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RANDOLPH-SHEPPARD ACT FOR THE BLIND AMENDMENTS OF 1970

GOVERNMENT
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HEARINGS

BEFORE THE

SELECT SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

SECOND SESSION

ON

S. 2461

AN ACT TO AMEND THE RANDOLPH-SHEPPARD ACT FOR
THE BLIND SO AS TO MAKE CERTAIN IMPROVEMENTS
THEREIN, AND FOR OTHER PURPOSES

HEARINGS HELD IN WASHINGTON, D.C.,
NOVEMBER 30 AND DECEMBER 8, 1970

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*

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THE RANDOLPH-SHEPPARD ACT FOR THE BLIND AMENDMENTS OF 1970

MONDAY, NOVEMBER 30, 1970

HOUSE OF REPRESENTATIVES,
SELECT SUBCOMMITTEE ON EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:45 a.m., in room 2175, Rayburn House Office Building, Hon. John Brademas, (chairman of the subcommittee) presiding.

Present: Representatives Brademas, Scheuer, Reid, Landgrebe, and Hansen.

Staff members present: Jack G. Duncan, counsel; Ronald L. Katz, assistant staff director; Arlene Horowitz, staff assistant; Toni Immerman, clerk; Marty LaVor, minority legislative coordinator.

Mr. BRADEMAS. The subcommittee will come to order for the purpose of considering the bill, S. 2461, the Randolph-Sheppard Act. (Text of S. 2461 follows:)

[S. 2461, 91st Cong., second sess.]

AN ACT To amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, 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 "Randolph-Sheppard Act for the Blind Amendments of 1970."

PREFERENCE FOR VENDING FACILITIES ON FEDERAL PROPERTY

SEC. 2. Section 1 of the Act entitled "An Act to authorize the operations of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes," approved June 20, 1936 (20 U.S.C. 107), is amended to read as follows:

"SECTION 1. For the purposes of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provisions of this Act shall be authorized to operate vending facilities on any Federal or other property. In authorizing the operating of vending facilities on Federal property, preference shall be given, so far as feasible, to blind persons licensed by a State agency as provided in this Act; and the head of each department or agency in control of the maintenance, operation, and protection of Federal property shall, after consultation with the Secretary and with the approval of the President, prescribe regulations designed to assure such preference (including exclusive assignment of vending machine income to achieve and protect such preference) for such licensed blind persons without adversely affecting the interests of the United States."

CONCESSION VENDING SURVEYS

SEC. 3. Section 2(a)(1) of such Act of June 20, 1936 (20 U.S.C. 107a), is amended to read as follows:

"(1) Make surveys of concession vending opportunities for blind persons on Federal and other property in the United States;"

VENDING FACILITY

SEC. 4. Such Act of June 20, 1936, is further amended by striking out "vending stand" and "stand" wherever they appear and inserting in lieu thereof "vending facility" and by striking out "vending stands" and "stands" wherever they appear and inserting in lieu thereof "vending facilities".

ELIMINATION OF AGE REQUIREMENT AND VENDING OF FOOD AND BEVERAGES

SEC. 5. Section 2(a) (4) of such Act of June 20, 1936, is amended by (1) striking out "and at least twenty-one years of age", (2) striking out "articles dispensed automatically or in containers or wrapping in which they are placed before receipt by the vending stand, and such other articles as may be approved for each property by the department or agency in control of the maintenance, operation, and protection thereof and the State licensing agency in accordance with the regulations prescribed pursuant to the first section:" and inserting in lieu thereof the following: "foods, beverages, and other such articles or services dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws, as determined by the State licensing agency:".

DELETION OF CERTAIN LIMITATIONS IN LICENSING BLIND OPERATORS OF VENDING FACILITIES

SEC. 6. Section 2(b) of such Act of June 20, 1936, is amended by (1) striking out "and have resided for at least one year in the State in which such stand is located", and (2) striking out "but are able, in spite of such infirmity, to operate such stands."

PROVISION OF VENDING FACILITY LOCATIONS

SEC. 7. Section 2 of such Act is further amended by adding a new subsection (d) at the end thereof:

"(d) In the design, construction, or substantial alteration or renovation of each public building after January 1, 1971, for use by any department, agency, or instrumentality of the United States, there shall be included, after consultation with the State licensing agency, a satisfactory site or sites with space and electrical and plumbing outlets and other necessary requirements suitable for the location and operation of a vending facility or facilities by a blind person or persons. No space shall be rented, leased, or otherwise acquired for use by any department, agency, or instrumentality of the United States after January 1, 1971, unless such space includes, after consultation with the State licensing agency, a satisfactory site or sites with space and electrical and plumbing outlets and other necessary requirements suitable for the location and operation of a vending facility or facilities by a blind person or persons. All departments, agencies, and instrumentalities of the United States shall consult with the Secretary (or his designee) and the State licensing agency in the design, construction, or substantial alteration or renovation of each public building used by them, and in the renting, leasing, or otherwise acquiring of space for their use, to insure that the requirements set forth in this subsection are satisfied. This subsection shall not apply (1) when the Secretary (or his designee) and the State licensing agency determine that the number of people using the property is insufficient to support a vending facility or (2) to the rental of space by the Government in a building wherein the lessor retains space for a restaurant or other establishment which would be in competition with a blind operator of a vending facility purveying food and other articles."

ARBITRATION BETWEEN OPERATORS AND LICENSING AGENCIES

SEC. 8. Section 3(6) of such Act (20 U.S.C. 107b) is amended by substituting a comma for the period at the end thereof and adding the following new wording: "including binding arbitration by three persons consisting of one person designated by the head of the State licensing agency, one person designated by the licensed blind operator, and a third person selected by the two, who shall serve as chairman."

DEFINITIONS

SEC. 9. (a) Section 6(b) of such Act (20 U.S.C. 107e) is amended to read as follows:

"(b) The term 'blind person' means a person whose central visual acuity does not exceed 20/200, in the better eye with correcting lenses or whose visual acuity,

if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees. In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist, whichever the individual shall select."

(b) Section 6 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) The term 'vending facility' includes, but is not limited to, automatic vending machines, snackbars, cart service, shelters, counters, and such other appropriate auxiliary equipment (as the Secretary may by regulations prescribe) as are necessary for the sale of the articles or services referred to in section 2(a)(4), which are, or may be operated by blind licensees, and such term also includes cafeterias, but only upon a demonstration by the State licensing agency of the feasibility of the inclusion of such facilities, as evidenced by a program of training and supervision of blind licensees commensurate with the proposed operation."

ARBITRATION BETWEEN AGENCIES

SEC. 10. Such Act is further amended by redesignating section 8 (20 U.S.C. 107f) as section 9 and by inserting the following new section after section 7:

"SEC. 8. (a) An arbitration board of three persons consisting of one person designated by the Secretary who shall serve as chairman, one person designated by the head of the Federal department or agency controlling Federal property over which a dispute arises, and a third person selected by the two who is not an employee of the departments concerned shall hear appeals as provided in subsection (b) of this section.

"(b) If, in the opinion of a State licensing agency designated by the Secretary under this Act, any department or agency in control of the maintenance, operation, and protection of Federal property is failing to comply with the provisions of this Act, or any regulations issued thereunder, it may appeal to the board. The board shall, after notice and hearing, render its decision which shall be binding. If the board finds and determines that the acts or practices of any such department or agency are in violation of this Act, or the regulations issued thereunder, the head of the affected department or agency shall promptly cause such acts or practices to be terminated, and shall take such other action as may be necessary to carry out the decision of the board. All decisions of the board shall be published."

JUDICIAL REVIEW

SEC. 11. Such Act is further amended by adding the following new section:

"SEC. 10. Notwithstanding other provisions of this Act, any blind person or State licensing agency suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of this Act or other relevant statutes, shall be entitled to and shall have standing for judicial review thereof."

APPLICABILITY

SEC. 12. Such Act is further amended by adding the following new section:

"SEC. 11. Notwithstanding any other provision of law, the provisions of this Act are applicable to any agency, establishment, or other entity created within the Government of any department or agency of the United States."

EFFECTIVE DATE

SEC. 13. The amendments made by this Act shall become effective January 1, 1971.

Passed the Senate September 28, 1970.

Attest:

FRANCIS R. VALEO,
Secretary.

