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President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 402) welcoming Their Majesties, the Emperor and Empress of Japan, in which it requests the concurrence of the Senate.

The message further announced that the Speaker has signed the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the message of the President dated September 10, summarizing by agency the total budget authority and 1976 outlay reductions involved in the message (with an accompanying report); jointly pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, Labor and Public Welfare, Finance, and the District of Columbia.

REPORT OF THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting, pursuant to law, a report of the National Advisory Committee on Oceans and Atmosphere (with an accompanying report); to the Committee on Commerce.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

DISTRIBUTION OF JUDGMENT FUNDS

A letter from the Commissioner of Indian Affairs reporting, pursuant to law, on the distribution of judgment funds in the case of certain awards to the Ottawa and Chippewa Nation (of Michigan) by the Indian Claims Commission; to the Committee on Interior and Insular Affairs.

REPORT OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

A letter from the Chairman and Executive Director of the National Commission on Libraries and Information Science transmitting, pursuant to law, a report entitled "Toward a National Program for Library and Information Services" (with an accompanying report); to the Committee on Labor and Public Welfare.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. INOUYE, from the Committee on Commerce:

Creighton Holden, of Michigan, to be Assistant Secretary of Commerce for Tourism.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

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

S. 2425. A bill to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act, and to promote the employment of welfare recipients in the provision of child day care services. Referred to the Committee on Finance.

By Mr. DOLE (for himself, Mr. RIBICOFF, and Mr. STAFFORD):

S. 2426. A bill to establish a reduced rate of postage for letters sealed against inspection mailed by private individuals. Referred to the Committee on Post Office and Civil Service.

By Mr. HELMS:

S. 2427. A bill to amend the National Science Foundation Act of 1950 by providing for a peer review and grants management system that is equitable, open, and accountable to the scientific community and to Congress, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. INOUYE:

S. 2428. A bill to amend the Internal Revenue Code of 1954 to permit an individual who is an active participant in a retirement plan to claim the deduction for retirement savings for amounts contributed by him to an individual retirement account, for an individual retirement annuity, or for a retirement bond, to the extent that the amounts paid by him or on his behalf under the retirement plan does not equal the maximum amount of the retirement savings deduction to which he would be entitled if he were not an active participant in such plan. Referred to the Committee on Finance.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 2429. A bill to provide for divestiture from the United States of ownership of the Mar-A-Lago National Historic Site, Florida, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 2430. A bill to amend the Act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

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

S. 2425. A bill to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act, and to promote the employment of welfare recipients in the provision of child day care services. Referred to the Committee on Finance.

Mr. LONG. Mr. President, on October 1, new staffing standards for child care funded through the Social Security Act will go into effect under the social services legislation enacted last year. The new standards will require a great increase in the staffing of child care centers. This necessarily means that the cost of providing child care will rise substantially. No additional funding, however, has been provided to meet these added costs. As a result, the bill we enacted last year to make social services more easily and widely available will have the actual effect of limiting the availability of one of the most important social services—child care.

The question of what are the proper staffing standards for child care is one which has been debated for a number of years and on which there are a variety of strongly held positions. While I myself feel that the requirements in the new law go well beyond what is really necessary in order to assure a safe and healthy environment for children in day care, I know that there are those who feel equally strongly that these standards do not go far enough. What we have in the existing legislation that goes into effect this October, therefore, represents the best compromise that could be worked out. The legislation does provide for the Department of Health, Education, and Welfare to undertake an intensive study of this problem and, on the basis of that study, to make appropriate revisions in the standards in 1977.

Thus it seems to me that both those of us who feel that the standards are too strict and those who feel that they are not strict enough will have to accept the existing compromise until better information becomes available. However, it is quite clear that the new standards are not going to be met by October 1 and are

not going to be met at all unless some additional funding is made available to enable those who must operate these child care programs to hire the required additional personnel. Today I am introducing legislation which addresses this problem.

