect the rights of the child, his parents or guardians;

(F) provide for the cooperation of law enforcement officials, courts of competent jurisdiction, and appropriate State agencies providing human services;

(G) provide that in every case involving an abused or neglected child which results in a judicial proceeding a guardian ad litem shall be appointed to represent the child in such proceedings;

(H) provide that the aggregate of support for programs or projects related to child abuse and neglect assisted by State funds shall not be reduced below the level provided during fiscal year 1973, and set forth policies and procedures designed to assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of State funds which would, in the absence of Federal funds, be available for such programs and projects;

(I) provide for dissemination of information to the general public with respect to the problem of child abuse and neglect and the facilities and prevention and treatment methods available to combat instances of child abuse and neglect; and

(J) to the extent feasible, insure that parental organizations combating child abuse and neglect receive preferential treatment.

(3) Programs or projects related to child abuse and neglect assisted under part A or B of title IV of the Social Security Act shall comply with the requirements set forth in clauses (B), (C), (E), and (F) of paragraph (2).

(c) Assistance provided pursuant to this section shall not be available for construction of facilities; however, the Secretary is authorized to supply such assistance for the lease or rental of facilities where adequate facilities are not otherwise available, and for repair or minor remodeling or alteration of existing facilities.

(d) The Secretary shall establish criteria designed to achieve equitable distribution of assistance under this section among the States, among geographic areas of the Nation, and among rural and urban areas. To the extent possible, citizens of each State shall receive assistance from at least one project under this section.

AUTHORIZATIONS

SEC. 5. There are hereby authorized to be appropriated for the purposes of this Act $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976, and for the succeeeding fiscal year.

ADVISORY BOARD ON CHILD ABUSE AND NEGLECT

SEC. 6. (a) The Secretary shall, within sixty days after the date of enactment of this Act, appoint an Advisory Board on Child Abuse and Neglect (hereinafter referred to as the "Advisory Board"), which shall be composed of representatives from Federal agencies with responsibility for programs and activities related to child abuse and neglect, including the Office of Child Development, the Office of Education, the National Institute of Education, the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Social and Rehabilitation Service, and the Health Services Administration. The Advisory Board shall assist the Secretary in coordinating programs and activities related to child abuse and neglect administered or assisted under this Act with such programs and activities administered or assisted by the Federal agencies whose representatives are members of the Advisory Board. The Advisory Board shall also assist the Secretary in the development of Federal standards for child abuse and neglect prevention and treatment programs and projects.

(b) The Advisory Board shall prepare and submit, within eighteen months after the date of enactment of this Act, to the President and to the Congress a report on the programs assisted under this Act and the programs, projects, and activities related to child abuse and neglect administered or assisted by the Federal agencies whose representatives are members of the Advisory Board. Such report shall include a study of the relationships between drug addiction and child abuse and neglect.

(c) Of the funds appropriated under section 5, one-half of 1 per centum, or $1,000,000, whichever is the lesser, may be used by the Secretary only for purposes of the report under subsection (b).

COORDINATION

SEC. 7. The Secretary shall promulgate regulations and make such arrangements as may be necessary or appropriate to ensure that there is effective coordination between programs related to child abuse and neglect under this Act and other such programs which are assisted by Federal funds.

Approved January 31, 1974.

LEGISLATIVE HISTORY

House Report No. 93-685 (Comm. on Education and Labor).

Senate Report No. 93-308 (Comm. on Labor and Public Welfare).

CONGRESSIONAL RECORD, Vol. 119 (1973):

July 14, considered and passed Senate.

Dec. 8, considered and passed House, amended.

Dec. 20, Senate agreed to House amendments with amendments.

Dec. 21, House concurred in Senate amend-

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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

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Senate

By Mr. MONDALE:

S. 1755. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of congressional primary and general elections. Referred to the Committee on Finance.

A MATCHING SYSTEM FOR PARTIAL PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

Mr. MONDALE. Mr. President, I am today introducing legislation to provide for partial public financing of primary and general elections for the House and Senate under a system in which small private contributions would be matched by Federal payments.

Under this system, once a candidate for the House or Senate succeeded in raising a modest threshold amount in small private contributions, those contributions and all additional small contributions would be matched on a 1-for-1 basis by the Treasury.

The matching system would apply in both primary and general elections. No candidates would be automatically eligible for Federal payments in the general election, and there would be no flat grants of Federal funds.

THE NEED FOR CONGRESSIONAL PUBLIC FINANCING

Last year, Congress took the historic step of establishing a system of public financing for Presidential primary and general elections.

Along with the limitation on large private contributions, that legislation assures that candidates for President will no longer have to rely on the support of large and powerful special interests to win election to the Nation's highest office. Candidates for the Presidency now know that they must be responsive to the needs of all the people. No longer must they make their peace with special economic interests in order to make the race for President.

But we stopped short of adopting public financing for our own campaigns. The need, however, is fully as great. All of us know the compromises and accommodations the system of unlimited private financing has sometimes forced. They should have no place in a truly democratic system.

We went part of the way last year by limiting the size of private contributions to congressional campaigns. But nothing has been done to replace these large private contributions. Campaigns are often expensive, and often legitimately so. The voters need to know how we stand on issues that concern them, and communication can be expensive.

The money must come from somewhere. If the limit on large private contributions leaves congressional candidates short of the funds needed to run a responsible campaign, pressures will grow to bend the rules. Ambiguities in the law will be seized upon, borderline contributions of money and services may be accepted.

The new Federal Election Commission cannot look over the shoulder of every candidate and every campaign treasurer. We must rely on self-enforcement to a large degree.

A system of partial public financing of congressional elections can relieve some of these pressures on candidates. It can help candidates meet the legitimate expenses of their campaigns, and stay within the law. It can make it possible for candidates to be honest if they want to be.

PROVISIONS OF THE BILL

The matching system for public financing of congressional elections I propose is modeled after the system for public financing of Presidential primaries Congress adopted last year, which in turn grew out of legislation I first introduced in the Senate with Senator RICHARD SCHWEIKER, and which was introduced in the House by Congressman JOHN BRADEMAS.

The bill I am introducing today has the following main features:

In a House race, candidates would have to raise $10,000 in amounts of $100 or less from each contributor to be eligible for matching, after which the qualifying amount and each additional contribution of $100 or less would be matched.

In a Senate race, candidates would have to raise 2 cents times the voting age population—but not less than $10,000—in amounts of $100 or less to qualify, and again the qualifying amount and each additional contribution of $100 or less would be matched.

Only contributions from residents of the State in which the election is held would be eligible for matching. Cash contributions could be matched as long as they are properly certified and adequate records are kept showing the date and amount of the contribution, and the name and address of the contributor. The matching system for public financing of Presidential primaries in present law allows only contributions made by a check or other "written instrument" to be matched, a provision which I believe unnecessarily limits the participation of many small contributors.

Although the matching system would apply in both the primary and general elections, a candidate would have to meet the threshold qualifying amount only once. If the qualifying amount were raised in the primary, therefore, contributions of $100 or less for the general election would continue to be matched on a 1-for-1 basis with no further test of eligibility.

The spending ceilings for all races would be the same as in existing law, and the maximum Treasury payment to any candidate would be one-half of the spending ceiling. This maximum payment level would of course be reached only if all contributions received were $100 or less.

In each House race, the maximum Treasury matching payments in 1976 would come to $38,500 in the primary, and another $38,500 in the general elections.

In Senate races, the maximum Treasury matching payments would range from $55,000 in the primary and $82,500 in the general election in the smallest States, to $637,824 in the primary and $956,736 in the general in California, the largest State.

The above amounts are based on the estimated voting age population for 1976, and an assumed 10-percent cost-of-living escalator for 1975 over the base year of 1974. Complete spending ceiling estimates for all States and House districts for the 1976 election have been prepared by the Center for Public Financing of Elections. I ask unanimous consent that these estimates be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MONDALE. Mr. President, matching funds for congressional races would come from the existing $1 checkoff fund, and there would be no authorization for supplemental appropriations. Congressional races would get fourth priority for $1 checkoff funds after party conventions, the Presidential general election, and Presidential primaries. If it appeared that there would not be enough in the $1 checkoff fund to meet all congressional entitlements, I would support legislation to increase the $1 checkoff to $2.

I ask unanimous consent that a fact sheet giving more details on the bill be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

COMPARISON WITH KENNEDY-SCOTT CONGRESSIONAL PUBLIC FINANCING BILL (S. 564)

Mr. MONDALE. In may respects, Mr. President, the legislation I am introducing today parallels S. 564, introduced earlier this year by Senators KENNEDY and SCOTT and 28 cosponsors. The provisions dealing with congressional primary elections in the two bills are nearly identical, for example.

The main difference is in the treatment of general elections. The Kennedy-Scott bill provides for public financing of 100 percent of the general election costs of the two major party candidates, and proportionately smaller grants for minor and new party candidates. In this it follows very closely the system established in present law for public financing of Presidential general elections.

The bill I am introducing today, however, continues the matching system for primary elections, that is common to both bills, into the general election. For reasons which I will go into shortly, I believe this is preferable to the flat grant system of full public financing for congressional general elections the Kennedy-Scott bill would establish.

What is most important, however, is that a system of public financing of congressional elections be enacted as soon as possible. Senators KENNEDY and SCOTT and the other sponsors of S. 564 have made a strong case for their bill, and have done an excellent job of gathering support for it.

I believe the legislation I am proposing has features which could make congressional public financing more broadly acceptable and hasten its final enact-

"(d) Amount of Contributions.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsections (b) and (c)—

"(1) the term 'contribution' means a gift of money made—

"(A) by a written instrument which identifies the person making the contribution by full name and mailing address, or

"(B) in cash if the candidate and his authorized committees maintain records, in the form the Commission prescribes by regulations, which show the date and amount of each cash contribution and the full name and mailing address of the person making such contribution,

but does not include a subscription, loan, advance, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9062 (4);

"(2) no contribution from any person may be taken into account to the extent that it exceeds—

"(A) $100, when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election campaign, and

"(B) $100, when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his general election campaign;

"(3) no contribution from any person may be taken into account if it is received before the first day of the calendar year immediately preceding the calendar year in which the primary or general election is held or after the date of such election; and

"(4) if a candidate is eligible to receive payments in connection with his primary election campaign under subsection (b), he is also eligible to receive payments in connection with his general election campaign under subsection (c) without regard to the amount of contributions he receives in connection with such general election campaign.