Mr. BRADEMAS. The bill is designed to improve one of the most effective programs that Congress has ever created for enabling blind persons to become self-supporting, taxpaying citizens. This is the program under the Randolph-Sheppard Act for the Blind which grants to blind persons preference in the operation of vending concessions on Federal property.

This program has a long and constructive history. The Randolph-Sheppard Act was signed into law on June 20, 1936. It bears the name of the distinguished senior Senator from West Virginia, who was its principal sponsor in the House of Representatives at the time it was enacted into law.

Over the years, the vending stand program has provided gainful employment for thousands of blind persons, enabling them to support themselves and their families and lead normal lives. Instead of being tax consumers as welfare recipients, these blind vending stand operators were transformed into taxpaying, contributing citizens while performing a useful service to Federal employees and visitors in the buildings where stands are located. As a result of the Federal program, vending stands operated by blind persons have been installed in State and local government buildings as well as in private office buildings.

During the last fiscal year, there were 3,352 licensed blind operators employed at 3,061 vending stand locations throughout the country. These stands employed several hundred additional blind people; and in fiscal 1970 they did a gross business of \$93,925,464. Average earnings of blind stand operators last fiscal year were \$6,300.

Since 1936, the Randolph-Sheppard Act has been amended only once—that was in 1954, which updated its provisions in light of practices and conditions at that time.

We are today opening hearings on a bill which, I believe, has already been passed by the Senate, the purpose of which is to provide a number of other changes in the Randolph-Sheppard Act program.

The Chair wants to make clear that this is the first time that this legislation has been considered by this subcommittee during the period of my chairmanship. Indeed, from the information the Chair has available, this is the first time it has been considered by a subcommittee of this committee in 16 years. So the Chairman has no commitment either to oppose or to support the bill under consideration, but looks forward to being himself educated on the Randolph-Sheppard Act and to hearing the arguments of proponents and critics of the bill under consideration.

The Chair is very pleased to call as our first witness this morning a familiar figure before our committee and a man much respected for his leadership in the field of rehabilitation, Mr. E. B. Whitten, the executive secretary of the National Rehabilitation Association.

Mr. Whitten, we are pleased to have you here this morning and look forward to hearing your testimony. Go right ahead, sir.

**STATEMENT OF E. B. WHITTEN, EXECUTIVE SECRETARY,
NATIONAL REHABILITATION ASSOCIATION**

Mr. WHITTEN. Thank you, Mr. Chairman. It is a pleasure to appear before you on this legislation as it has been on previous occasions on other legislation having to do with rehabilitation of handicapped people. I have a brief statement because I think the issues are relatively clear and I decided deliberately not to present a lengthy statement which would reiterate much of what has been said on the Senate side and will be said on this occasion.

The National Rehabilitation Association is supporting S. 2461, the Randolph-Sheppard Act for the Blind Amendments of 1970, in the form passed by the Senate.

The Randolph-Sheppard Act has been and is an important piece of legislation. In the first place, it has provided business opportunities for thousands of blind people, who otherwise might have had great difficulty in securing satisfactory employment. In the second place, the accessibility of vending stands for the blind in Federal buildings visited daily by hundreds of thousands of Americans has helped to give a wholesome, positive image of the ability of blind people to perform difficult tasks which many people might have not thought them capable of performing. This has undoubtedly resulted in the public being more accepting of blind people and more willing to give blind individuals opportunities to work in other settings.

Some features of S. 2461, that make it a big improvement over the old legislation, are as follows:

(1) It resolves the question of the relationship of vending machine income to vending stands by assigning all of the income from vending machines in the building which has a vending stand to the vending stand program. It is our understanding that regulations will prescribe that part of the income from vending machines which will accrue directly to a particular stand or stands in a building.

The remainder of the income from vending machines in the building, if any, will accrue to the licensing agency to be used for purposes specified in the law. These purposes are limited to the maintenance and replacement of equipment, the purchase of new equipment, management services, and guaranteeing a fair minimum return to the operator of the vending stand.

(2) The definition of the articles which can be dispensed in a vending stand has been modernized in S. 2461 in a way which makes it possible for the vending stand operator to provide products and services in keeping with the purchasing habits of people working in Federal buildings today.

The bill also strikes out age and residence restrictions as requirements for working in such a stand. These arbitrary restrictions have militated against the hiring of many competent individuals to work in vending stands.

Mr. Chairman, although there are other substantial improvements in the legislation, these two, in our opinion, are the most important.

With the passage of this legislation, we can look forward to much additional progress in placing blind individuals as operators of vending stands and in maintaining them at a satisfactory economic level. We hope the committee will report the bill immediately, so that it will be sure to pass in this session of Congress.

Thank you, sir.

Mr. BRADEMAS. Mr. Whitten, I have some rather specific questions to put to you. One of the questions is about what I take to be some of the apprehension expressed by General Services Administration with respect to some provisions of the bill. One of the phrases used in a letter to Senator Randolph dated July 17, 1970, from the Acting Administrator of GSA touches on section 2 of the bill which would amend section 1 of the act under which preference is granted to blind persons to operate vending facilities on Federal property.

Section 2 of the bill, as I understand it, provides for exclusive assignment of vending machine income to the blind in order to protect the preference granted under the act. The GSA letter opposes the addition

of the word "exclusive" to the present preference language of the act, and explains its objection to this addition by stating, and I quote from the letter of the then Acting Administrator:

In many buildings operated by GSA there are cafeterias or other basic food service facilities which depend to a large degree on income from vending machines to assist them in providing cheaper food to Federal employees.

Our current regulations and procedures provide that blind operators receive the income from those machines which are in reasonable proximity to a vending stand and would otherwise be in competition to such stand.

We believe this practice protects the practice as intended by the Act and significantly reduces the overall food cost, thus benefiting all Federal employees in buildings where cafeterias are located.

The letter goes on in effect to make other points in opposition to the word "exclusive."

Do I understand that the effect of the addition of the word "exclusive" in the proposed section 2 of the bill would mean that only blind persons would henceforth be able to operate vending concessions or machines or facilities, depending upon what other definition might be modified by the bill under consideration.

Mr. WHITTEN. Mr. Chairman, when I read the Senate bill and this particular provision and saw the word "exclusive," I did not interpret it myself to mean that this would include machines that were in a cafeteria which was operated under contract with some other organization. Recently I have read some of the material you have referred to and found that others were interpreting the bill as you suggest.

What I had thought was that it would include all of the machine income from stands throughout a building which were not operated in contract cafeterias.

It was not our intention in the building to preclude for instance a cafeteria that was operated under contract with some organization from having a vending machine in the cafeteria.

Mr. BRADEMAS. This brings me to another part of the bill as passed by the Senate which touches on the word, or which defines the phrase "vending facility" and states that it is not limited to automatic vending machines, snack bars, and such other auxiliary equipment which are or may be operated by blind licensees, and such terms also include cafeterias and then it goes ahead to make other points.

Mr. WHITTEN. I had assumed that this meant there was nothing to prevent a cafeteria from being operated as a facility, but not that this meant exclusive right to operate cafeterias in every Federal building where there might be a vending stand.

Mr. BRADEMAS. I am not clear on the significance or the impact of the possible combination of these two particular changes in the bill; namely, if you provide exclusivity for blind persons in operating vending facilities in one section of the bill and in another section of the bill you provide that a vending facility could be cafeterias with the effect of the combining of those two proposed changes in the bill be to state that only blind persons would have the right to operate or to receive income from cafeterias in Federal buildings.

Mr. WHITTEN. I am not sure whether that interpretation would be made by counsel or not. It was not our own intention. These words were not prepared by the National Rehabilitation Association.

Mr. BRADEMAS. I understand that, but on the other hand, I think you can appreciate that we are talking about something that is not without significance in considering this bill.

Mr. WHITTEN. I can.

Mr. BRADEMAS. I am not reassured by your response, because the response you give me indicates that you are not sure.

Mr. WHITTEN. I am not.

Mr. BRADEMAS. I appreciate your candor. I do not say that critically. I have the feeling that we are moving into a kind of thicket here where the terms have not been very carefully defined. I do not think those Senators even talked about this bill on the floor of the Senate.

Mr. WHITTEN. I don't think so.

Mr. BRADEMAS. I know they are a lot busier than we are here. But we like to talk about these things instead of passing them by unanimous consent, and I say that with no disrespect to the other body.