The bill I am introducing will first of all defer for 3 months—through December 31 of this year—the imposition of any penalties for failure to comply with the new child-care standards under title XX of the Social Security Act. While I can understand that those who feel that even these standards are inadequate do not look with favor upon a delay in their implementation, I think even they must realistically admit that until some new money is provided the standards simply cannot be complied with. For this reason, my bill allows a modest delay in the imposition of penalties in order to give the child care providers time to staff up using the additional money which will be made available under the other parts of my bill.

According to the best estimates available, child care under the social services program is currently receiving Federal funding at a rate of roughly $500 million per year. The impact of the new standards will vary from State to State, but it seems reasonable to project that they could double the cost of child care. My bill would make available to the States an additional $500 million per year for child care over and above the $2.5 billion now available for social services. Under the bill, for the current fiscal year only, the amount would be limited to $250 million. This $500 million for child care would be allocated among the States in the same way as the $2.5 billion for social services, that is, on the basis of State population. My bill would also raise the Federal matching rate from 75 percent to 80 percent in the case of child care paid for out of this additional $500 million.

Since child care centers serving both welfare and nonwelfare children will have to meet the new standards for their entire clientele, my bill also gives the States authority to use some of this added social services money to help child care providers keep down the fees charged privately placed children. These fees would otherwise have to be substantially raised because of the new standards. The bill would do this by letting States help meet the cost of hiring welfare recipients to meet the new staffing requirements in facilities where at least 30 percent of the children have their care funded under the social services program.

Since child care centers under the bill could receive a 20-percent tax credit on the wages of welfare recipients they employ, the State could use this 20-percent credit to meet the non-Federal matching requirements and use part of their additional child care funds provided by this bill to meet the 80 percent Federal share—thus covering the total wage costs of the new employees. This provision would only be applicable up to the first $5,000 of wages paid to each employee.

Many child care providers are public or nonprofit entities which do not benefit from the present law 20-percent tax credit for hiring welfare recipients because they have no tax liability against which to apply the credit. The bill I am introducing would remedy that situation by providing for a payment equivalent to the 20-percent tax credit in the case of public and nonprofit entities providing child care. Thus these providers would also be eligible for the additional State funding provided under other provisions of the bill for child care providers who employ welfare recipients.

The bill I am introducing today provides a comprehensive answer to the problems raised by the new social services legislation in the child care area. It prevents the unrealistic imposition of penalties during the next 3 months when, for lack of funds, the new standards really cannot be complied with. But it makes it possible for these standards to be complied with after the 3-month delay by providing additional funding through an increase in the amount of social services money available and through an adjustment in the tax credit for hiring welfare recipients. And it does all this in a way which serves the important additional goal of providing employment opportunities for a large number of welfare mothers. This can mean a substantial increase in income available to the families headed by these mothers as well as utilizing their talents in expanding the availability of child care.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill, a summary of its provisions, and a table which shows the additional child care funds which it would make available to each State.

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

S. 2425

A bill to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act, and to promote the employment of welfare recipients in the provision of child day care services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds and declares—

(1) That the Social Services Amendments of 1974 set standards for child care under the Social Security Act which will require many child care providers to substantially increase their staff over existing levels;

(2) That in such cases compliance with these standards will require a substantial increase in the present level of expenditures for child care; and

(3) That adequate funding to meet these additional child care expenditures required by the Social Services Amendments of 1974 is not presently available.

(b) It is therefore the purpose of this Act to provide the additional funding which will make possible the implementation of the new child care standards without severely curtailing the availability of child care services.

SEC. 2. Notwithstanding any other provision of law, no Federal funds to which a State is otherwise entitled, with respect to expenditures made during the calendar quarter ending December 31, 1975, under title IV or title XX of the Social Security Act, shall be withheld or denied on account of failure to comply with any requirements imposed by section 2002(a)(9) of such Act, any regulations promulgated thereunder, or by section 3(f) of the Social Services Amendments of 1974.