"(e) Separate Contribution Accounts.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsections (b) and (c) and section 9064(a), each candidate shall establish a separate account for all contributions he and his authorized committee receive in connection with his primary election campaign and a separate account for all contributions received in connection with his general election campaign.

"Sec. 9064. Entitlement to Payments.

"(a) In General.—

"(1) Primary election.—Every candidate who is eligible to receive payments under section 9063 in connection with his primary election campaign is entitled to payments under section 9067 in an amount equal to the aggregate amount of contributions from residents of the State in which such election is held which are received by such candidate in connection with such campaign.

"(2) General election.—Every candidate who is eligible to receive payments under section 9063 in connection with his general election campaign is entitled to payments under section 9067 in an amount equal to the aggregate amount of contributions from residents of the State in which such election is held which are received by such candidate in connection with such campaign.

"(b) Amount of Contributions.—For purposes of determining the amount of contributions received by a candidate under subsection (a)—

"(1) the term 'contribution' means a gift of money made—

"(A) by a written instrument which identifies the person making the contribution by full name and mailing address, or

"(B) in cash if the candidate and his authorized committees maintain records, in the form the Commission prescribes by regulations, which show the date and amount of each cash contribution and the full name and mailing address of the person making such contribution.

but does not include a subscription, loan, advance, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9062(4):

"(2) no contribution from any person may be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election or general election campaign; and

"(3) no contribution from any person may be taken into account if it is received before the first day of the calendar year immediately preceding the calendar year in which the primary or general election is held or after the date of such election.

"(c) Limitation.—The total amount of payments to which a candidate is entitled under subsection (a)(1) or (2) may not exceed 50 percent of the expenditure limitation applicable to such candidate for the specific campaign under section 608(c)(1)(C), (D), (E), or (F) of title 18, United States Code, as applicable.

"Sec. 9065. Qualified Campaign Expense, Limitation.

"No candidate may knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable to such candidate for such campaign under section 608(c)(1)(C), (D), (E), or (F) of title 18, United States Code, as applicable.

"Sec. 9066. Certification by Commission.

"(a) Initial Certification.—Not later than 10 days after a candidate establishes his eligibility under section 9063 to receive payments under section 9067, the Commission shall certify to the Secretary for payment to such candidate under section 9067 payment in full of amounts to which such candidate is entitled under section 9064. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9067.

"(b) Finality of Determinations.—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter are final and conclusive, except to the extent they are subject to examination and audit by the Commission under section 9068 and a judicial review under section 9071.

"Sec. 9067. Payments to Eligible Candidates.

"(a) Establishment of Account.—The Secretary shall maintain in the Presidential Election Campaign Fund established under section 9006(a), in addition to any account which he maintains under such section and section 9037, a separate account to be known as the Congressional Election Payment Account. The Secretary shall deposit into such Account, for use by each candidate who is eligible to receive payments under section 9063, the amount available after the Secretary determines that adequate amounts are available for payments under sections 9006(c), 9008(b)(3), and 9037(b).

"(b) Payments from the Congressional Election Payment Account.—Upon receipt of a certification from the Commission under section 9066, but not before the beginning of the matching payment period, the Secretary or his delegate shall, within 10 days after receiving such certification or after the beginning of the matching payment period, whichever is later, transfer the amount certified by the Commission from the Account to the candidate. In making such transfers, the Secretary or his delegate shall seek to achieve an equitable distribution of the funds available under subsection (a), and shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

"Sec. 9068. Examinations and Audits; Repayments.

"(a) Examinations and Audits.—After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9067.

"(b) Repayments.—

"(1) If the Commission determines that any portion of the payments made to a candidate from the Congressional Election Payment Account is in excess of the aggregate amount of payments to which such candidate is entitled under section 9064, it shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) If the Commission determines that any amount of any payment made to a candidate from the Congressional Election Payment Account was used for any purpose other than—

"(A) to defray the qualified campaign expenses of the candidate, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses, it shall notify such candidate of the amounts so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the Congressional Election Payment Account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding six months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the Congressional Election Payment Account bears to the total of all deposits made into the candidate's accounts shall be promptly repaid to the Account.

"(c) Notification.—No notification shall be made by the Commission under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) Deposit of Repayments.—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the Congressional Election Payment Account.

"Sec. 9069. Reports to Congress; Regulations

"(a) Reports.—The Commission shall, as soon as practicable after the end of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidates and their authorized committees for matching payment periods which end during that year,

"(2) the amounts certified by it under section 9066 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9068, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a Senate Document.

"(b) Regulations, Etc.—The Commission is authorized to prescribe regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9068(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information which it determines to be necessary to carry out its responsibilities.

"(c) Review of Regulations.—

"(1) The Commission, before prescribing any regulation under subsection (b), shall transmit a statement with respect to such regulation to the Senate and to the House of Representatives in accordance with the provisions of this subsection. Such statement shall set forth the proposed regulation and shall contain a detailed explanation and justification of such regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed regulation set forth in such statement no later than 30 legislative days after the receipt of such statement, then the Commission may not prescribe any such regulation. The Commission may not prescribe any such regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"Sec. 9070. Participation by Commission in Judicial Proceedings.

"(a) Appearance by Counsel.—The Commission is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter XX and subchapter III of chapter 53 of such title.

"(b) Recovery of Certain Payments.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made under section 9068 or 9609(b).

"(c) Injunctive Relief.—The Commission is authorized through attorneys and counsel described in subsection (a) to petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) Appeal.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"Sec. 9071. Judicial Review.

"(a) Review of Agency Action by the Commission.—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) Review Procedures.—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 (13) of title 5, United States Code, by the Commission.

"Sec. 9072. Criminal Penalties.

"(a) Excess Campaign Expenses.—Violation of the provisions of section 9065 is punishable by a fine not to exceed $25,000, imprisonment for not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9065 shall be fined not more than $25,000, imprisoned for not more than 5 years, or both.

"(b) UNLAWFUL USE OF PAYMENTS.—

"(1) No person who receives any payment under section 9067, or to whom any portion of any such payment is transferred, may knowingly and willfully use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(c) FALSE STATEMENTS, ETC.—

"(1) No person may knowingly and willfully—

"(A) furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or include in any evidence, books, or information so furnished any misrepresentation of a material fact, or falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this chapter, or

"(B) fail to furnish to the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(d) KICKBACKS AND ILLEGAL PAYMENTS.—

"(1) No person may knowingly and willfully give or accept any kickback or any illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, if such person receives payments under section 9067.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committees shall pay to the Secretary for deposit in the Congressional Election Payment Account, an amount equal to 125 percent of the kickback or payment received."

(b) CLERICAL AMENDMENTS.—The caption and table of chapters for such subtitle H are amended to read as follows:

"SUBTITLE H—FINANCING OF FEDERAL ELECTION CAMPAIGNS

"Chapter 95. Presidential election campaign fund.

"Chapter 96. Presidential primary matching payment account.

"Chapter 97. Congressional election campaign fund."

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act apply with respect to elections which are held after January 1, 1976.

EXHIBIT 1

ESTIMATED 1976 CANDIDATE SPENDING LIMITS

State	Estimated voting age population [1]	Primary limit (8 cents multiplied by VAP or $100,000 plus inflation factor) [2]	Additional spending for fundraising (primary) [2]	Total primary spending limit	General election limit (12 cents multiplied by VAP or $150,000 plus inflation factor) [4]	Additional spending for fundraising (general) [3]	Party spending on candidates' behalf [5]	Total general election spending
U.S. SENATE								
Alabama	2,389,000	$210,232	$42,046	$252,278	$315,348	$63,070	$105,116	$483,534
Alaska	207,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Arizona	1,421,000	125,048	25,010	150,058	187,572	37,514	62,524	287,610
Arkansas	1,402,000	123,376	24,675	148,051	185,064	37,013	61,688	283,765
California	14,496,000	1,275,648	255,130	1,530,778	1,913,472	382,694	637,824	2,933,990
Colorado	1,687,000	148,456	29,691	178,147	222,684	44,537	74,228	341,449
Connecticut	2,139,000	188,232	37,646	225,878	282,348	56,470	94,116	432,934
Delaware	385,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Florida	5,768,000	507,584	101,517	609,101	761,376	152,275	253,792	1,167,443
Georgia	3,229,000	284,152	56,830	340,982	435,468	87,094	142,076	664,638
Hawaii	565,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Idaho	524,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Illinois	7,569,000	666,072	133,214	799,286	999,108	199,822	333,036	1,531,966
Indiana	3,576,000	314,688	62,938	377,626	472,032	94,406	157,344	723,782
Iowa	1,947,000	171,336	34,267	205,603	257,004	51,401	85,668	394,073
Kansas	1,580,000	139,040	27,808	166,848	208,560	41,712	69,520	319,792
Kentucky	2,267,000	199,496	39,899	239,395	299,244	59,849	99,748	458,841
Louisiana	2,428,000	213,664	42,733	256,397	320,496	64,099	106,832	491,427
Maine	707,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Maryland	2,771,000	243,848	48,770	292,618	366,872	73,374	121,924	562,170
Massachusetts	4,031,000	354,728	70,946	425,674	532,092	106,418	177,364	815,874
Michigan	6,029,000	530,552	106,110	636,662	795,828	159,166	265,276	1,220,270

Footnotes at end of table.