I should be very glad to if you would be kind enough to study the bill as passed by the Senate and as brought to our subcommittee to give us the benefit of your thinking in a rather more extensive way. Do you think you could give us a memorandum on what you and your associates at the National Rehabilitation Association feel would be the actual impact of the bill as proposed on this operation of vending machines or vending facilities, in the buildings that might be affected by this bill, if that is a fair question.

Mr. WHITTEN. Yes, we shall be glad to do so, and we would have tried to do it before this meeting but it was only last week that we realized this issue would arise. I was a little nonplussed to find my interpretation was different than the interpretation being made by others. This is an important matter which you ought to go into carefully.

I want to say this in addition with respect to the GSA position. I have never felt just because an individual is employed by the Government and working in the building that gave him any vested right in any economic income that might accrue from the vending machines or cafeterias in the building. I think that is a sound position. I think the Congress should not be reluctant to exercise its own judgment as to where it wanted to have such income go.

Mr. BRADEMAS. Mr. Whitten, what do you feel are the major advantages of the bill under consideration in the operation of this program?

Mr. WHITTEN. The first one which I thought was being dealt with effectively was in developing a clear concept of what the relationship of vending machine income in a building is to a vending stand in that same building. This has been a very confusing issue over the years.

Mr. BRADEMAS. You say a very confusing issue over the years?

Mr. WHITTEN. Yes. A vending stand might exist on the first floor of a building, and what ordinarily would be income to that stand would be drained off by machines which would be located close by or in other parts of the building and therefore cut down on the income of the vending stand.

These vending machines were ordinarily operated by these employee groups, such as I understand you are going to have appear before you Thursday, for the benefit of what they call their welfare or recreation funds, and so forth. This became quite an issue over the country, and there was no clear legal way, I guess you could say, to resolve it. So we had hoped that this was going to resolve that question surely. I think

one of the objectives of this committee, probably the most important when this bill does come through, is that we all know what this situation is.

Mr. BRADEMAs. Have you any dollars and cents information or data to give the subcommittee with respect to the impact of the proposed change. That is to say, how much money is now—put it any way one wants—being denied to blind operators of vending stands because the income is derived from vending machines in the buildings in which vending stands are located?

Mr. WHITTEN. I doubt if such information can be developed in such a way that it would have any accuracy. One would have to go to the people who run the vending machines and find out how much the income was and assume that this or some part of it would have gone to the vending stand. Otherwise I do not believe you could. I would not know how to get information that would satisfy you on that point. This has been a continual complaint over the years by the licensing agencies.

Mr. BRADEMAs. I can appreciate the thrust of the complaint, but I find it difficult to get a purchase on the complaint because one does not know how much money we are talking about and how many people are affected.

Mr. WHITTEN. That is right. I do not know. The second important thing is updating this definition of the vending stand itself to make clear what can be done in a vending stand.

The existing definition, which has been administered as liberally as I think it is possible to administer it, has nevertheless had restrictions that have made it difficult. The definition in this bill is a modern definition.

I presume the controversial part of that would be the use of this word "cafeteria," which is in the bill now, which brings up the question whether this is granting exclusive right to operate cafeterias.

Mr. BRADEMAs. You say, and I do not know whether this is the same point you just touched on page 2 of your statement, that the bill under consideration modernizes the definition of the articles which can be dispensed in a vending stand. What do you mean by that?

Mr. WHITTEN. The kind of things that can be sold, for instance. I believe the old bill refers to packaged goods. This bill permits almost anything to be sold in the vending stand that one would expect to find in any, shall we say, snack bar operated commercially anywhere in the country.

Mr. BRADEMAs. This is very helpful. You can appreciate, I hope, Mr. Whitten, why the Chair on having first been advised that this was a totally noncontroversial bill learns that it is not quite as free of questioning as it might appear to be on first blush.

Mr. WHITTEN. We will give you a memorandum as you requested on these more technical issues.

Mr. BRADEMAs. That will be very helpful.

Mr. Reid?

Mr. REID. Mr. Whitten, I would like to thank you very much for testifying and for the candor with which you responded. I appreciate getting the thoughtful presentation of the National Rehabilitation Association on this bill.

First, to put it a little bit in perspective, it is my understanding in the last fiscal year there were 3,352 licensed blind operators employed at some 3,061 vending stand locations throughout the country.

These stands employed several hundred additional blind people.

In fiscal 1970, they did a gross business of \$93,925,464. The average earnings of blind stand operators were \$6,300 in the last fiscal year.

What I would like to ask you at the outset is what is the magnitude of the problem in your judgment if these amendments are approved and additional facilities and some additional preference provided.

What number of blind might be able to be aided and to be gainfully employed on their own through this legislation?

Mr. WHITTEN. I would estimate that the number might increase by one-third over a period of several years—say 5 years—which would mean probably about 1,000 additional persons.

Mr. REID. What are the facts now on the number of blind that are unemployed in our Nation?

Mr. WHITTEN. This is very difficult to answer. We think there are in the country somewhere around 400,000 blind people. I do not know that anyone knows really how many of them are at work and how many are not. At least I do not have that information offhand. It could be that in the statistics gathered by the Rehabilitation Service Administration that there would be a partial answer to that question, but I am not sure.

Mr. REID. Is it your impression that a majority are not employed at this point?

Mr. WHITTEN. I am sure that a majority are not. The numbers that are not are heavily in the older age groups, and whether they would be working even if they were not blind is a question, you see. I think we could say that a very high percentage of the blind, between ages of 18 and 55 are working, but I could not give you a precise percentage on that.

Mr. REID. To take it one step further—

Mr. WHITTEN. There are some that are not working.

Mr. REID. Is the problem the lack of remedial training of one kind or another in this country, whether it be private or public, to facilitate the learning of skills necessary for the blind to participate in the economy or the community. Or is it more a problem, in your judgment, of lack of opportunity which could be laid at the door of the Federal Government or the States or industry or communities to deal with the problem of the 400,000, to use that general figure and to make the assumption that a certain number of them could be gainfully self-employed or employed in useful endeavors, given the training or the opportunity? What do we need to do at the Federal level to facilitate this?

Mr. WHITTEN. If I were to give you either/or which I consider the most important of the two major points you make, I would say it is the lack of work opportunity rather than the lack of training opportunity. I think the agencies for the blind are very well prepared to provide training that is suitable to the abilities of blind people. We are having a great deal of progress being made in that. But the opportunities are quite limited in many sectors of our society. Of course, the only way one can really whip this is by public education of the abilities

of the blind and opening new opportunities. This is where this program has been very important, not only in opening these 6,000 opportunities but showing the public what can be done. I think that people who work technically in providing services for the blind think that rather than the problem being just having the resources to provide training, that it is in the personal adjustment that a blind person has to make toward blindness that becomes a big problem. That is the reason why we have seen established in the last 10 years quite a number of comprehensive rehabilitation centers for the blind where the work that is done is as much in the area of personal adjustment to blindness and to the people he is going to work with as in providing technical training.

Mr. REID. If this legislation is to be model legislation in this particular area, are there concepts other than the provision for employment in the Federal buildings and in the area of provision of food services that could be added to the legislation?

Mr. WHITTEN. In this particular legislation I would not suggest anything. However, when the Vocational Rehabilitation Act amendments are considered next year we are coming forth with some suggestions that we think will help the whole thing as it relates to the rehabilitation of the blind.

For instance, we think the fact that the rehabilitation fund appropriated for rehabilitating handicapped people is limited to those aspects that have to do with employment and leading to employment may in itself be a restriction. We are going to suggest opening up the areas in which Vocational Rehabilitation Agency funds can be used in serving the blind to do some things now that you would say are really prevocational but which somebody has to do if a vocational training program is going to succeed. We are working on that right now in our own office developing some amendments that we hope will help. I will promise you something in January along that line. I really do not think that in this particular act one would necessarily want to go into these things.

Mr. REID. I appreciate that, but let me ask one additional question here. Are there areas in the Federal Government, which is the largest employer in the United States, where opportunities could be opened up? We are talking in terms of millions and here we are talking about 6,000 and an increase of a few thousand.

Mr. WHITTEN. Mr. Chairman, I think one would want to commend the Civil Service Commission for the steps it has taken in recent years to do all it can at its own level to open up opportunities for the blind as well as other severely handicapped people in public employment. I think you will find the regulations and guidelines that are developed by the Civil Service Commission, while not maybe everything one would want, are almost everything one would want. The problem comes down to the local level because the administrator of a building or the head of a department which actually is running a program really determines who is going to be hired or who is not.