SEC. 3. (a) For purposes of title XX of the Social Security Act, the amount of the limitation (imposed by section 2002(a)(2) of such Act which is applicable to any State for any fiscal year, shall be deemed to be equal to whichever of the following is the lesser:

(1) an amount equal to 120 per centum of the amount of such limitation for such year (as determined without regard to this section), or,

(2) an amount equal to (A) 100 per centum of such limitation for such year (as determined without regard to this section), plus (B) an amount equal to the sum of (i) 80 per centum of the total amount of expenditures (I) which are made during such fiscal year in connection with the provision of any child day care service, and (II) with respect to which payment is authorized to be made to the State under such title for such fiscal year, and (ii) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of subsection (c)(1) are applicable.

(b) The additional Federal funds which become payable to any State for any fiscal year by reason of the provisions of subsection (a) shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.

(c)(1) Subject to paragraph (2), sums granted; during any quarter, by a State to a qualified provider of child day care services (as defined in paragraph (3)) with respect to one or more child day care facilities of such provider shall be deemed, for purposes of title XX of the Social Security Act, to constitute expenditures made by the State, in accordance with the requirements and conditions imposed by such Act, for the provision of services directed at one or more of the goals set forth in clauses (A) through (E) of the first sentence of section 2002(a)(1) of such Act. With respect to sums to which the preceding sentence is applicable (after application of the provisions of paragraph (2)), the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall be deemed to read "100".

(2) The provisions of paragraph (1) shall not be applicable—

(A) to the amount, if any, by which the aggregate of the sums (as described in such paragraph) granted during any fiscal year exceeds the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year, and

(B) to the amount, if any, by which the aggregate of the sums (as described in paragraph (1)) granted to any particular qualified provider of child day care services, during any taxable year of such provider, exceeds an amount equal to 400 percent of the amount of the tax credit which is allowable to such provider for the taxable year under section 40 of the Internal Revenue Code of 1954 (or the amount of a payment in lieu of credit under section 50A (e) of such Code) with respect to the Federal welfare recipient employment incentive expenses for individuals employed by such provider in jobs related to the provision of child day

care services in the facility or facilities with respect to which such sums were granted.

(3) For purposes of this subsection, the term "qualified provider of child day care services", when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 30 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to title XX of the Social Security Act.

(d)(1) In the administration of title XX of the Social Security Act, the figure "75", as contained in the first sentence of section 2002(a)(1) of such Act, shall, subject to paragraph (2), be deemed to read "80" for purposes of applying such sentence to expenditures made by a State for the provision of child day care services.

(2) The total amount of the Federal payments which may be paid to any State for any fiscal year under title XX of the Social Security Act, with the application of the provisions of paragraph (1), shall not exceed an amount equal to the excess (if any) of—

(A) the amount by which such State's limitation (as referred to in subsection (a)) is increased pursuant to such subsection for such fiscal year, over

(B) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of subsection (c)(1) are applicable.

(e) In applying the provisions of paragraph (1) of subsection (a) of this section with respect to the fiscal year ending June 30, 1976, the figure "120" shall be deemed to be "110".

SEC. 4. (a) Section 50A of the Internal Revenue Code of 1954 (relating to amount of credit for work incentive program expenses) is amended—

(1) by striking out subsection (a)(6) and inserting in lieu thereof the following:

"(6) Limitations with respect to certain eligible employees.—

"(A) Nonbusiness eligible employees.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are not performed in connection with a trade or business of the taxpayer shall not exceed $1,000.

"(B) Child day care services eligible employees.—Notwithstanding paragraph (1), the credit allowed by section 40 with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the taxable year to an eligible employee whose services are performed in connection with a child day care services program, conducted by the taxpayer, shall not exceed $1,000.", and

(2) by adding at the end thereof the following new subsection:

"(e) Payment in Lieu of Credit to Tax Exempt Organizations.—

"(1) In general.—In the case of a State, any political subdivision thereof, and any organization described in section 501(c), which is exempt from tax under section 501 (a) for the taxable year, the Secretary shall pay to each such government, subdivision, or organization which files a form during the calendar year in the form, manner, and at the time prescribed by the Secretary or his delegate by regulations, an amount determined under paragraph (2). The Secretary shall make such payment as soon as possible after the receipt of such form.