EXHIBIT 1—Continued

ESTIMATED 1976 CANDIDATE SPENDING LIMITS—Continued

State	Estimated voting age population [1]	Primary limit (8 cents multiplied by VAP or $100,000 plus inflation factor) [2]	Additional spending for fundraising (primary) [3]	Total primary spending limit	General election limit (12 cents multiplied by VAP or $150,000 plus inflation factor) [4]	Additional spending for fundraising (general) [3]	Party spending on candidates' behalf [5]	Total general election spending
Minnesota	2,623,000	230,824	46,165	276,989	346,236	69,247	115,412	530,895
Mississippi	1,492,000	131,296	26,259	157,555	196,944	39,389	65,648	301,981
Missouri	3,299,000	290,312	58,062	348,374	435,468	87,094	145,165	667,718
Montana	489,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Nebraska	1,052,000	110,000	22,000	132,000	165,000	33,000	46,288	244,288
Nevada	384,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
New Hampshire	547,000	110,000	22,000	132,000	165,000	33,000	44,068	242,000
New Jersey	5,058,000	445,104	89,021	534,125	667,656	133,531	222,552	1,023,739
New Mexico	711,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
New York	12,663,000	1,114,344	222,869	1,337,213	1,671,516	334,303	557,172	2,562,991
North Carolina	3,639,000	320,232	64,046	384,278	480,348	96,070	160,116	736,534
North Dakota	425,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Ohio	7,257,000	638,616	127,723	766,339	957,924	191,585	319,308	1,468,817
Oklahoma	1,880,000	165,440	33,088	198,528	248,160	49,632	82,720	380,512
Oregon	1,576,000	138,688	27,738	166,426	208,032	41,606	69,344	318,982
Pennsylvania	8,279,000	728,552	145,710	874,262	1,092,828	218,566	364,276	1,675,670
Rhode Island	653,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
South Carolina	1,833,000	161,304	32,261	193,565	241,956	48,391	80,652	370,999
South Dakota	457,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Tennessee	2,828,000	248,864	49,773	298,637	373,296	74,659	124,432	572,387
Texas	8,019,000	705,672	141,134	846,806	1,058,508	211,702	352,836	1,623,046
Utah	730,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Vermont	316,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Virginia	3,350,000	294,800	58,960	353,760	442,200	88,440	147,400	678,040
Washington	2,387,000	210,056	42,011	252,067	315,084	63,017	105,028	483,129
West Virginia	1,236,000	110,000	22,000	132,000	165,000	33,000	54,384	252,384
Wisconsin	3,069,000	270,072	54,014	324,086	405,108	81,022	135,036	621,166
Wyoming	240,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000

	Primary limit ($70,000 plus 10 percent inflation factor) [6]	Additional spending for fundraising (20 percent)	Total primary spending	General election limit ($70,000 plus 10 percent inflation factor)	Additional spending for fundraising (20 percent)	Party spending limit [7]	Total election spending
U.S. HOUSE							
Each congressional district	$77,000	$15,400	$92,400	$77,000	$15,400	$22,000	$114,400

[1] VAP figures based on estimate made by Department of Commerce, July 1, 1974, published in Federal Register, Feb. 18, 1975 (vol. 40, No. 33, pt. IV, p. 7080).

[2] Basic primary spending limit of 8 cents multiplied by VAP, or $100,000, whichever is greater, to be adjusted according to increases in Consumer Price Index. For purposes of 1976 projections, center chart assumes a 10-percent inflation factor as a reasonable estimate for 1975 over base year 1974.

[3] Additional spending allowed for fundraising in primary and general elections is 20 percent of basic spending limit.

[4] Basic general election spending limit of 12 cents multiplied by VAP, or $150,000, whichever is greater, to be adjusted according to increases in Consumer Price Index. For purposes of 1976 projections, center chart assumes a 10-percent inflation factor as reasonable estimate for average 1975 increase over 1974.

[5] In general election, State and National parties each can spend, on behalf of each party nominee, an amount determined by 2 cents multiplied by VAP, or $20,000, whichever is greater. (Chart assumes a 10-percent inflation factor.)

[6] In States with single congressional district, candidates for House subject to same limits as Senate candidates.

[7] In general election, National and State party organizations can each spend $10,000 on behalf of candidate. (Chart assumes a 10-percent inflation factor.)

EXHIBIT 2

FACT SHEET ON S. 1755, CONGRESSIONAL CAMPAIGN FINANCING ACT OF 1975

I. MAIN FEATURES

A. Establishes a matching system of partial public financing for House and Senate primary and general elections. Small private contributions are matched by Treasury payments on a 1 for 1 basis after an initial threshold qualifying amount is raised in small private contributions. The financing of both primary and general elections is modeled after the Presidential Primary public financing provisions of present law (Chapter 96 of Subtitle H of the Internal Revenue Code). Funding for the Congressional matching payments will come from the existing $1 Check-off Fund, and the program will be administered by the Federal Election Commission.

II. PRIMARY ELECTIONS

A. House—Candidates must raise $10,000 in amounts of $100 or less from private contributions to be eligible for matching, after which the qualifying amount and each additional contribution of $100 or less is matched by the Treasury on a 1 for 1 basis. Spending ceilings are the same as in existing law, with a maximum Treasury payment of one-half of the ceiling. For purposes of this 50% limitation, the extra 20% which present law allows for fundraising is not included in the spending ceiling. Assuming a 10% inflation factor, this means a maximum Treasury payment of $38,500 (one-half of $77,000).

B. Senate—Candidates must raise 2¢ times the voting age population (VAP) of the State, but not less than $10,000, in contributions of $100 or less in order to be eligible for matching. After that, the qualifying amount and each additional contribution of $100 or less is matched 1 for 1. Same spending ceilings as existing law, with maximum Treasury payments of one-half of the ceiling (not including the extra 20% for fundraising). This means a maximum Treasury matching payment ranging from $55,000 in the smallest states to $637,824 in California, the largest state (assuming a 10% increase for inflation.)

III. GENERAL ELECTION

A. Eligibility for matching payments—Same requirements for establishing eligibility for matching payments as in the primaries. However, a candidate must raise the threshold qualifying amount only once. If the qualifying amount is raised in the primary, therefore, contributions of $100 or less for the general election will continue to be matched on a 1 for 1 basis with no further requirements.

B. Matching payment ceilings—The matching payment ceilings are again one-half of the present spending ceilings, calculated without the extra 20% for fundraising. For Senate candidates, the General Election spending ceilings under existing law are higher—12¢ times the VAP with a minimum of $150,000 vas. 8¢ times the VAP and a $100,000 minimum for the primaries. This results in a maximum Treasury matching payment in the general election ranging from $82,500 in the smallest states to $956,736 in California (assuming a 10% inflation factor).

IV. FUNDING

A. Funded out of the $1 Check-off—Funds for congressional public financing would come from the existing $1 Check-off, with no authorization for supplemental appropriations. If the amount in the $1 Check-off Fund is not sufficient, the $1 Check-off could be increased to $2. Congressional elections would receive fourth priority for these funds, after party conventions, the Presidential general election, and Presidential primaries. Funds are to be distributed to Congressional candidates on an equitable basis, taking into account the order in which candidate certifications are received.

B. Cost—Estimated at $74 million every two years, divided as follows:

[In millions of dollars]

	Senate	*House*
Primaries	9	26
General elections	10	29
Total	19	55

V. OTHER PROVISIONS

A. Cash contributions may be matched—Cash contributions are eligible for matching if they are properly certified and if adequate records are kept showing the date and amount of each cash contribution and the full name and mailing address of the contributor.

B. Contributions must be from State residents—Only contributions from residents of the State in which the House and Senate election is held are eligible for matching.

C. Timing of matching payments—Contributions received after January 1 of the year preceeding the year of the election are eligible for matching, but matching payments may not begin before January 1 of election year. Contributions received after the date of the election may not be matched. Once the candidate raises the required threshold amount in small contributions, the Federal Election Commission has 10 days to certify the candidate's eligibility for matching payments. The Secretary of the Treasury then has another 10 days to make the payments for which the candidate is eligible.

D. Primary and general elections treated separately—The $100 limit on contributions that may be matched applies separately to primary and general elections, so that a single contributor may make a matchable $100 contribution for the primary, and another one of $100 for the general. For this purpose, separate accounts must be kept for the primary and general election. However, if a candidate does not use all the funds raised privately and the Treasury matching payments in the primary, unused funds may be carried over and used in the general election, subject to the general election spending limits.

E. Audits and repayments—The Federal Election Commission is required to conduct a detailed post-election audit and obtain repayments when necessary.

F. Criminal penalties—There are severe criminal penalties for exceeding the spending limits, and for unlawful use of payments, false statements to the Federal Election Commission, and kickbacks and illegal payments.

G. Effective date—the provisions of the bill apply to elections held after January 1, 1976.

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TREASURY STUDY SHOWS "TAX EXPENDITURES" BENEFIT WEALTHY MOST

Mr. MONDALE. Mr. President, a Treasury study prepared at my request shows that the benefits from most "tax expenditures"—preferential tax provisions intended to encourage or reward specific activities—are concentrated heavily on taxpayers with the highest incomes.

Of the $58 billion in fiscal year 1974 tax expenditures, over 23 percent went to individuals with incomes of over $50,000, who make up only 1.2 percent of all taxpayers.

The 160,000 taxpayers with incomes of $100,000 or more received an average of $45,662 each in tax relief from the 57 tax expenditures on the Treasury list, while the 9.9 million taxpayers earning between $15,000 and $20,000 saved an average of only $901 apiece, and those from $10,000 to $15,000 saved only $556 each.

Tax expenditures are defined by the new Congressional Budget Act as the revenue losses attributable to Federal tax provisions—

> * * * which allow a special exclusion, exemption or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

The Senate Budget Committee, on which I serve, is required by the new law:

> To request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis.

The 57 tax expenditures on the Treasury list include the special tax treatment of capital gains, $6.7 billion; the tax exemption for state and local bond interest, $1.1 billion; excess depreciation deductions, $700 million; the investment tax credit, $880 million; deductions for home mortgage interest, $4.9 billion; property taxes, $4.1 billion; and medical expenses, $2.1 billion; and a variety of other provisions.

Many of the larger expenditures are very heavily concentrated in the higher income brackets. Over 88 percent of the $1.1 billion in tax relief going to individuals from tax-exempt State and local bonds goes to people with incomes over $50,000.

Over 62 percent of the $6.7 billion tax expenditure from the special tax treatment of capital gains goes to the 1.2 percent of taxpayers with incomes over $50,000, and over 47 percent goes to those with incomes over $100,000.

THE TAX EXPENDITURE CONCEPT

Mr. President, there is a good deal of misunderstanding about the concept of tax expenditures.

The concept is based on the assumption that the main purpose of an income tax system is simply to raise revenue, and that all taxpayers and all forms of income should, as nearly as possible, be treated alike. There are, of course, broad exceptions to this rule, such as the progressive rate structure and the provisions which take into account differing family sizes, but these are considered part of the basic structure of our income tax system.

However, when the Government seeks to use the tax system for other, more limited, purposes—to encourage oil drilling, exports, business investment, home building, and so forth—by giving preferential tax treatment to those who engage in those activities, it is in effect subsidizing them with money that must be made up by higher tax collections from others.

The practical effect is the same as if the Government took a portion of its tax revenues and made a direct grant to those who engage in the activities the Government wants to encourage or reward.

But instead of collecting the money from all taxpayers and granting it back to some taxpayers, it allows the favored taxpayers to keep the money and make it up by collecting more from everyone else.

These tax expenditures are thus a form of Government spending or subsidy, and they should be evaluated on the same basis as other forms of Government spending.