There is a great deal of education that needs to be done in order to let the people that actually do the employing understand what blind people and other severely handicapped people do. I would say anything the committee, or other committees, could do to strengthen the hand of the Civil Service Commission in giving it, for instance, the personnel

that would be required to carry on an intensive education program in the Federal Service would be very helpful. I think certainly they are doing what they can with their present resources.

Mr. REID. Do you have any concern with any of the sections of the bill, section 1, section 3, section 5, section 7?

Mr. WHITTEN. I believe section 2 was the only part that I did not feel I would understand just exactly how it would work.

Mr. REID. You are concerned with the word "exclusive."

Mr. WHITTEN. That is right.

Mr. REID. And it was not your understanding that it was total exclusivity.

Mr. WHITTEN. It is apparently more exclusive than I thought when I first read it. Some think it is.

Mr. REID. I will talk with GSA later in the day, but I am apprised they accept the Senate bill S. 2461, and therefore amend to some degree at least the letter that we presently have in the hearings from the acting administrator.

In essence, I think the letter will indicate support for the legislation as it has passed the Senate given the consideration that occurred there, and I would hope that the bill will serve a useful purpose. Thank you, Mr. Chairman.

Mr. BRADEMAS. Mr. Landgrebe.

Mr. LANDGREBE. I do not believe I have any questions just yet, Mr. Chairman. Thank you.

Mr. BRADEMAS. Mr. Hansen.

Mr. HANSEN. Thank you, Mr. Chairman.

Let me welcome you and express our appreciation, Mr. Whitten, for your appearance here this morning.

To pursue a question that was raised earlier from another point of view, I would like to have your assessment of the consequences of our failure to pass this legislation, or something similar to it in this Congress on the basis of recent experience and predictable trends in the use of vending machines. Will it materially affect the employment prospect of those who are now employed in the vending stands? Will it substantially limit the opportunities for future employment? What do you see as the result of the failure of Congress to act on this bill at this time?

Mr. WHITTEN. Mr. Chairman, if the committee, after conducting this hearing, does not pass a bill that strengthens the provisions of the Randolph-Sheppard Act as it relates to this vending machine—vending stand controversy, I think it would be certainly an open invitation to increase the competition between the two; that is, the employer groups would feel more inclined to move in aggressively to get vending machines located where they are profitable.

This would be detrimental to the blind and result in fewer opportunities for the blind as time goes on, or reduced income, although some of the stands might keep on going. I would say it would be very unfortunate if this is not resolved and a bill passed.

Mr. HANSEN. I gather from what you say that it is unlikely that those who now operate the vending stands could continue to provide the same employment opportunities, or produce the same income if we fail to pass a bill like this.

Mr. WHITTEN. I think that is a reasonable conclusion.

Mr. HANSEN. Thank you very much.

Thank you, Mr. Chairman.

Mr. BRADEMAs. Mr. Whitten, thank you very much indeed for having come to be with us today. You have been most helpful.

(The following document was submitted for the record:)

NATIONAL REHABILITATION ASSOCIATION,
Washington, D.C., December 1, 1970.

Representative JOHN BRADEMAs,
Chairman, Special Education Subcommittee,
House Committee on Education and Labor, Washington, D.C.

DEAR MR. BRADEMAs: When I testified before your Subcommittee on the Randolph-Sheppard Act for the Blind Amendments of 1970, you requested that I give you the interpretation of the National Rehabilitation Association of certain sections of the bill, particularly those related to the exclusive assignment of vending machine income and the definition of the vending facility. This letter is my answer to your request.

(1). We believe that Section 1, Page 2, of S 2461 as passed by the Senate, (exclusive assignment of income), would effectively prevent any organization other than the state licensing agency or licensed blind individuals from profiting from vending machines in a federal building in which a licensed vending stand exists.

(2). We believe that this same Section probably would be interpreted to apply to vending machine income from machines operated in a cafeteria or other food dispensing operation conducted by a contracting party other than the licensing agency. At least, one cannot be sure that it will not be interpreted that way.

(3). In Section 9, Page 6, the "vending facility" is defined to include cafeterias. Some cafeterias are now run as parts of vending stand operations by mutual agreement under the authority in the Act to vend ". . . other such articles as may be approved by the Department . . . and the state licensing agency." In Section 9 of S 2461, the burden of proof is put upon the state licensing agency to show that it is competent to operate a cafeteria with blind licensees. If there is disagreement between the state licensing agency and the government department operating the building as to whether the state agency is competent to operate the cafeteria, this matter would be subject to arbitration and, finally, judicial review.

If the Subcommittee feels that the "exclusive assignment" language is too broad, it might take one of two courses.

(1). In the report accompanying the bill, it might interpret "exclusive assignment" in such a way as, for instance, not to include income from vending machines located *in* a cafeteria or other food dispensing facility operated by contracting party other than the licensing agency. This would not prevent the licensing agency from becoming the operator of a cafeteria, but it would protect the rights of another contractor who operates a cafeteria in a building housing a vending stand. This, in fact, was the intent of most of those who promoted the legislation on the Senate side.

(2). If it is felt that language in the report is not sufficient to accomplish the results needed, words similar to those above can be added as an amendment to Section 2, Page 1, of the bill.

As I stated when you interrogated me, I feel keenly that I believe it is important that this issue related to vending machine income be resolved in this session of the Congress. Not to do so would certainly intensify the competition for such income, and I feel that blind individuals would suffer as a result.

Respectfully yours,

E. B. WHITTEN,
Executive Director.

Mr. BRADEMAs. The Chair wants to observe before we turn to our next witnesses that there will be a second day of hearings on this bill next Thursday in this room, at 10 o'clock, at which time Senator Randolph, spokesman for the Department of Health, Education, and Welfare, and representatives of a number of Federal employees organizations will be heard.

We are very pleased now to call forward to participate in a panel discussion of the bill, Mr. Irvin Schloss, representing the American Foundation for the Blind; American Association of Workers for the Blind; and Blind Veterans' Association; Mr. John F. Nagle, chief of the Washington Office of the National Federation of the Blind; Mr. Durward K. McDaniel, national representative of the American Council of the Blind, and Mr. Charles Hoehne, assistant director of the Texas State Committee for the Blind, representing the National Council for State Agencies for the Blind.

Gentlemen, we are very pleased to have all of you with us this morning.

The Chair assumes each of you would like to make an opening statement and then we will proceed.

STATEMENT OF IRVIN SCHLOSS, AMERICAN FOUNDATION FOR THE BLIND; AMERICAN ASSOCIATION OF WORKERS FOR THE BLIND; AND BLINDED VETERANS ASSOCIATION

Mr. SCHLOSS. I am Irvin Schloss, Washington representative of the American Foundation for the Blind which is the national voluntary research and consultant organization in our field. I am also representing the American Association of Workers for the Blind and the Blinded Veterans Association.

All of us, Mr. Chairman, have submitted written statements which we would appreciate having included in the record of the hearings. If we may proceed in turn to summarize them, and discuss our statements briefly, we would appreciate it.

Mr. BRADEMAS. That would be fine.
(The statements referred to follow:)

STATEMENT OF IRVIN P. SCHLOSS, LEGISLATIVE ANALYST, AMERICAN FOUNDATION FOR THE BLIND

Mr. Chairman and members of the Subcommittee, I am pleased to have this opportunity to testify before this Subcommittee on S. 2461, a bill of vital importance to blind persons.

Today, I represent four national organizations in endorsing the bill you are considering. They are: the American Association of Workers for the Blind, the national professional association in our field; the American Foundation for the Blind, the national voluntary research and consultant organization on services to blind persons; the Blinded Veterans Association, the Congressionally-chartered membership organization of the nation's war-blinded; and the National Council of State Agencies for the Blind, the national organization of administrators of state commissions for the blind and state vocational rehabilitation agencies serving blind persons. Representatives of these four organizations joined with representatives of the American Council of the Blind and the National Federation of the Blind—the two major national membership organizations of blind persons—in making recommendations based on their collective and extensive experience for updating the Randolph-Sheppard Vending Stand program for the blind. These unanimous recommendations were embodied in S. 2461 which was unanimously passed by the Senate on September 28 after extensive hearings by the Special Subcommittee on Handicapped Workers of the Committee on Labor and Public Welfare.