"(2) Amount of payment.—The amount payable to a State, subdivision, or organization (hereafter referred to as 'tax exempt entities' under subsection (a) for the calendar year shall be equal to the amount of credit which such tax exempt entities would if they were liable for tax under this chapter, be allowed under section 40, determined under section 50A and 50B disregarding paragraphs (2) through (5) of section 50A(a), for Federal welfare recipient employment incentive expenses paid or incurred by such entity during such year to an eligible employee whose services are performed in connection with a child day care services program of such entity.

"(3) Repayment.—If an entity which receives a payment under paragraph (1) takes any action which would result in an increase of its tax under subsections (c) or (d) of section 50A if such entity were liable for tax under this chapter, then such entity shall be liable to the Secretary or his delegate for an amount equal to the increased amount of tax which would be imposed under such subsections.

"(4) Treatment as overpayment of tax.—For purposes of any law of the United States, including section 101 of the Terasury Department Appropriation Act of 1950, any payment made under this section shall be considered to be a refund of an overpayment of the tax imposed under this chapter.".

(b) Section 50B(a)(2) of such Code (relating to definitions; special rules) is amended to read as follows:

"(2) Definition.—For purposes of this section, the term 'Federal welfare recipient employment incentive expenses' means the amount of wages paid or incurred by the taxpayer for services rendered to the taxpayer by an eligible employee—

"(A) before July 1, 1976, or

"(B) in the case of an eligible employee whose services are performed in connection with a child day care services program of the taxpayer, before January 1, 1981."

(c) The amendments made by this section with respect to Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer to an eligible employee whose services are performed in connection with a child day care services program of the taxpayer shall apply to such expenses paid or incurred by a taxpayer to an eligible employee, whom such taxpayer hires after September 30, 1975.

SUMMARY OF PROVISIONS

SECTION 1. FINDINGS AND PURPOSE

The first section of the bill states that the Congress finds that the Social Services legislation enacted in 1974 includes child care standards which will require many child care providers to incur added expenditures for which no funding is presently available and that it is the purpose of this bill to make the additional funding available so that the new child care standards can be complied with.

SECTION 2. THREE MONTH-DELAY IN EFFECTIVE DATE OF STANDARDS

The second section of the bill provides that Federal matching funds may not be withheld with respect to expenditures during the last 3 months of 1975 because those expenditures are for child care which does not meet the standards required by Title XX.

SECTION 3. ADDITIONAL FUNDS TO ENABLE TITLE XX STANDARDS TO BE MET

Section 3 (a) increases the $2.5 billion limit on Federal funding for social services programs by $500 million. The added funds are available only for matching State child care expenditures and are allocated among the States on a population basis (as is the $2.5 billion in current law).

Section 3 (b) requires that the funds made available under section 3 (a) be used in such a way as to increase the employment of welfare recipients and other low-income persons in child care related jobs to the maximum extent feasible as determined by the States.

Section 3 (c) permits States to use a part of their share of the additional $500 million provided by section 3 (a) to make grants to providers of child care to assist them with the costs of employing welfare recipients in order to meet the higher staffing requirements mandated by title XX. Such grants could be made only to child care providers where at least 30 percent of the children cared for have all or part of their care funded through the State's title XX social services program. The grants would be payable for employees with respect to whom the child care provider is eligible for the welfare recipient employment tax credit under section 50A of the Internal Revenue Code. The amount of the grant could be 80 percent of the employees' wages which in combination with the 20 percent tax credit would fully meet the cost of wages except that both the tax credit and State grant would apply only to the first $5,000 of wages. The cost of the State grant would be met fully with Federal funds (within the State's share of the additional $500 million) since the 20 percent covered by the tax credit would be considered to meet the matching requirement.

Section 3(d) would increase the Federal social services matching, as it applies to child care costs, from 75 percent to 80 percent but only for those expenditures funded out of the State's share of the additional $500 million made available under section 3(a).