Calling these special tax provisions expenditures does not make them either good or bad. It is meant to be a neutral term, and it is intended only to require us to begin looking at these tax subsidies in the same way we look at other Federal spending programs. Their practical effect is the same, and they should be judged by the same standards.

Many tax expenditures serve a legitimate purpose and they should be continued. Others need to be examined to see whether they can be restructured so that their benefits are distributed more broadly and equitably. In still other cases, a direct expenditure, loan or guarantee program might work better than a tax expenditure, and we should consider substituting one for the other. And finally, some tax expenditures serve no defensible purpose at all, and should be abolished.

The new budget process will enable the Congress to review and analyze these tax expenditures in the same way we look at other Federal spending programs, so that we can make certain they are serving the purposes for which they were intended efficiently and at the lowest possible cost.

CONCENTRATION IN HIGHER BRACKETS

The concentration of tax expenditure benefits in the higher income brackets is one of the important reasons these provisions must be examined with great care. If the Federal Government is, in effect, going to be spending money to support or reward certain activities, we must determine whether it makes sense to do so under a system which provides the highest benefits to those with the highest incomes.

One reason why most tax expenditures provide more relief to those with higher incomes, is that they exclude or exempt from taxation income which would otherwise be taxed at a taxpayer's highest marginal rate. As a result, the tax benefit from a provision increases as a taxpayer's highest marginal tax bracket increases. For a taxpayer in the lowest, 14-percent bracket—making around $5,000 a year—each $100 deduction, exclusion or exemption is worth only $14 in reduced taxes. But for someone in the highest, 70-percent bracket—making over $200,000 a year—each $100 deduction, exclusion or exemption is worth $70 in reduced taxes.

This problem could be avoided by changing deductions or exemptions into credits. Unlike a deduction, a credit is subtracted directly from the tax otherwise due, so it is worth the same amount in tax savings to all taxpayers, no matter what marginal tax bracket they are in. A $100 credit would save everyone $100 in taxes, rather than saving the rich $70 and the poor $14.

I have proposed, for example, that taxpayers be given the choice of taking a $200 credit for themselves and each dependent, instead of the present $750 personal exemption. This $200 optional credit would be worth more in tax savings than the $750 exemption to almost all families earning $20,000 or less.

The Senate approved this $200 optional credit earlier this year as part of the Tax Reduction Act, but it was dropped in conference and replaced by a $30 credit which may be taken in addition to the $750 exemption.

The use of a credit rather than a deduction could well be extended to other areas, such as the provisions dealing with home mortgage interest and property taxes. If properly structured, the credit could result in greater tax savings than the present deductions for the great majority of taxpayers.

Mr. President, I would like to express my thanks to the Treasury Department, and especially to Assistant Secretary Frederic W. Hickman and his staff, for their work on this tax expenditure study.

These estimates are difficult to make, and the Treasury had many other demands that had to be met at the same time this work was being done.

MODIFICATIONS IN TREASURY LIST

One item is omitted from the Treasury list of tax expenditures which has been included on other lists—the maximum tax on earned income.

The maximum tax is estimated to cost $330 million in fiscal year 1974, and was included in the list of tax expenditures prepared by the staff of the Joint Committee on Internal Revenue Taxation—JCIRT—for the Senate and House Budget Committees.

The maximum tax was instituted in the 1969 Tax Reform Act, and limits the maximum marginal tax rate on earned income—wages, salaries, and so forth—to 50 percent, as compared to the maximum marginal rate on all other income of 70 percent.

Another item—untaxed capital gains at death—was included in the Treasury list at my request, but the $700 million cost attributed to it is far below the $5 billion cost estimated by the staff of the JCIRT.

The reason is that the Treasury assumes a specific limited form of taxation of these gains, and estimates the cost of this provision as merely the revenue gain that would result from this limited form of taxation.

This is not the way the cost of other tax expenditure items is estimated. The $6.7 billion cost of other capital gains, for example, represents the difference between taxing these gains as ordinary income, and the present favorable treatment. If the capital gains at death item is measured on this same basis, the cost for fiscal year 1974 comes to $5 billion.

The staff of the JCIRT is in the process of preparing a breakdown of the maximum tax and the capital gains at death items by adjusted gross income class, but this information is not available as yet.

I ask unanimous consent that tables showing a complete breakdown of individual tax expenditures by adjusted gross income class be reprinted in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MONDALE. This information was supplied by the Treasury. The tables also show the following additional information, which was prepared by my office:

First. The aggregate total of all 57 tax expenditures, broken down by AGI class, along with the percentage of the total going to each AGI class, and to AGI segments (0–$10,000, $10–$20,000, $20–$50,000 and $50,000 and over);

Second. The percentage distribution of each tax expenditure by AGI segment (0–$10,000, $10,000–$20,000, $20,000–$50,000 and $50,000 and over).

EXHIBIT 1

ESTIMATED DISTRIBUTION OF TAX EXPENDITURES OF INDIVIDUALS BY ADJUSTED GROSS INCOME CLASS, FISCAL YEAR 1974

Adjusted gross income class	Number of taxable returns [1] (thousands)	Percent of taxable returns		Total tax expenditures by income class (millions)	Percentage distribution	
		By income class	By segment		By income class	By segment
0 to $3,000	4,057	6.1	46.9	$1,085	1.9	16.6
$3,000 to $5,000	7,579	11.3		1,738	3.0	
$5,000 to $7,000	8,273	12.4		2,357	4.1	
$7,000 to $10,000	11,428	17.1		4,403	7.6	
$10,000 to $15,000	15,952	23.8	38.5	8,875	15.3	30.6
$15,000 to $20,000	9,856	14.7		8,881	15.3	
$20,000 to $50,000	9,006	13.4	13.4	17,414	29.9	29.9
$50,000 to $100,000	655	1.0	1.2	6,116	10.5	23.1
$100,000 and over	160	.2		7,306	12.6	
Total	66,966	100.0	100.0	58,175	100.0	100.0

[1] Calendar 1974. Fiscal year 1974 figures are not available.

[Dollar amounts in millions]

Adjusted gross income class	Exclusion of benefits and allowances to Armed Forces personnel (1)	Percentage distribution by segment	Exclusion of military disability pensions (2)	Percentage distribution by segment	Exclusion of certain income earned abroad by U.S. citizens (3)	Percentage distribution by segment	Expensing of certain agriculture capital outlays (4)	Percentage distribution by segment	Capital gains treatment of certain agriculture income (5)	Percentage distribution by segment
0 to $3,000	$10	66.1	$1	66.1	$15	48.9	$10	33.6	$10	33.7
$3,000 to $5,000	135		13		13		35		30	
$5,000 to $7,000	160		16		7		60		55	
$7,000 to $10,000	125		13		9		90		80	
$10,000 to $15,000	110	25.4	11	26.1	7	15.6	115	31.9	105	31.7
$15,000 to $20,000	55		6		7		70		60	
$20,000 to $50,000	50	7.7	5	7.7	24	26.7	125	21.6	115	22.1
$50,000 to $100,000	4	.8	*		6	8.9	40	12.9	35	12.5
$100,000 and over	1		*		2		35		30	
Total	650	100.0	65	100.0	90	100.0	580	100.0	520	100.0

[Dollar amount in millions]

Adjusted gross income class	Exclusion of premiums on group term life insurance (27)	Percentage distribution by segment	Exclusion of premiums on accident and accidental death insurance (28)	Percentage distribution by segment	Exclusion of privately financed supplementary unemployment benefits (29)	Percentage distribution by segment	Exclusion of employer furnished meals and lodging (30)	Percentage distribution by segment	Exclusion of capital gain on house sales if age 65 or over (31)	Percentage distribution by segment
0 to $3,000	$5	16.9	*	17.5	*	40.0	$1	17.1	$1	20.0
$3,000 to $5,000	15		$1		*		4		*	
$5,000 to $7,000	30		2		$1		8		*	
$7,000 to $10,000	65		4		1		17		1	
$10,000 to $15,000	155	45.6	9	45.0	2	60.0	39	44.6	1	20.0
$15,000 to $20,000	155		9		1		39		1	
$20,000 to $50,000	190	27.9	11	27.5	*		50	28.6	2	20.0
$50,000 to $100,000	45	9.6	3	10.0	*		12	9.7	2	40.0
$100,000 and over	20		1		*		5		2	
Total	680	100.0	40	100.0	5	100.0	175	100.0	10	100.0

[Dollar amounts in millions]

Adjusted gross income class	Excess of percentage standard deduction over minimum standard deduction (32)	Percentage distribution by segment	Additional exemption for the blind (33)	Percentage distribution by segment	Additional exemption for age 65 or over (34)	Percentage distribution by segment	Retirement income credit (35)	Percentage distribution by segment	Exclusion of veterans disability compensation (36)	Percentage distribution by segment	Exclusion of veterans pensions (37)	Percentage distribution by segment
0 to $3,000	$1	6.2	*	46.7	$7	48.3	$1	61.0	$61	43.5	$17	100.0
$3,000 to $5,000	$1		$1		95		18		39		8	
$5,000 to $7,000	13		3		185		22		44		*	
$7,000 to $10,000	64		3		268		20		67		*	
$10,000 to $15,000	645	79.1	3	33.3	196	26.3	19	28.0	102	35.9		
$15,000 to $20,000	352		2		106		9		72			
$20,000 to $50,000	178	14.1	2	13.3	211	18.3	10	10.0	87	17.9		
$50,000 to $100 000	6	.55	1	6.7	56	7.1	1	1.0	10	2.7		
$100,000 and over	1		*		26		*		3			
Total	1,260	100.0	15	100.0	1,150	100.0	100	100.0	485	100.0	25	100.0

[Dollar amount in millions]

Adjusted gross income class	Exclusion of GI bill benefits (38)	Percentage distribution by segment	Credits and deduction for political contributions (39)	Percentage distribution by segment	Exclusion of interest on State and local debt (40)	Percentage distribution by segment	Exclusion of income earned in U.S. possessions (41)	Percentage distribution by segment	Deduction of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline) (42)	Percentage distribution by segment
0 to $3,000	$34	87.2	*	20.0	*	0.09	*		$1	4.4
$3,000 to $5,000	124		*		*		*		13	
$5,000 to $7,000	60		$1		*		*		55	
$7,000 to $10,000	35		1		$1		*		239	
$10,000 to $15,000	16	9.0	2	40.0	4	2.5	1	60.0	681	24.1
$15,000 to $20,000	10		2		22		2		1,016	
$20,000 to $50,000	9	3.1	3	30.0	98	9.3	2	40.0	2,968	42.7
$50,000 to $100,000	2	.69	1	10.0	389	88.2	*		1,063	28.8
$100,000 and over	*		*		546		*		939	
Total	290	100.0	10	100.0	1,060	100.0	5	100.0	6,955	100.0