The Randolph-Sheppard Vending Stand Act for the blind was a landmark in Federal legislation designed to provide employment opportunities for blind persons. Since its enactment in 1936, thousands of blind persons have had regular employment as vending stand operators in Federal buildings throughout the country. As a result, these individuals have been taxpaying citizens instead of tax consumers forced to subsist on welfare payments.

As a result of the Act and the services available under it, additional thousands of blind persons over the years have been employed in concession stands in state and municipal buildings, as well as in nongovernmental buildings. Thus, even before the 1943 amendments to the Vocational Rehabilitation Act increased the effectiveness of the Federal-State vocational rehabilitation program in assisting blind and other handicapped individuals to become gainfully employed, self-supporting citizens, the pioneering Randolph-Sheppard Vending Stand Act showed the way by restoring blind persons to useful and productive lives.

In addition to the direct benefits of such employment to the individual stand operators, their families, their communities, and the nation, the demonstration value to the public of the capability of blind persons has been considerable. Vast numbers of government employees and visitors to government buildings throughout the country have had stereotyped misconceptions about helpless blind people dramatically altered as a result of seeing blind vending stand operators dispensing merchandise, handling money, arranging displays—running a business. It would be difficult to accurately assess the long range impact of this demonstration in terms of improved acceptance of blind persons on their individual merits in all types of occupations.

It should also be pointed out that vending stands operated by blind persons in government buildings provide a necessary service to the government employees who work in those buildings and to people who visit them. If the Randolph-Sheppard Vending Stand Act did not exist, there would still be similar concessions in government buildings because there is a genuine need for them. But they would be operated by nonhandicapped persons; and the great value of this program for blind persons, whose opportunities for gainful employment are much more limited, would have been lost.

At the end of fiscal 1970, there were 3,352 licensed blind operators employed in 3,061 vending stands throughout the country. During fiscal 1970, these concessions operated by blind persons did a gross business of \$93,925,464. The average income of the blind operators was \$6,300.

Since its enactment in 1936, the Randolph-Sheppard Vending Stand Act has been amended only once—in 1954 in order to bring its provisions up to date in the light of then current practices in the program. Developments in the intervening years indicate the need for additional updating at this time. S. 2461 provides for these needed changes.

The bill would change the term "vending stand" to "vending facility" to more accurately cover the wide variety of concessions operated on Federal property by blind persons. It also defines a vending facility to include various types of concessions, including vending machines. Since the assignment of vending machine income to other than the blind stand operators has adversely affected these operators in some instances, S. 2461 tightens the procedure for making this assignment in order to expand employment opportunities for blind persons in all aspects of servicing automated vending machines.

The bill would give the state licensing agency desirable discretionary authority to license as operators responsible and capable blind men and women who are under 21.

The bill would also authorize the state licensing agency to permit food, beverages, and other items to be prepared on the premises. This is, in fact, presently being done in many locations; and the proposed provision merely updates the existing law.

The bill would also eliminate the one year residence requirement as a prerequisite for licensing of blind concessionaires. This type of durational residence requirement has already been eliminated from the Vocational Rehabilitation Act, and it is being eliminated from other Federally-assisted programs as a result of legislative and court action.

An important new provision is the requirement for inclusion of sites for vending facility locations in the design, construction, or substantial alteration of Federal buildings or those leased by Federal agencies. Enactment of this provision will help to assure growth of employment opportunities for blind persons while providing a valuable service to employees and the public. The requirement for consultation between officials of the agency controlling property, the Department of Health, Education, and Welfare, and the state licensing agency will insure installation of the proper facility if one is justified on the basis of potential business.

S. 2461 also provides for several appeals mechanisms designed to facilitate settlement of grievances. The fair hearing mechanism for aggrieved licensed operators under the present law is expanded to include an arbitration procedure if there is a dispute which cannot be settled otherwise. There is also provision for

arbitration of disputes between agencies controlling Federal property and state licensing agencies. In addition, a state licensing agency or a blind person is authorized to seek judicial review of any agency action if they are adversely affected by that action.

In order to avoid oversights in making the Randolph-Sheppard Act applicable in enabling legislation creating government corporations similar to the U.S. Postal Service, the Senate added a new section 11 to the Act making the provisions applicable to any agency, establishment, or other entity created within the government of any department or agency of the United States.

In effect, Mr. Chairman, S. 2461 would make urgently needed improvements in the Randolph-Sheppard Vending Stand Act for the blind. It would expand employment opportunities for additional numbers of blind persons, prevent curtailment of the program, update existing provisions in the light of current practices, and provide equitable procedures for adjudicating any disputes which might arise. Enactment of S. 2461 will assure continuation of the Randolph-Sheppard program as a landmark demonstration of the capability of blind persons. We respectfully urge favorable action by the Committee on Education and Labor and the House of Representatives on S. 2461 as passed by the Senate in order for the improvements it makes to become effective as soon as practicable.

STATEMENT OF JOHN F. NAGLE

CHIEF OF THE WASHINGTON OFFICE, NATIONAL FEDERATION OF THE BLIND

Mr. Chairman and members of the committee, my name is John F. Nagle. I am Chief of the Washington Office of the National Federation of the Blind, 1346 Connecticut Ave., N.W., Washington, D.C. 20036.

Which is preferable, Mr. Chairman?

That employable blind men and women be employed, that they work gainfully and constructively and support themselves and their families, paying their share of the tax load, contributing to the economic strength of the nation, enhancing and enriching the nation's life by the full and productive use of their talents and abilities?

Or, is it better, Mr. Chairman, that employable blind men and women remain unemployed, that they live inactive and sterile lives, existing from month to month on a meager welfare check, a burden and drain upon the taxes paid by others, contributing nothing to the nation but their despair and destitution?

Which is preferable, Mr. Chairman?

Throughout the entire thirty year history of the National Federation of the Blind, we have never doubted that there is only one answer to this question: that blind people be given the opportunity and that they accept the opportunity to live normal, self-dependent, self-supporting, and self-satisfying lives.

We believe that blind people should have the chance and should accept the chance to work, to earn, to live fully and productively, just as their sighted fellows do—and we have expended our individual and organizational efforts toward increasing the opportunities of blind people for employment, employment commensurate with their skills and aptitudes, employment offering decent financial return from applied efforts and demonstrated worth.

Mr. Chairman, even though blind men and women, today, are successfully engaged in just about every business and profession, trade and common calling; the blind person seeking a job or admission to a profession still often encounters the kindly but firm refusal, a refusal based upon misinformation and misconceptions about blindness and blind people.

Far too frequently, not only are blind job applicants not hired, but they are refused the opportunity to explain and demonstrate their ability to do the jobs they're trained and qualified to do.

So long as this uneconomic and unreasonable discrimination persists, Mr. Chairman, the employment opportunities available to the blind in the Randolph-Sheppard Vending Stand Program will continue necessary as the major reliable source of worthwhile and profitable employment for employable blind people.

When the time comes that blind people are judged for jobs on their merits, on their qualifications to do the jobs applied for, when blind people are no longer denied jobs because they are blind whatever their merits and qualifications, the National Federation of the Blind will be first to acknowledge that the Randolph-Sheppard Vending Stand Program is but one of many, many ways that a blind person may choose to earn a living.

But until that happier day arrives, Mr. Chairman, the federal Vending Stand Act must be buttressed and broadened that it may better do that which it was intended to do.

Section I of the Randolph-Sheppard Act states it was adopted "for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting . . .".

We of the National Federation of the Blind have always supported the high purposes of the Randolph-Sheppard Act and we have worked diligently that they might become a reality in the lives of greater numbers of blind people.

But it has become increasingly apparent to us that the Randolph-Sheppard Act is failing to realize the beneficial goals Congress set for it.

It has become increasingly apparent to us that this law must be amended and strengthened if these goals are to be fulfilled.

That is why the National Federation of the Blind is here, today, to urge this committee and the Congress to accept and enact S. 2461, The Randolph-Sheppard Act for the Blind Amendments of 1969.

Acutely aware of the deficiencies in the vending stand law which bears his name; aware, because of his always willing response to help blind people achieve their aspirations, Senator Jennings Randolph of West Virginia introduced S. 2461 along with fifty-one co-sponsoring members of the United States Senate.

Now, as to S. 2461, Mr. Chairman, although the National Federation of the Blind supports every proposal contained in this measure, we will only discuss the major ones;

Section 2 provides for the exclusive assignment of vending machine income to blind vending stand operators.