Section 3(e) would limit the additional funding to $250 million in the first fiscal year (fiscal 1976) since less than a full fiscal year remains.

SECTION 4. EXTENSION OF WELFARE RECIPIENT EMPLOYMENT INCENTIVE TAX CREDIT TO PUBLIC AND NONPROFIT CHILD CARE PROVIDERS

Section 4 (a) would make available to public and nonprofit providers of child care a payment equivalent to the 20 percent tax credit which private businesses can now receive for employing welfare recipients. This credit does not benefit public and nonprofit providers because they have no tax liability to apply it against. This section would also limit the applicability of the 20 percent tax credit (and the equivalent payment to public and nonprofit providers) to the first $5000 of wages per employee in the case of individuals employed for child care. This is similar to a limitation already in the law with respect to persons employed in domestic and other household occupations.

Section 4(b) would make the tax credit for employing welfare recipients and the payment in lieu of the credit for public and nonprofit providers of child care available for five years (through 1980) in the case of individuals employed in connection with child care.

Section 4(c) would make the changes with respect to the tax credit and equivalent payments applicable to welfare recipients employed by child care providers after September 30, 1975.

Estimated Additional Social Services Funding for Child Care[1]

	Millions
Alabama	$8.450
Alaska	0.800
Arizona	4.900
Arkansas	4.850
California	49.100
Colorado	5.800
Connecticut	7.350
Delaware	1.350
District of Columbia	1.800
Florida	18.300
Georgia	11.400
Hawaii	2.000

Footnotes at end of table.

Estimated Additional Social Services Funding for Child Care—Continued

Idaho	$1.850
Illinois	26.750
Indiana	12.650
Iowa	6.900
Kansas	5.450
Kentucky	7.950
Louisiana	8.950
Maine	2.450
Maryland	9.700
Massachusetts	13.850
Michigan	21.550
Minnesota	9.300
Mississippi	5.450
Missouri	11.350
Montana	1.700
Nebraska	3.650
Nevada	1.300
New Hampshire	1.900
New Jersey	17.550
New Mexico	2.650
New York	43.500
North Carolina	12.550
North Dakota	1.500
Ohio	25.550
Oklahoma	6.350
Oregon	5.300
Pennsylvania	28.350
Rhode Island	2.300
South Carolina	6.500
South Dakota	1.650
Tennessee	9.850
Texas	28.100
Utah	2.750
Vermont	1.100
Virginia	11.450
Washington	8.150
West Virginia	4.300
Wisconsin	10.900
Wyoming	0.850
Total	$500.000

[1] Under S. 2425, the amounts available in fiscal year 1976 would be one-half of the full fiscal year amounts shown in this table.

Mr. MONDALE. Mr. President, I rise to join the distinguished chairman of the Committee on Finance (Mr. LONG) in the introduction of a bill concerning child care programs funded under title XX of the Social Security Act. This bill is designed to provide the funding necessary to assure that these child care programs can meet the child care standards now scheduled to take effect this week.

As my colleagues remember, the social services legislation enacted last year required that the existing Federal interagency day care requirements—with several modifications and new staffing standards for children under age 3 in day care centers—be enforced beginning October 1, 1975, with respect to programs funded under title XX. The legislation required specifically that funding be terminated for any program or programs which did not meet these standards.

These standards—especially their staffing ratios—have been the subject of debate in the Senate several times during the past few years. They were debated and modified at the time the Senate passed the social services legislation last year, and while some people believe those standards as modified are too weak, and others believe they are too strong, they represent the best compromise we could reach.

Although the original Federal interagency day care requirements have been in effect for all federally assisted child care programs since 1968, the prospect that they would be enforced as modified beginning October 1 of this year has created growing concern on the part of many child care providers and many States which administer these programs. It is now recognized that many existing programs simply do not meet these requirements, and that strict enforcement would require closing many programs, reducing the number of children served so the adult-child ratio would improve, or substantially increasing the costs of operating them. Yet, since no funds were provided to help meet the costs of the additional staff needed, the result in almost all cases would be that fewer children could be served.