[Dollar amounts in millions]

Adjusted gross income class	Depreciation on rental housing in excess of straight line (43)	Percentage distribution by segment	Depreciation on buildings (other than rental housing) in excess of straight line (44)	Percentage distribution by segment	Investment credit (45)	Percentage distribution by segment	Dividend exclusion (46)	Percentage distribution by segment	Capital gain (other than farming and timber) (47)	Percentage distribution by segment
0 to $3,000	$2	10.4	$2	10.9	$1	13.2	$3	15.0	$76	5.7
$3,000 to $5,000	6		3		12		8		34	
$5,000 to $7,000	10		6		32		11		81	
$7,000 to $10,000	21		13		71		26		158	
$10,000 to $15,000	42	21.3	25	21.4	149	32.3	42	27.5	304	9.5
$15,000 to $20,000	38		22		135		46		282	
$20,000 to $50,000	128	34.1	75	34.1	300	34.1	134	41.9	1,137	18.5
$50,000 to $100,000	80	34.1	47	33.6	108	20.5	37	15.6	969	66.3
$100,000 and over	48		27		72		13		3,109	
Total	375	100.0	220	100.0	880	100.0	320	100.0	6,150	100.0

[Dollar amounts in millions]

Adjusted gross income class	Expensing of exploration and development costs (6)	Percentage distribution by segment	Excess of percentage over cost depletion (7)	Percentage distribution by segment	Capital gains treatment of certain timber income (8)	Percentage distribution by segment	Deduction of nonbusiness state gasoline taxes (9)	Percentage distribution by segment	Housing rehabilitation 5-year amortization (10)	Percentage distribution by segment
0 to $3,000	*	5.0	$1	6.9	*	12.7	$1	12.6	$2	4.0
$3,000 to $5,000	$1		5		$2		5		*	
$5,000 to $7,000	1		4		2		22		*	
$7,000 to $10,000	2		11		3		81		*	
$10,000 to $15,000	10	22.5	19	13.1	4	12.7	198	47.7	2	8.0
$15,000 to $20,000	8		21		3		215		2	
$20,000 to $50,000	19	23.8	76	24.9	10	18.2	307	35.5	6	12.0
$50,000 to $100,000	13	48.8	62	55.1	9	56.4	28	4.2	14	76.0
$100,000 and over	26		106		22		8		24	
Total	80	100.0	305	100.0	55	100.0	865	100.0	50	100.0

[Dollar amounts in millions]

Adjusted gross income class	Exclusion of scholarships and fellowships (11)	Percentage distribution by segment	Parental personal exemptions for student age 19 and over (12)	Percentage distribution by segment	Deduction of contributions to educational institutions (13)	Percentage distribution by segment	Deduction of child and dependent care expenses (14)	Percentage distribution by segment	Exclusion of employer contributions to medical insurance premiums and medical care (15)	Percentage distribution by segment
0 to $3,000	$6	68.7	*	22.3	*	0.8	*	17.0	$26	17.5
$3,000 to $5,000	39		$8		*		$1		73	
$5,000 to $7,000	48		38		$1		7		131	
$7,000 to $10,000	41		100		2		31		285	
$10,000 to $15,000	31	25.6	212	52.1	3	6.5	85	77.0	662	44.8
$15,000 to $20,000	19		129		20		92		655	
$20,000 to $50,000	11	5.6	74	11.3	64	18.0	14	6.1	827	28.1
$50,000 to $100,000	*		73	14.4	65	74.6	0		193	9.6
$100,000 and over	*		21		200		0		88	
Total	195		655	100.0	355	100.0	230	100.0	2,940	100.0

[Dollar amounts in millions]

Adjusted gross income class	Deduction of medical expenses (16)	Percentage distribution by segment	Exclusion of social security disability insurance benefits (17)	Percentage distribution by segment	Exclusion of social security OASI benefits for aged (18)	Percentage distribution by segment	Exclusion of social security benefits for dependents and survivors (19)	Percentage distribution by segment	Exclusion of railroad retirement system benefits (20)	Percentage distribution by segment
0 to $3,000	$4	19.7	$44	70.6	$470	70.4	$80	70.7	$30	70.6
$3,000 to $5,000	38		43		460		75		29	
$5,000 to $7,000	112		35		380		60		24	
$7,000 to $10,000	264		44		470		75		30	
$10,000 to $15,000	481	40.3	31	18.7	330	18.6	55	18.3	21	18.8
$15,000 to $20,000	376		13		140		20		9	
$20,000 to $50,000	634	29.8	20	8.5	215	8.5	35	8.5	13	8.1
$50,000 to $100,000	145	10.2	4	2.1	45	2.6	5	2.4	3	2.5
$100,000 and over	71		1		20		5		1	
Total	2,125	100.0	235	100.0	2,530	100.0	410	100.0	160	100.0

[Dollar amounts in millions]

Adjusted gross income class	Exclusion of sick pay (21)	Percentage distribution by segment	Exclusion of unemployment insurance benefits (22)	Percentage distribution by segment	Exclusion of workmen's compensation benefits (23)	Percentage distribution by segment	Exclusion of public assistance benefits (24)	Percentage distribution by segment	Net exclusion of pension contributions and earnings: Employer plans (25)	Percentage distribution by Segment	Plans for self-employed and others (26)	Percentage distribution by segment
0 to $3,000	$10	26.3	$50	37.1	$25	37.5	$30	100.0	$15	9.7	*	1.3
$3,000 to $5,000	16		80		40		25		50		*	
$5,000 to $7,000	17		100		50		15		110		$1	
$7,000 to $10,000	24		160		80		5		290		2	
$10,000 to $15,000	66	49.4	250	38.1	120	37.5	*		790	37.2	6	7.4
$15,000 to $20,000	60		150		75		*		990		11	
$20,000 to $50,000	57	22.4	200	19.0	100	19.2	*		1,740	36.3	107	46.5
$50,000 to $100,000	4	2.0	50	5.7	25	5.8	*		545	16.8	87	44.8
$100,000 and over	1		10		5		*		280		16	
Total	255	100.0	1,050	100.0	520	100.0	75	100.0	4,790	100.0	230	100.0

[Dollar amount in millions]

Adjusted gross income class	Exclusion of interest on life insurance savings	Percentage distribution by segment	Deferral of capital gain on home sales	Percentage distribution by segment	Deduction of mortgage interest on owner-occupied homes	Percentage distribution by segment	Deduction of property taxes on owner occupied homes	Percentage distribution by segment	Deduction of casualty losses	Percentage distribution by segment
0 to $3,000	$10	19.7	$1	14.1	*	6.8	$1	7.7	*	9.8
$3,000 to $5,000	60		7		$13		24		$3	
$5,000 to $7,000	90		9		52		66		4	
$7,000 to $10,000	120		19		265		221		18	
$10,000 to $15,000	200	26.1	42	34.9	886	41.5	583		54	37.6
$15,000 to $20,000	170		47		1,133		771	33.3	42	
$20,000 to $50,000	420	29.6	98	38.4	2,078	42.7	1,774	43.7	74	29.0
$50,000 to $100,000	195	24.6	21	12.5	348	9.1	407	15.3	34	23.5
$100,000 and over	155		11		95		213		26	
Total	1,420	100.0	255	100.0	4,870	100.0	4,060	100.0	255	100.9

[Dollar amounts in millions]

Adjusted gross income class	Deduction of charitable contributions (other than for education)	Percentage distribution by segment	Deduction of interest on consumer credit	Percentage distribution by segment	Additional items for Senator Mondale: Untaxed capital gains at death [1]	Percentage distribution by segment	Deferral of income of controlled foreign corporations	Percentage distribution by segment	Asset depreciation range	Percentage distribution by segment
0 to $3,000	$3	7.3	*	6.8	$18	11.4	*		*	13.3
$3,000 to $5,000	18		$7		8		*		*	
$5,000 to $7,000	67		26		18		*		$5	
$7,000 to $10,000	190		133		36		*		9	
$10,000 to $15,000	445	26.0	443	41.5	70	19.1	$1	10.0	10	19.0
$15,000 to $20,000	548		567		64		2		10	
$20,000 to $50,000	1,251	32.7	1,039	42.7	194	27.7	7	23.3	36	34.3
$50,000 to $100,000	506	34.0	174	9.0	112	41.7	7	66.7	25	33.3
$100,000 and over	792		46		180		13		10	
Total	3,820	100.0	2,435	100.0	700	100.0	30	100.0	105	100.0

[1] Carryover of basis to heirs. (Effect after 10 yrs. Assumes heirs have lower marginal rates.)

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

Vol. 121 WASHINGTON, TUESDAY, JUNE 17, 1975 No. 95

Senate

TUESDAY, JUNE 17, 1975

By Mr. MONDALE (for himself and Mr. HUMPHREY):

S. 1956. A bill to amend the Federal Crop Insurance Act to extend crop insurance coverage under such act to all areas of the United States and to all agricultural commodities, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. MONDALE. Mr. President, I am today introducing a bill to amend the Federal Crop Insurance Act. The purpose of my proposal is to provide for the expansion of the crop insurance program by lifting the current ceiling on appropriations for the administrative costs of the program, by providing for Federal sharing in the cost of the premiums, and by providing an explicit congressional directive for extension of the program on an economically sound basis to all counties and major agricultural commodities in the United States.

In 1938, the Federal Crop Insurance Corporation was created to offer protection to farmers from losses caused by natural hazards such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. Although coverage has gradually been extended so that it now includes 26 different crops, still fewer than half the counties in the country are able to participate in the program, and not all crops are insured in all locations.

Escalating production costs, high interest rates, and a shortage of credit in many rural areas have in the past few years greatly magnified the need for expanded all-risk crop insurance.

In just the last 2 years farm production costs have increased by 35 percent—more than the traditional rate of inflation for the entire decade. At the same time, the latest quotations of prices received by farmers for many commodities are substantially below the level they were at 6 months ago. Thus the farmer is facing enormous risks as a result of market forces alone, much less if his crops were ruined by disease or disastrous weather.

Although the need for Federal crop insurance has increased dramatically in recent years, participation in the program has come to a virtual standstill. For 1975 it is estimated that 219,300 contracts will be signed by the Federal Crop Insurance Corporation with participating farmers. This is below the level of participation in 1973. The number of crops eligible for crop insurance protection is the same today as it was in 1970. And despite existing authority for expansion of the program to up to 150 counties each year, no new counties are projected for inclusion in the program in 1976; only 25 were added last year; and fewer than half that number in 1973.