At the present time, Mr. Chairman, hundreds of federal employee groups and associations are operating vending machines, cafeterias, and similar services on federal property in competition with vending stands operated by blind persons and in total disregard and derogation of the Congressionally created preference to blind people for the operation of such facilities on federal locations.

Section 2 of S. 2461 would assign receipts of these employee operations to blind operated vending stands and preserve and protect the existing Vending Stand Program and encourage and make possible the expansion of the program by including these vending machines within the scope of the blind preference.

Since the heads of federal departments and agencies are now permitted not only to determine whether a vending stand may be established but what articles may be sold, they are in a position, whether consciously or otherwise, to structure the operation so as to make certain types of food service (particularly the larger and more profitable types) out of bounds for the blind operator.

They are also in a position to limit the range of products sold in such a manner as to make it appear that vending machines and cafeterias operated by employee groups are not in competition with the blind vending stand operator.

There is constant pressure from employee groups, from employee welfare and recreation funds, etc., to limit the operation of vending stands and to enlarge the scope of vending machines, cafeterias, and similar activities from which employees receive profits.

The National Federation of the Blind believes that federal employees should be compensated in a manner commensurate with their contributions to the work of their departments and agencies, and that it is not necessary or desirable for them to conduct business operations for private or group profit on federal property.

In recent years, increased numbers of vending machines have been installed in competition with blind operated vending stands and increased amounts of revenue have been diverted to the use of federal employee groups.

This trend must be reversed if the Vending Stand Program for the Blind is to continue to develop, or even survive.

It cannot be too strongly emphasized that we would give all proceeds from vending machines and similar operations on federal property to blind vending stand operators.

Otherwise, political pressures from employee groups and similar considerations are likely to be decisive in determining whether vending machines are located "in reasonable proximity to and in direct competition with a vending stand"—the criterion in present law.

Section 5 of the pending bill would broaden the types of articles and services that may be sold in a vending stand, and we concur fully in these proposed changes in the vending stand law.

These changes reflect recognition of the many methods and techniques available to blind persons who operate vending stands and permit substantial expansion and improvement of the Vending Stand Program for the Blind.

We support the abolition of any residence requirement in the Vending Stand Program as proposed in Section 6 of S. 2461 for we believe the existing residence requirement is an unnecessary and harmful restriction.

Section 7 of S. 2461 is most essential if the Vending Stand Program is to be assured a legal base permitting growth and expansion, for it requires that there be suitable sites for the location of vending stands on all property occupied by federal departments and agencies unless the circumstances in each individual case clearly warrant elimination of such facilities.

A major factor restricting development of the vending stand snack bar program for the blind on federal property has been the failure of federal departments and agencies to provide adequate space and facilities. Today construction of a new postal facility in Des Moines, Iowa, is nearing completion. This modern postaf facility provides space and facilities for more than 1000 federal employees, and it is one of the newest postal facilities in the country. When this facility was being designed and during the early part of its construction the State licensing agency was denied consultation with respect to the amount of space needed for a vending stand and the kind of electrical and plumbing facilities which should have been necessary. Instead the Post Office Department provided approximately 60 square feet of usable space for a Randolph-Sheppard vending stand but no plumbing facilities or no additional electrical facilities. In the same postal facility in Des Moines, Iowa, the Department has provided 3,512 square feet of space at two different locations for vending machines. Both locations contain all the necessary electrical and plumbing facilities. The opportunity to operate both vending machine locations will be denied blind persons. In other words, Mr. Chairman and Members of the Committee, in this new postal facility approximately 60 square feet of usable space has been provided for a blind operated vending stand while more than 3,500 square feet of space has been provided for vending machines to operate in competition with the vending stand. In this facility alone the high purpose and promise of the Randolph-Sheppard Act has been administratively struck down. Adoption of the provisions contained in Section 7 of the bill under consideration today would eliminate this form of evasion, and the illustration just cited is not an isolated example. It occurs frequently and to an increasing extent. It represents only the most blatant recent example.

Section 8 of the Randolph bill provides for an arbitration-type fair hearing mechanism for resolving differences between blind vending stand operators and officials of a state licensing agency in the administration of the Vending Stand Program.

This proposal would establish an objective and impartial fair hearing procedure in which vending stand operators could place their confidence and trust in substitution for the present supervisory review fair hearing procedure in which vending stand operators have little or no confidence and trust.

Section 9 would re-define the term "vending stand" to include within the Vending Stand Program, by statutory designation, various kinds of merchandising facilities presently being operated under the Vending Stand Program by accepted practice and developed custom and usage.

Section 10 of the Vending Stand amending bill would authorize the use of arbitration (specifying the membership of such body) for the resolution of disputes and differences which arise between officials in charge of federal property and state licensing agency officials with reference to the operations of the Vending Stand Program.

By providing this regularized method of handling federal-state problems affecting the Vending Stand Program, a strengthened program should result to provide more job opportunities for blind people.

And finally, Section 11 of S. 2461 by authorizing resort to the courts when a blind person or state licensing agency wishes such a adjudication of complaints and grievances against a federal department or agency, recourse is available to negate unreasonable or unjustified actions of federal government employees.

Mr. Chairman, a precise determination of the number of opportunities for Randolph-Sheppard Act vending stands on federal property has never been made, but the blind of this country and the state licensing agencies have the know-how and capacity to establish and operate efficiently several thousand.

Federal financial participation is available through the Vocational Rehabilitation Act to strengthen and develop the Randolph-Sheppard vending stand program for the blind. As of June 30, 1969, a total of 3,002 vending stands were in

operation under this program. Eight hundred fifty-six vending stands were located on federal property while 2,146 were located on non-federal property. Because heads of federal departments and agencies have restrictively interpreted the Randolph-Sheppard Act and severely limited the functions which they believe blind persons can perform effectively, the real innovations and program growth are occurring on the non-federal property rather than on federal property.

After nearly thirty-four years of operations, Mr. Chairman, the federal vending stand law is providing livelihood opportunities for less than 1000 trained and qualified blind persons on federal property, and as the comparative statistics show, growth in this part of the vending stand program is so insignificant it is almost imperceptible.

Mr. Chairman, even though there seems a limitless number of federal government properties in the city of Washington, there are only 73 stands operated by blind persons under the Randolph-Sheppard law in the entire District of Columbia.

No blind person operates a vending stand in the National Capitol Building.

No blind person earns his living running a vending stand in any of the Senate office buildings or any of the House office buildings.

There are only 11 blind-operated vending stands in Atomic Energy Commission installations.

Nine in the Department of Agriculture.

Eleven in the Department of the Air Force.

Fifteen in the Department of the Army.

One in the Department of Commerce.

With all of its uncountable buildings, facilities, forts, and installations, there are only 6 blind-operated vending stands in the Department of Defense.

Thirty-five in the Department of Health, Education, and Welfare.

Six in the Department of the Interior.

Eleven in the Department of the Navy.

Only 422 in the vast array of General Services Administration-controlled structures.

Only 254 blind-operated vending stands in the nation-wide network of post offices.

Nine in the Tennessee Valley Authority.

Nine in the Treasury Department.

And 57 blind-operated vending stands in other federal agencies which are nameless.

In 1962, Mr. Chairman, in another Senate committee hearing on another Randolph measure to amend the Vending Stand Act, in response to a question, an official of the Vocational Rehabilitation Administration stated he believed there were (at that time) 40,000 blind Americans who could be trained to operate successfully vending stand businesses.

Yet, after nearly thirty-four years of the program, there are only 856 vending stands on federal property employing 979 blind persons.

Mr. Chairman, members of the Committee, the National Federation of the Blind believes if the Randolph-Sheppard Vending Stand Program is to survive to serve its Congressionally designated purpose of providing employment opportunities for trained and qualified blind people, if violations of the federal vending stand law are to be dealt with in a systematic way, if the rights of blind vending stand operators are to be adequately protected—in short, if blind people are to be given the chance to work and earn their living as Congress intended they should be adopting the Randolph-Sheppard Vending Stand Act in 1936—then S.2461 must be approved by you, by the Congress, and enacted into federal law.

STATEMENT OF DURWARD K. McDANIEL, NATIONAL REPRESENTATIVE, AMERICAN COUNCIL OF THE BLIND

The Randolph-Sheppard Vendors of America and the American Council of the Blind favor the enactment of S. 2461.