Thus, we are now faced with a difficult situation, and I believe that the record should show the reasons for it. Part of the reason is that the standards scheduled to take effect this week specify staffing ratios for children under age 3 in child care centers—a category for which no ratios were specified before. Obviously, these new requirements mean that some programs will have to improve their level of care to meet these ratios, and this will require additional resources which have not been provided.

Another part of the reason we face this difficulty today is that the Department of Health, Education, and Welfare has never enforced the requirements that have existed. Even though these Federal Interagency Day Care Requirements have been in effect since 1968, HEW has made no effort to assure compliance. Indeed, even when HEW's own audit conducted last year revealed that over half of the programs audited were in violation of the required standards, no enforcement action was taken. There is no excuse for this record of neglect.

Regardless of the reasons for the difficulties we face today, the question before us is what we should do now and for the future. The House of Representatives is considering this issue, and is scheduled to take action today which would postpone for 6 months the requirement that child care centers meet the staffing standards for children between 6 weeks and 6 months.

Yet, postponing these requirements does nothing to assure that the children we are concerned about will be in safe and healthy environments. It does nothing to encourage and make it possible for programs to come into compliance. It simply puts off for 6 months the problems we are facing today, with no hope of remedying the problems in the interim, and no reason to believe that we will be in any better position to deal with them then than we are now.

What we need to do instead—and what this bill would do—is to provide the funds necessary for child care programs to come in compliance over the short term.

Thus, this legislation would make available to States an additional $250 million for child care for the remainder of this fiscal year—and an additional $500 million for succeeding years—on top of the $2.5 billion currently available for social services.

These additional funds for child care would be allocated among the States on the basis of State population in the same way as the $2.5 billion for social services is now allocated. And, the Federal matching rate would be raised from 75 percent to 80 percent for child care paid out of this new funding.

In order to provide additional help to programs which need to add staff in order to meet these standards, and to keep the fees down for the nonwelfare children served by centers serving both welfare and nonwelfare children, this bill provides a 20 percent tax credit on the first $5,000 of wages paid to welfare recipients employed in child care centers under this funding. And, very importantly, the bill provides a payment equivalent to this 20 percent tax credit for the same purpose to public and nonprofit providers of day care who have no tax liability against which to apply a credit. This tax credit or the payment equivalent to it would be available only to programs in which at least 30 percent of the children cared for have all or part of their care funded through the title XX program.

Finally, this bill provides a 3-month delay—until December 30, 1975—in the imposition of any penalties for violation of the child care standards. This modest delay is provided in order to give child care programs an opportunity to come into compliance by using the additional funds the bill provides—rather than taking action this week which would force them to close down or cut back on the number of children they serve before the necessary funds become available.

Mr. President, I strongly support the basic objectives of the bill which Senator LONG is introducing today, and am pleased to join him as a sponsor of it. I believe it represents a fair and responsible approach to solving the immediate problems we face today by making it possible—through the provision of additional funds—for child care programs to come into compliance with the child care standards over the next 3 months.

By Mr. DOLE (for himself, Mr. RIBICOFF, and Mr. STAFFORD):

S. 2426. A bill to establish a reduced rate of postage for letters sealed against inspection mailed by private individuals. Referred to the Committee on Post Office and Civil Service.

POSTAL RATE RELIEF FOR THE PRIVATE CITIZEN

Mr. DOLE. Mr. President, last week the U.S. Postal Service filed a request with the Postal Rate Commission to increase first-class postage rates to 13 cents within the next 4 months. This is the third postal rate increase proposed by the Service since Congress passed the Postal Reorganization Act of 1970, and it will reflect a 117-percent increase in the price of first-class postage stamps in less than 5 years. In January 1971, the American public was paying 6 cents to mail a letter weighing up to 1 ounce; by January 1976, the public will pay 13 cents for the same purpose. Fortunately, few other consumer products or services has registered quite such a dramatic in-