As a result farmers in many parts of the country are forced to operate without Federal crop insurance protection. The State of Minnesota has a relatively high rate of participation compared with other States, yet only 60 of Minnesota's 87 counties are fully eligible for Federal crop insurance on specified crops.

There are a number of reasons why the crop insurance program has been so slow to expand during the 1970's. Some of them are purely administrative while others are the result of provisions in the law that have had the unintentional effect of restricting participation.

For example, there is a statutory limitation on administrative costs to carry out the program. At the time that the Crop Insurance Corporation was first established, a limit of $12 million for administrtaive expenses to be paid out of appropriations was adequate. Now, three decades later it is unreasonable to leave the ceiling unchanged.

Contrary to the original intent of the Congress when it created the Corporation, administrative costs above the $12 million limit are now coming out of the premiums paid by farmers, depleting the capital stock of the Corporation and preventing an expansion of coverage. During fiscal 1973, $3.5 million in administrative costs were charged to premimum income, compared with $2.8 million the year before. By fiscal 1974, $4.6 million came out of the premiums paid, and in the coming fiscal year this figure is expected to jump to $6.76 million. With this continued and accelerating drain on the Corporation's capital stock, it is no small wonder that the program has not been able to expand to meet the current needs of farmers.

One provision of the bill I am introducing today would strike the outdated $12 million limit on administrative costs. It would authorize such sums as are necessary to cover these expenses on a truly nationwide and comprehensive crop insurance program.

A second provision would direct the Corporation to pay 50 percent of the premium costs of the crop insurance issued to farmer under the Federal Crop Insurance Act. Throughout the history of the Corporation, farmers have traditionally paid 100 percent of the premiums; and with the exception of limited funds for administration, the program has been entirely self-supporting. Nevertheless, the cost to farmers, especially those in the high risk areas, can be extremely high—approaching 30 percent of the farmers cost of production. In these same high-risk areas, the degree of coverage is usually far below that in other parts of the country—in certain cases as low as 40 percent of the farmer's average yield. The result is that agricultural producers who most need protection are forced to pay 10 times the premium rate to receive approximately half the coverage of those in the lower-risk counties.

Federal sharing in the premium costs would not eliminate the requirements that farmers who generally obtain payment in the form of indemnities from the Corporation more often than others must pay more to obtain insurance. However, it would reduce the tremendous burden on individual operators that can be prohibitive for a family farmer who happens to live in a high-risk area.

The concept of Federal cost sharing in premiums payments for protection against natural disasters is not a new idea. The national flood insurance program incorporates substantial Federal assistance to defer premium costs for participating businesses and homeowners in flood prone areas. That program requires participating communities to abide by good land use practices, just as farmers in the crop insurance program are required to use sound agricultural methods. There is no compensation for losses where the producer himself is at fault. But where his crops are destroyed by weather or some other natural calamity, the farmer would have a better chance of receiving help through the Corporation if the Federal Government agrees to assume a share of the risk.

The third section of my proposal would direct the administration to extend crop insurance on an economically sound basis to all counties and to all agricultural commodities.

This provision is intended to overcome the administrative inertia that has characterized the crop insurance program during the past 7 years. In the past when asked to comment on whether a truly nationwide crop insurance program would be desirable, the administration has argued that it would be too expensive, that it would not be economically feasible, and that it would ruin the existing crop insurance program in other parts of the country.

The most recent estimate I have seen on the cost of extending the crop insurance program throughout the country is approximately $50 million. Of course, the legislation I offer today does not envision that the transition can be accomplished overnight. Thus, the near-term cost would be considerably lower than the $50 million figure. But even this total cost—which would not be incurred for several years—is a very small price to pay for greater stability in the Nation's food and fiber industry. When farmers are being asked to risk tens of billions in advance expenses for food production, I believe $50 million is an extremely modest price for the Federal Government to pay to help assure that our producers do not lose their entire investment if natural hazards destroy their crops.

The administration is this year proposing that the Federal Crop Insurance Act be amended so that crop insurance programs on wheat, cotton, corn, grain sorghum, and barley would be extended nationwide. I find a certain irony in this proposal considering an administration statement as recent as June 26, 1973, which stated:

> Historically, the Corporation has experienced poor insurance results when a broad rapid expansion, even of existing commodities, is undertaken.

The real objective of the administration's proposal can be seen in the testimony of Melvin Peterson, Manager of the Federal Crop Insurance Corporation, before the House Appropriations Committee earlier this year. Mr. Peterson states:

> The availability of these crop insurance programs nationwide will obviate the need for disaster assistance as provided for in the 1973 Farm Act.

In other words, the farmer is being asked to give up the minimal disaster payment program in the 1973 farm bill—a program designed to serve as a supplement, not a replacement, for crop insurance—for an expanded crop insurance program that the administration itself believes cannot be made to work properly for some years.

I think the crop insurance program is fundamentally a sound and extremely useful means of offering protection to farmers against disasters at minimum cost to the U.S. Treasury. Nevertheless, there are weaknesses and deficiencies in the current program, a number of which I have mentioned earlier in this statement. Before there is any discussion of doing away with the disaster payments clause in the farm bill, it is essential that we first correct these problems and then consider whether the farmer is receiving the level of protection he needs and deserves. The very worst step

we could take would be to abolish the disaster payments program before the reform and liberalization of crop insurance has been accomplished, leaving the farmer to the perils of nature as well as the hazards of the marketplace.

In a sense the Nation's food production system, that is, our system of family farmers, is the most vital element in our national economy. As we have seen in the past 2 years, consumers not only in America but also throughout the world suffer when there is instability in our agricultural economy.

It is time that we as a nation realized that there is no substitute for Federal farm policies and programs that encourage greater stability in agriculture and permit the family farmer to produce the food we need. Federal crop insurance on a comprehensive nationwide basis is, in my judgment, one of the most important elements of a viable, national food strategy. But that program can and should be improved, and I am hopeful that the Senate Agriculture Committee will give careful and positive consideration to the suggestions I am offering today.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 1956

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 508(a) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1508(a)), is amended by striking out the third and fourth sentences and inserting in lieu thereof the following: "Subject to the other provisions of this section, beginning with crops planted for harvest in 1976, crop insurance shall be extended on an economically sound basis to all counties and to all agricultural commodities."

(b) The sixth and ninth sentences of such section 508(a) are repealed.

SEC. 2. The Federal Crop Insurance Act, as amended, is further amended by adding after section 508 a new section as follows:

"FEDERAL PREMIUM PAYMENTS

"SEC. 508A. Notwithstanding any other provision of this Act, the Corporation shall pay 50 per centum of the premium costs of the crop insurance issued to any farmer under the provisions of this Act."

SEC. 3. The first sentence of section 516(a) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1576(a)), is amended by striking out "not in excess of $12,000,000", and by inserting "(including Federal premium payments required by section 508A of this Act)" immediately after "cost of the Corporation".

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

Vol. 121 WASHINGTON, WEDNESDAY, JUNE 18, 1975 No. 96

Senate

SENATE RESOLUTION 188—SUBMISSION OF A RESOLUTION RELATIVE TO NUCLEAR WEAPONS PROLIFERATION

(Referred to the Committee on Foreign Relations and the Joint Committee on Atomic Energy, jointly, by unanimous consent.)

Mr. MONDALE submitted the following resolution:

S. RES. 188

A Senate resolution urging the President to seek an immediate international moritorium on the transfer to non-nuclear weapons countries of nuclear enrichment and reprocessing equipment and technology to permit time for the negotiation of more effective safeguards against the proliferation of nuclear weapons capability.

SECTION 1

Whereas the Senate of the United States ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in recognition of the devastation associated with a nuclear war and of the need to make every effort to avert the danger of such a war;

Whereas the parties to the Treaty expressed a common belief that the proliferation of nuclear weapons would seriously increase the danger of nuclear war;

Whereas the United States and other parties to the Treaty pledged to accept specified safeguards regarding the transfer to non-nuclear weapon States of special nuclear materials and facilities for the processing, use, or production of such materials;

Whereas recent events, including the explosion of a nuclear device by India in 1974, the development of a uranium enrichment facility by the Republic of South Africa, and the proposed sales of nuclear enrichment and reprocessing plants to non-nuclear weapon States, cast serious dobuts on the scope and comprehensiveness of existing safeguards over the proliferation of nuclear weapons capability;

Whereas the Senate of the United States is particularly concerned about the consequences of transactions that could lead to the production of plutonium and other special nuclear materials by non-nuclear weapon States in Latin America, in the Middle East, and in Asia;

Whereas the Senate believes that improved safeguards are urgently needed to prevent the theft or diversion of plutonium and other special nuclear materials to weapons manufacture: Now, therefore, be it

Resolved that the Senate of the United States strongly requests and urges the President to seek through the highest level consultations with other suppliers of nuclear equipment and technology an immediate moratorium on the transfer of nuclear enrichment and reprocessing facilities and technology to permit time for the negotiation of an agreement regarding more effective safeguards to substantially reduce the risk of diversion or theft of putonium and other special nuclear materials to military or other uses that would jeopardize world peace and security.

SECTION 2

The Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States and to the Secretary of State.

Mr. MONDALE. Mr. President, I am today submitting a resolution that is designed to address an urgent issue, that of nuclear weapons proliferation and the potential for terrorism as a result of the transfer of plutonium separation technology to nonnuclear weapons States.

Leading Members of the Senate, major newspapers, and scientists and other experts throughout the United States are expressing deep and growing concern over the disclosure of currently pending commercial transactions involving the sale of nuclear enrichment and reprocessing facilities to nonnuclear weapons countries.

In my judgment, there is no question of greater importance to the hope of international peace and security in the nuclear era than the consequences of these sales.

Only a few weeks ago, a 65-nation conference met in Geneva to review the results of the 5-year-old Nonproliferation Treaty. The conferees at that meeting agreed that significantly stronger safeguards were required to reduce the risk of a new and more alarming round of the nuclear weapons race.

Despite the recommendations of that Conference, West Germany and France are reportedly engaged in negotiations with Latin American and other countries that threaten to undermine the existing system of controls on the spread of nuclear weapons. These discussions involve the sale of plants that would permit the separation of plutonium from the spent fuel of nuclear reactors.