The Randolph-Sheppard Vendors of America is a national organization of blind persons engaged in the operation of vending concessions on Federal and other property primarily as a result of the Randolph-Sheppard Act of 1936. Vending concessions are now being successfully operated by blind persons in more than 3,000 locations where approximately 3,400 blind persons are employed. It is timely and proper that these affiliated organizations join in this statement to commend Senator Jennings Randolph and all of the others who are sponsoring S. 2461. The Act has not been amended since 1954. Those who do the day-to-

day work in this program recognize the practical need for the amendments which are now proposed. We are pleased to join with the other major organizations of and for the blind in support of S. 2461.

In 34 years blind operators of vending concessions have demonstrated the ability to do much more than what is contemplated by the Act as amended. The Act's purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind and stimulating the blind to greater effort in striving to make themselves self-supporting has been achieved to such an extent that the ability of blind vendors to perform successfully in a greatly expanded program is now beyond question. S. 2461 will update the Act in the light of modern merchandising requirements and in recognition of the proven abilities of the people who will be afforded new opportunities for employment.

The bill deletes certain negative and restrictive provisions which all proponents of this legislation believe to be inappropriate and undesirable. The following new and very important language is added: "foods, beverages and other such articles or services dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws as determined by the State licensing agency". This liberalized authorization is a "must" in order to keep pace with modern merchandising methods and to meet the demands of customers. The liberalized definition of "vending facility" is justified by the substantial number of successful concessions already being operated in all kinds of such vending facilities. Blind persons are today successfully operating automatic vending machines, cafeterias, snack bars, cart services, and numerous related auxiliary services.

The bill provides for the exclusive assignment of vending machine income to achieve and protect the preference given to blind persons licensed by a State agency. This provision has direct application to revenue derived from vending machines operated on federal property. To the extent that it has been made available under the present law, such revenue has been used to supplement the income of blind vending stand operators and in some cases to supplement State funds for the operation of the vending stand program. Over a period of several years, unions of federal employees have been increasingly successful in acquiring the possession and use of revenue from vending machines operated on federal property. This has been accomplished by the cooperation and acquiescence of the administrative branch of government through the recognition of de facto "employee welfare committees" and "employee welfare funds". When such revenue is captured through these devices, it is presumably used for the "welfare and benefit" of federal employees. It has no relevance to work performed by federal employees for the government. Since this arrangement is not authorized by an Act of Congress, we believe that it constitutes a conflict of interest under the provisions of 18 U.S.C. 209. Also, this arrangement is contrary to decisions 32 Comp. Gen. 124 and 32 Comp. Gen. 282 of the Comptroller General of the United States. The exclusive assignment of vending machine revenue would provide substantial sums of new money for the achievement of the purpose of the Randolph-Sheppard Act without creating any hardships for federal employees. Likewise, the exclusive assignment of this revenue to achieve the purpose of the Randolph-Sheppard Act would place no burden upon the United States Treasury because the funds in question have not been collected by the government.

The provisions relating to the alteration or construction of federal property are practical and are made desirable by reason of experience. They will facilitate planning for vending facilities and will not work a hardship upon the government.

The provisions for arbitration of disputes create orderly and desirable procedures for the operation of this program. Another important remedial provision of the bill is that making the Administrative Procedure Act applicable to the Randolph-Sheppard program. This provision has been made necessary by negative court decisions.

S. 2461 will permit a substantial increase in the number of vending locations established and the number of blind persons employed. Its provisions are all progressive and desirable, and we urge the enactment of the bill.

STATEMENT OF CHARLES W. HOEHNE, GENERAL COUNSEL, NATIONAL COUNCIL OF STATE AGENCIES FOR THE BLIND

Mr. Chairman and Members of the Subcommittee: On behalf of the National Council of State Agencies for the Blind, I want to express deep appreciation for the opportunity to offer testimony before this special subcommittee on S. 2461, the Randolph-Sheppard Act Amendments of 1970. The president of the National

Council of State Agencies for the Blind is Burt L. Risley of Texas. The immediate past-president is Joseph Kohn of New Jersey, and the president-elect is L. H. Autry, Jr. of Arkansas. These gentlemen have requested that I express to you their particular appreciation for the opportunity of allowing the position of the National Council to be made a part of the record of these hearings.

The officers of the National Council deeply regret that it is not practicable for individual testimony to be offered by them on this legislation. In order to conserve your time, and in the interest of economy, they have directed me to represent the National Council at this hearing and to state the position of our organization with respect to S. 2461.

The National Council of State Agencies for the Blind strongly supports S. 2461 as passed by the Senate. We urge a favorable report by this subcommittee and we urge enactment by the House. In S. 2461 we see great potential. Although the benefits for the rehabilitation movement in this country will be large, the costs for American taxpayers will be virtually nonexistent.

Unlike certain organizations who might question this legislation, the member agencies of the National Council have no financial stake in S. 2461. Our organization's sole concern is that this program be made more relevant to blind persons who operate these vending facilities in order to support themselves and their families, and that the Randolph-Sheppard Program continue to serve as a constructive model for all who are involved in the vocational rehabilitation of the handicapped.

Identification

Mr. Chairman, for purposes of identification I wish to advise that, as a result of my affiliation with the Texas State Commission for the Blind, I have been involved with the Randolph-Sheppard Program for approximately eleven years. For the past five years, I have served as that Texas Commission's assistant director. For several years now, I have served as general counsel for the National Council of State Agencies for the Blind. At this time, I am serving as general counsel of the organization, and I appear before you in that capacity. I shall be happy to respond to any questions this subcommittee or its staff might have concerning specific provisions of S. 2461 or general problems encountered by state agencies for the blind in carrying out the Randolph-Sheppard Program.

The National Council of State Agencies for the Blind is an organization of state governmental agencies for the blind. Within the various states, we are responsible for the administration of service programs for the visually disabled. Generally, these service programs for the visually disabled are primarily concerned with the prevention of blindness and with the extension of the full range of services affordable under either the federal Vocational Rehabilitation Act, the Randolph-Sheppard Act, or both. Basically, then, the objectives of our member agencies throughout the various states and territories relate broadly to preventing people from becoming dependent in the first instance, or, when visual disability occurs, to restoring people to useful, productive and meaningful lives. The focus of most of our services is placed upon employment. The program established by the Randolph-Sheppard Act represents a most vital component of the total program of rehabilitative services extended our clients. As you know, the Randolph-Sheppard Act requires Secretary of the Department of Health, Education and Welfare to designate a commission for the blind or other appropriate public agency in each state as "the state licensing agency" for the administration of the Randolph-Sheppard Program within the state. The state agencies comprising the National Council of State Agencies for the Blind, of course, represent virtually all of the "state licensing agencies" designated by the Secretary of the Department of Health, Education and Welfare to administer this program.

Those of us who represent the member agencies of the National Council of State Agencies for the Blind have no direct or indirect financial stake in the enactment of S. 2461. Under the Randolph-Sheppard Act and applicable federal regulations, including amendments proposed by this bill, there are no possible means by which financial benefits may accrue to those of us who are responsible for the administration of the Randolph-Sheppard Program. Our compensation, rather, is exclusively a matter of appropriations by the legislatures of our respective states, and such appropriations are made from state funds and from federal funds granted to the states through other programs, such as the state-federal Vocational Rehabilitation Program. Our interest in this legislation, however, is real, necessary and vital. That interest arises solely as a function of our responsibilities to improve the conditions of blind persons within our respective states.

Importance of the Randolph-Sheppard Vending Stand Program

The program established by the Randolph-Sheppard Act serves as a preeminent example of the manner in which the exercise of leadership, vision and wisdom by the federal government can serve as a constructive, catalytic model for government at all levels, as well as for the private sector of our society.

Thirty-four years ago the great vision and unique insight of the late Senator Morris Sheppard and Senator Jennings Randolph, then a member of the House of Representatives, resulted in the Randolph-Sheppard Vending Stand Program for the Blind becoming a reality. In originally enacting this legislation, Congress was not only expressing concern about improving the economic and social condition of the blind; Congress also was declaring its faith in the abilities, talents and vocational potentials of the nation's blind citizens. In effect, Congress was declaring that the blind deserved more than charity. On June 20, 1936, a President, who had himself fought a long and lonely—but successful—battle against a major disability, signed the Randolph-Sheppard Act into law. In so doing, Franklin Delano Roosevelt struck a mighty blow against a widespread, popular misconception about the “helplessness” of blind persons. The misconception had existed for thousands of years. The misconception amounted to a self-fulfilling prophecy: most people thought that the blind were fit for little more than mendicancy; as a result of this attitude, the blind were not given the same employment opportunities as the sighted; and as a result of the lack of opportunities, all too many blind persons did in fact end up being dependent upon charity—or upon public welfare programs.