Until now, the United States and other suppliers of nuclear technology have sold reactors abroad, but we have never permitted the sale of the complete nuclear fuel cycle—including plutonium separation equipment—to nonnuclear weapons countries.

There are a number of reasons why such sales have not been allowed. First, there is no demonstrated need for such sales. As the New York Times pointed out in an editorial on June 9:

> No commercial plutonium separation plant is now operating in the United States . . . It would take a $500 million chemical reprocessing plant serving thirty giant nuclear-power reactors to achieve the economies of scale that might make plutonium recycling commercially feasible.

And while there is no valid economic reason for a country like Brazil or Argentina to acquire plutonium separation plants, there is a grave danger to world peace if they should do so. This danger is twofold: First, that the purchasing country might divert plutonium from such plants to develop a bomb; and second, that proper safeguards have never been devised to prevent theft of plutonium from commercial plants by terrorist or criminal elements.

I do not want to single out Brazil or Argentina, but their case provides a useful example, because both are reportedly interested in buying plutonium separation plants. If either country proceeds in this direction, as Brazil is now on the verge of doing, extraordinary pressures would be placed on the other not only to follow suit, but to initiate a nuclear weapons program. Let me explain why. Nuclear physicists maintain that it is a very simple matter for almost any country to build a nuclear bomb; the difficulty is not in the production of the weapon, but in obtaining the explosive material—plutonium.

Supposedly, nonnuclear countries cannot obtain plutonium for weapons manufacture because nations that have the technology for plutonium production—the United States, West Germany, France, Canada, and others—require that all plutonium produced as a result of power generation or research must be controlled under safeguards prescribed by the International Atomic Energy Agency, IAEA.

However, these safeguards are not as comprehensive as they should be as we saw in the case of the explosion of a nuclear device by India in 1974. Furthermore, there is a major loophole in both the Nonproliferation Treaty and the IAEA safeguards program regarding the transfer of technology for plutonium separation.

Simply put, while Brazil in this instance could not take plutonium from the operation plant provided by West Germany to build a nuclear weapon without violation IAEA safeguards, there is nothing in the Nonproliferation Treaty or the current IAEA program to prevent Brazil from duplicating the facility provided by Germany and using the plutonium from the duplicate plant to build explosive devices.

The loopholes in the treaty are known to both Argentina and Brazil. If either one is in a position to produce plutonium, free of effective international surveillance, the pressures on the other would be extremely great to obtain the means to build its own bomb for self-defense.

Nor is this danger confined to Brazil and Argentina. Serious questions have been raised about the nuclear weapons intentions of South Africa, Pakistan, South Korea, and several other nations. Once Brazil obtains a plutonium separation plant, it would be extremely difficult for the United States to argue that South Korea should not have one as well. Domestic industries that produce nuclear equipment will furthermore maintain that a continuation of restrictions on the part of the United States serves no purpose other than to curb their share of the international market.

This is, in part, the situation that prompted Senator RIBICOFF to warn the other day that—

> The global spread of nuclear weapons is on the verge of running out of control.

Even if we assume that the intentions of Brazil or these other countries are entirely peaceful, and I do not choose to question the sincerity of their official statements, there is no way to take back the technology once it has been transferred and, as the Portugese example shows, governments can change quickly. There is no guarantee that Brazil or Argentina might not some day change also.

I do not wish to be alarmist. But imagine a world in which the United States must build a system of strategic defenses that are capable of defending against not just one or two potential nuclear rivals, but nuclear weapons States in Latin America and around the world. All of our defense assumptions would have to be thrown out the window. The Strategic Arms Limitations Agreements might be rendered meaningless in terms of our national security. These are only hypothetical risks today, but unless control is maintained over the availability and use of plutonium, they could become very real dangers only a few short years down the road.

There is a second danger involved in the sale of plutonium separation equipment that has nothing to do with a decision by the recipient country to build the bomb. This threat relates to the extraordinary difficulties involved in preventing plutonium from falling into the hands of criminals or terrorist groups.

During the past 12 months, there has been intense debate in the United States over whether Government authorization should be provided for domestic commercial separation and reprocessing of plutonium. Senator HART and I joined in this debate last fall when we wrote to Dixie Lee Ray, then Chairman of the Atomic Energy Commission, expressing strong doubts about the wisdom of moving ahead with commercial plutonium recycle.

Plutonium is perhaps the most dangerous material known to man. A quantity the size of a grapefruit could be fashioned into a relatively crude bomb, capable of threatening any major city in America with widespread destruction and the death of as many as 100,000 people. This massive destructive potential requires the most rigid safeguards imaginable. Safeguards have been devised for our military programs, but if plutonium were produced on a commercial basis, the broadest police powers—including methods that are totally inconsistent with our democratic traditions and civil liberties—might be required to deal with a situation where even a small amount of plutonium were discovered to be missing.

These and other considerations prompted the Nuclear Regulatory Commission recently to recommend that commercial separation of plutonium should not be permitted in the United States for at least 3 years or until effective and acceptable safeguards have been devised.

If we in the United States, with three decades of experience in our military programs are not confident that sufficient controls can be devised to assure that commercial plutonium production will not jeopardize the public safety, there is every reason to believe that less experienced countries will encounter even greater difficulties.

For all of these reasons, I believe that action is urgently needed to prevent a headlong rush into commercial or military manufacture of plutonium by countries the world over.

As a first imperative, I believe that nations which supply nuclear technology must declare an immediate moratorium on the transfer of plutonium separation capability.

Second, I would hope that these suppliers could meet among themselves and with purchasing countries to reach agreement on whether an international safeguards program can be developed that is adequate to meet the risk and, if so, to take the steps necessary to implement such safeguards.

A variety of recommendations have been offered on methods to improve the existing IAEA safeguards program. As a first step, I believe that the Nonproliferation Treaty should be amended to prevent the acquisition of plutonium separation facilities by nonnuclear states, or at a minimum, to assure that any such facilities whether acquired directly or duplicated from equipment purchased from a nuclear supplying nation would be subjected to IAEA inspection. To allay fears that countries might divert plutonium from separation plants to weapons manufacture, these facilities might be regionalized so that rival countries could help to monitor one another. And with added responsibilities, increased funding will obviously be needed if the IAEA is to carry out an effective verification program.

With final action on the West Germany-Brazil transaction scheduled to take place before the end of this month, time is rapidly running out.

The President of West Germany, Walter Scheel is just completing a visit to Washington. I believe there is no item of greater concern to United States-German relations that the need for deferral of action on this sale. Therefore, I was deeply disappointed by reports that President Ford, in meeting with President Scheel, did not raise this problem.

A number of Senators, including Senators RIBICOFF, PASTORE, GLENN, and others have already spoken out clearly and forthrightly on this issue. But in order to express the deep and universal feeling within the Senate on this matter, I would hope that the Senate might take the additional step of acting on the resolution I am submitting today.

This resolution expresses the sense of the Senate that existing safeguards over the proliferation of nuclear weapons capability must be broadened and strengthened, that in view of the limitations of the present safeguard program we are especially concerned about the consequences of the sale of plutonium separation plants, and that President Ford should seek through the highest level consultations with other government leaders an immediate moratorium on such sales until a more effective safeguards program can be developed.

To illustrate the urgency of this matter I ask unanimous consent to insert in the RECORD an article from this morning's Washington Post indicating that—

A spokesman for the Foreign Ministry said West Germany will go ahead with plans to sell a large package of nuclear installations to Brazil despite U.S. concern about possible use for weaponry.

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

NUCLEAR SALE STILL ON

BONN.—A spokesman for the Foreign Ministry said West Germany will go ahead with plans to sell a large package of nuclear installations to Brazil despite U.S. concern about possible use for weaponry. He said he was unaware of any American call, as reported by a State Department official, for further negotiations on security measures for the pact, which is to be signed next week.

Mr. MONDALE. Mr. President, as further evidence of the need for such action, I ask unanimous consent that an editorial from the June 16 edition of the Washington Post be printed in the RECORD.

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

A MESSAGE FOR PRESIDENT SCHEEL

Today West Germany's President, Walter Scheel, will arrive in Washington for a couple of days of talks and ceremony as part of a state visit to this country. Because U.S.-German relations are fairly stable at the moment, and because heads of state—as distinct from heads of government—do not ordinarily engage in nitty-gritty political negotiations on such visits, there is not what you would call a highly charged agenda of subjects for the two presidents to discuss. But we think there is one subject of considerable urgency that Mr. Ford's administration should take up with the delegation from Bonn. It is the proposed sale by the West Germans to Brazil of equipment required to produce a nuclear bomb. We think the terms of that transaction can and must be modified.

The key equipment in the West German's export package is not the power-generating nuclear reactors which will enable the Brazilians over time to prdouce cheap electric energy. Rather it is the equipment for reprocessing spent fuel and enriching uranium—neither of which is urgent for the Brazilian capacity to generate power and both of which can provide access to weapons-grade fuel. There is every reason, it seems to us, for the West Germans to reconsider their apparent willingness to include these critical items in the deal. The Brazilians have been anything but reassuring about their intentions with respect to acquiring nuclear weapons. The West Germans, whose exports rose last year by 29.2 per cent over the previous year and who are running the largest trade surplus of any industrial country, can hardly be said to be in dire need of overseas sales. And just a couple of weeks ago in Geneva, the Review Conference of the parties to the nuclear Nonproliferation Treaty agreed on some actions that, in our view, should be given a chance to work before anything so precedent-breaking and fraught with danger as the West German-Brazilian transaction goes into effect.

The nations at the Geneva conference undertook both to strengthen the safeguards against misuse of transferred nuclear power-producing equipment and to push for multinational fuel cycle facilities that would make available the benefits the Brazilians might get from the "extras" the Germans are willing to provide—but which would also make the misuse of such "extras" less possible.

Surely now that the parties to Nonproliferation Treaty—including West Germany—have bestirred themselves to try to control the dangers that attend the export of nuclear power reactors, it would be reckless of the Federal Republic to go forward with a bilateral business araringement that disregards precisely the dangers the conference was addressing. And this is the more so in view of the fact that the Brazilians do not require this particular technological plant in the period of time that it may take to get the alternative facilities and the strengthened safeguards working. There is still time for the West Germans to alter these particular aspects of the deal. We think President Ford should tell our West German visitor that it is in the interest of everyone concerned that they do so.

Senator Walter Mondale on LIFETIME LEARNING

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Senate

LIFETIME LEARNING

Mr. MONDALE. Mr. President, Hunter College in New York recently dedicated a promising new venture—the Center for Research in Human Aging.

In its work, the center will be working on the assumption that all people require stimulation and outlets for creativity throughout their lives—even as they grow old.

I was privileged to have the opportunity to address a convocation in honor of the opening of the center. In my remarks I explored the concept of "lifetime learning" and what it can mean to all of us. At that time I also announced my intention to introduce a "Lifetime Learning Act" as an amendment to pending education legislation.

My personal interest in this subject was sparked by the development of the "Minnesota Learning Society," which is an effort by a consortium of Minnesota institutions to develop programs to meet the education needs and interests of persons of all ages.

Many individuals and organizations have expressed an interest in this subject and a willingness to work with us on such legislation. I ask unanimous consent that my remarks be printed in the RECORD.

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

REMARKS OF WALTER F. MONDALE, CENTER FOR RESEARCH IN HUMAN AGING

I am pleased that you invited me to be with you tonight at the launching of an exciting venture—the Center for Research in Human Aging. For the thing, I do have a selfish interest in the creation of this Center. As a member of the Senate Special Committee on Aging, the Finance Committee, and the Labor and Public Welfare Committee . . . I am painfully aware of the need for study and experimentation and research and demonstration in the field of aging. We need your thinking, and we need your advice.

The interdisciplinary approach you are taking has been particularly fruitful in some of the other human service areas . . . and the emphasis you are placing on involvement of the elderly in developing and operating their own programs is also an important advance.

John F. Kennedy once said:

"A society's quality and durability can best be measured by the respect and care given its elderly citizens."

We have made tremendous advances in recent years in improving the life of our older citizens:

We have stretched the borders of the life span of the average American . . . from 47.9 years for men in 1900 to 69.5 years for men today; and from 51.1 years for women in 1900 to 75.8 years today.

We have provided a measure of financial security to some 28 million old people in this country through the Social Security system . . . and have tried to cushion those benefits against inflation by requiring them to increase with the cost of living.

And nearly 22 million Americans now can count on Medicare to help alleviate the health problems of their later years.

We have a long way to go to make these benefits adequate for the elderly citizens who are living below the poverty line. There is no program that has done more for the economic and psychological well being of the elderly in this country than Social Security. But as you well know, we are reaching a time when we must reevaluate the system and reshape it in a way that it will continue to meet the goals for which it was established.

Another area that deserves our most serious and thorough attention in nursing homes. We are all familiar with the horror stories . . . the Senate Special Committee on Aging has done a masterful job of identifying abuses. Now we must turn our attention to the positive side of this . . . how we can improve the care for people who have no choice but to live in a nursing home . . . and how to open up alternative forms of care which can help the elderly to remain in their own homes.

And we must continue our efforts to enact national health insurance and other programs which will free older Americans from the gnawing worry of where their next meal will come from or how they will pay their medical bills.

An adequate income and access to health care are vital . . . but they do not alone guarantee a full, useful life for an American of any age.

I believe that we also have an obligation to provide opportunities to make that existence of Americans of every age meaningful. We need to take a serious look at the sociological and psychological aspects of aging in our society . . . why it is that we so often fail to provide meaningful opportunities for persons who pass that arbitrary barrier of age 65 . . . (which seems to be creeping ever closer to 55).

One clear reason that we do not provide adequate opportunities is our misconception of what the elderly can actually do . . . our misconception of the state of their health, mental and physical. We all are subject to the aging process, and we all feel it and show it to some degree. But the facts are:

One study shows that 80% of people 65 and over say they have no trouble with stairs, washing and bathing, dressing, or going out of doors.

Half of the elderly interviewed rated either "high" or "medium" in a survey of physical vigor and endurance.

Many of the elderly who do have these problems could continue to live at home if provided with home health services or other supports.

We have seen evidence of this vigor and desire to be productive in the response to the few, modest Federal programs that have been established to meet the need. More than 120,000 elderly people are providing necessary services to children, to the disabled, to small business and the community in general through volunteer programs such as Foster Grandparents, RSVP and SCORE. Several thousand more are working on part-time jobs as a result of the program created under Title IX of the Older Americans Act, and this has hardly begun to meet the demand. And a recent poll by Louis Harris showed that 20% of persons over 65 who were interviewed are involved in some kind of volunteer work, and that another 10% would be interested in getting into it.

Our misconception of the capabilities of the elderly has often limited our vision and influenced our public policies. As a result, government often creates programs and policies which deter . . . rather than encourage . . . older people from living a full and productive life.

I have seen evidence of this in my study of what is happening to American families. Over the last year or so we've been looking at how government policies often weaken and destroy families . . . rather than provide the strength and support they need. Perhaps the most dramatic example of this in the area of aging is the high-rises we built exclusively for old people. I don't have to tell you what a disaster this idea has been for many, many old people . . . and for the families who have been cut off from them. At the turn of the century, one Massachusetts study showed 50% of homes contained parents, their children and at least one other adult—a grandparent, an aunt or other relative. That figure today is about 4%.

James O'Toole, the author of the fine report on work in America, pointed out in a hearing before my Subcommittee on Children and Youth that:

"Work, the activity of adulthood, is performed in age-segregated institutions. Retirement, the activity of the aged, occurs increasingly in "leisure communities," cut off from the rest of the world, both spiritually and physically. As a result the segregation of generations becomes a corollary to the segmentation of lives."

The stimulation and creativity which arise from contact between the generations is a priceless commodity which we cannot afford to squander . . . as individuals or as a society. Rather than cutting the old and young off from one another, we should be encouraging meaningful contact between persons of all ages.

We now have zero population growth at one end of the spectrum . . . and a rapidly increasing number of older adults at the other end. This demands that our perception of the whole cycle of human life undergo a radical change. Berniece Neugarten has coined a useful phrase—the "young old" to describe what is really a new population group which deserves our attention. These are the people between 55 and 75 years old. As a group, they are getting healthier, and more educated. Many of them are technically retired. But they will increasingly demand more options and opportunities for personal growth and community service.

I am personally excited and encouraged by a new movement which seems to address many of these needs we are discussing . . . the movement toward "lifetime learning." This is the idea that all of us . . . regardless of age . . . encounter throughout our lives a series of changing demands . . . and that we must shape education in its broadest sense to help us meet these needs.

At one stage of life, the need may be for retraining for a new job; at another stage we may require civic education—how to do our taxes, how to influence the political process. And at another time we may require education for what one distinguished educator has called "the free self" in that part of us and of our time which is not beholden to a job or to to other requirements of subsistence.

I am proud . . . but not surprised . . . not one of the focal points for this movement toward lifetime learning is my home state of Minnesota. Right now an extraordinary coalition of institutions and individuals is working to build what it is calling an "intergenerational learning society." They have

received a little money from the Administration on Aging to move the idea ahead . . . but most of the energy has been generated by committed individuals such as a former vice president and dean of Gustavus Adolphus College, Dan Ferber. One of the reasons this idea has progressed is that, for the first time in many years . . . we seem to have educational resources—teachers, dormitories, laboratories—which are not being fully used. These facilities . . . belonging to the University, others in the public schools or private colleges . . . have become a focal point for the "learning society" in Minnesota.

Here are some of the things that are going on:

The University is training a corps of personnel in geriatrics and adult education for older persons

Mankato State College has trained volunteers to identify older people in the community and . . . in cooperation with other community resources . . . help provide them with services and activities they seek

The College of St. Benedict is moving older adults right into the dormitories with younger students

The St. Paul Area Technical Vocation Institute is training geriatric assistants for work in nursing homes

The North Hennepin Community College has a "senior on Campus" program

And the Minneapolis Public Schools have provided facilities and helped organize 33 clubs providing education and other programs for senior citizens.

Planners for the "Minnesota Learning Society" are thinking creatively about the use of other community resources . . . everything from department stores and churches to banks . . . as sources of information and education for citizens of all ages. And they have been working closely with many of of state groups on plans for future cooperative efforts.

I will admit that this idea is not the exclusive property of Minnesotans. For example, France, Germany and Belgium all provide paid educational leave for workers. This program is financed through a system of contributions from both employers and employees. In Syracuse, New York, there is an innovative "Regional Learning Service" which helps adults identify their educational needs and goals, counsels them, and identifies the educational resource which can be most helpful to them. And you are probably aware of similar programs that have not come to my attention.

This is a time of severe economic pressures. These pressures are being felt by millions of Americans. We have been constantly aware of them in our work on the new Senate Budget Committee in the last few weeks. But I sincerely hope that these pressures will not prevent us from moving ahead and trying to act on some promising, hopeful ideas such as the concept of "lifetime learning."

I hope that somewhere in our massive educational establishment in Washington we can start to develop the capability of working toward this goal. We have incredible resources in HEW, in the Administration on Aging, in the National Institute of Education. And I intend to introduce legislation soon which would try to focus some of these resources . . . to encourage some experimentation and some research . . . toward the growth of our country into a "lifetime learning society." The bill has not been drafted yet, and I hope that you will come to us with your ideas on the best way to do it. The concept would be to introduce a "Lifetime Learning Act" which could become a part of the extension of major higher education and vocational education legislation over the next few months.

My bill will establish a program on lifetime learning which would:

Coordinate existing efforts in this area by all Federal agencies; and collect and make available information on programs and activities in the public and private sectors.

Support research and demonstration projects designed to further lifetime learning

Provide support for training teachers to work with adults; curriculum development; conversion of facilities to accommodate adults; and development and dissemination of television, cassettes and other media appropriate for adult education.

Conduct a study of the existing barriers to lifetime learning and how they might be eliminated.

Evaluate existing programs—including methods of financing—in this country and abroad and determine whether they can be used as models.

This is a modest beginning but I think it is an important one. Our adjustment to longer life and greater leisure is not going to be an easy one . . . and we owe it to ourselves to make these added days and months productive and stimulating for all of us.

In planning for lifetime learning, we must make a special effort to consult with persons of all ages. As one 90 year old woman writing in the *Washington Post* recently put it:

"Our young people want to be kind to us, I'm sure. But they don't know what we want and they don't know how we feel."

One of our most shameful failures in the past was our lack of responsiveness to the needs of old people in our society. But they learned how to make us respond. They have organized and become one of the most effective political forces we have.

They have organized for us a vision of the world which we all share. John Martin, Director of the 1971 White House Conference on Aging, summed it up well when he said:

"It should be a world free from fear of being forgotten, of being left out, isolated and ignored, unplanned for, unwelcomed and unneeded. It is a world whose design calls for vision, for imagination, for innovation, because we don't have to be content with what we have. In this great and affluent country, we can afford to dream dreams . . ."

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