Franklin Roosevelt knew that this popular attitude was wrong and that there was no substantial or necessary basis for the myth about the “helplessness” of the blind. Morris Sheppard knew this too, and so did Jennings Randolph.

The success of this program has since demonstrated that Congress's faith in the aptitudes and aspirations of blind people was not at all misplaced. The Randolph-Sheppard Program has provided thousands of blind persons with gainful employment over the years. State licensing agencies have extended the program beyond federal buildings into buildings operated by state government and by all governmental subdivisions. The greatest expansion of this program for many years now has been taking place in the private sector of our economy. If the present growth rate can be sustained, and if certain needed improvements can be made in the federal statute, the National Council of State Agencies for the Blind feels that a conservative projection of overall activities by 1975 would include more than 5,500 installations in operation, gross annual sales in excess of \$125,000,000, and an average income of approximately \$7,500 for each of the blind persons operating these locations.

Mr. Chairman, this program can stand on its own merits if we simply evaluate the program in terms of the opportunities and benefits it has provided for thousands of blind persons and for their families. It is indeed true that this program has been directly responsible for making taxpayers out of many, many blind men and women who might otherwise have had no alternative other than to be dependent upon public welfare assistance for their support. This alternative, I might add, is at once untenable as far as the blind are concerned and unacceptable to a general public already too heavily burdened by continuously increasing costs of public assistance programs.

Much has been said and is being said, Mr. Chairman, about the spiraling costs of public assistance programs in this country. In this connection, I would respectfully point out to the members of this subcommittee that the increased costs of public assistance programs cannot fairly be attributed to our handicapped population. Careful examination of the welfare rolls in almost any state will reflect continuous *decreases* in the number of handicapped persons receiving public assistance payments. I submit to you that this decrease comes in no small part because of the vision, courage and statesmanship of Congress in passing legislation such as the Randolph-Sheppard Act many decades ago.

It is not, however, appropriate to evaluate the Randolph-Sheppard Program or S. 2461 simply in terms of the immediate benefits and opportunities this particular program has afforded many, many blind men and women over the years—important though that may be. In a very real and readily demonstrable sense, the Randolph-Sheppard Program has rounded to the advantage of thousands of other handicapped individuals who never participate directly in the program. Too frequently, public attitudes and popular misconceptions about the “helplessness” of the handicapped present individuals with far more formidable vocational obstacles than do the physical disabilities such individuals might actually have sustained.

As a result of the original enactment of the Randolph-Sheppard Act, men and women with the most catastrophic of physical disabilities were given the opportunity to demonstrate their abilities—daily, tangibly and in the most constructive manner—to a large number of the general public. As a result of the enactment of the Randolph-Sheppard Act, well-trained and capable blind persons were soon working in public buildings throughout this nation. The competence, dependability and initiative regularly demonstrated by these blind persons did much to dispel popular myths about the vocational limitations of all handicapped individuals. The original legislation, of course, served to open a door to new employment opportunities for those blind persons who participated directly in the program, but in the process, this legislation opened the gate to improved vocational opportunities for thousands of other handicapped individuals as well.

Although less amendable to precise measurement, the indirect benefits of the Randolph-Sheppard Program are of vital importance. I can take you to cities in Texas where blind-operated vending stands were established in federal buildings in the early 1940's and show you dozens of jobs now being performed in private industry primarily because management became acquainted with blind persons, convinced of the abilities of handicapped people, and decided to utilize this labor resource.

I am told that in 1969 some eighty-eight visually disabled individuals were successfully placed in federal employment. Undoubtedly, the fact that most federal agencies had at least a passing familiarity with the ability and performance of blind vending stand operators helped make this record possible. Vocational rehabilitation agencies throughout the United States are expected to restore more than 200,000 handicapped Americans to useful and productive lives by the end of 1970. This proud achievement reflects basic and fundamental changes in public attitudes about handicapped men and women—changes in attitudes brought about in no small part by programs of the type provided for in the Randolph-Sheppard Act. I am told that the pattern we find in my own state with regard to the placement of handicapped persons in industry or private business is common in many other states. The pattern is this: a blind-operated vending facility is installed in a location with several hundred non-handicapped employees, and usually in only a matter of months management is hiring other handicapped persons for positions in no manner connected with the vending facility's operation.

The Randolph-Sheppard Act's importance for all handicapped persons, therefore, is not easily overstated. For many decades, this statute has served as a most constructive example of other governmental entities, as well as for business and industry. In recent years, however, blind persons and their state licensing agencies have been encountering considerable difficulties because of various developments which Congress could not have possibly contemplated in 1936 and which have not since been considered. S. 2461 addresses itself to these supervenient developments and to the unnecessary and unfortunate problems now being encountered with regard to the Randolph-Sheppard Program.

Mr. Chairman, thirty-four years ago Congress wisely exercised leadership and initiative and in so doing, significantly broadened the economic horizons of thousands of handicapped Americans and substantially improved the quality of their lives. A generation has since passed, and many changes have since ensued. In order for continued effect to be given fully to the Congressional intent manifested in the Randolph-Sheppard Act, it is urgent that S. 2461 be enacted.

NATURE OF PROBLEMS BEING ENCOUNTERED

Basically, there are three factors which account for most of the problems now being experienced by those of us who are involved in the administration or operation of the Randolph-Sheppard Program.

First of all, we have witnessed profound technological changes since 1936. These technological changes relate to the type of products and services sold by blind persons, as well as to the methods by which such products and services may be sold. The changes experienced in marketing since 1936 compare in scope to those experienced in communications and in transportation during the same period of time.

Secondly, the federal government has undergone unprecedented growth since 1936. This growth has been accompanied by the organization of federal employees' welfare unions. In recent years, these welfare unions have become increasingly aggressive.

Thirdly, most state licensing agencies are also involved in the administration of other federally supported rehabilitative programs for the blind. Statutes appli-

cable to the other programs, including particularly the state-federal Vocational Rehabilitation Program, necessarily have great and immediate impact upon the Randolph-Sheppard Program. Recent amendments to statutes authorizing related programs have given rise to technical inconsistencies between such legislation and the Randolph-Sheppard Act.

While all of the foregoing are of concern to blind persons and to their state licensing agencies, it is the continuing problem of dealing with federal welfare unions that at the present time most greatly undermines the efficient and orderly operation of this program. It is this particular problem that serves to defeat the legislative policy originally stated by Congress with great clarity, precision and plainness. It is because of this problem that other, less substantial problems arising in the course of this program's administration and operation become unnecessarily complicated and unduly cumbersome.

In originally passing the Randolph-Sheppard Act, Congress clearly intended that blind persons were to be given a preference to operate vending facilities on federal property. The language of the statute is clear, simple and straightforward. In all too many instances, however, the efforts of welfare unions to avoid the effect of the statute are ingenious, strained and sophistic—but effective.

In dealing with federal employees' welfare unions, state licensing agencies encounter two basic, recurrent problems. Frequently, attempts are made to forestall the installation of blind-operated facilities in the first instance. Or, once the vending facility is installed, the blind operator may be presented with direct, substantial and unreasonable competition from vending machines sponsored by the local welfare union.

Disputes of this type are most unfortunate. Such disputes obviously are inconsistent with the broad, established policy of the federal government with regard to the employment of handicapped persons. Above all, however, such disputes are costly. To cite one specific example, the Texas Commission for the Blind became involved in one such controversy three or four years ago with a federal agency upon which heavy pressure had been exerted by officers of the local welfare union. The dispute related to the division of proceeds from vending machines in competition with a blind-operated vending facility, and pending settlement of the dispute, the vending machine proceeds were simply placed in escrow. Almost a year passed before settlement was finally achieved. During that period, staff time, travel cost and communication expenses consumed by the dispute amounted to thousands of dollars from the Commission's budget. Undoubtedly, similar amounts were expended on the dispute by the federal agency. Since the Commission derives the greatest part of its financial support from federal funds, the federal government was in effect underwriting most of the administrative cost of this particular controversy. When settlement was finally achieved, the representatives of the local welfare union learned that anticipated revenues from vending machines were considerably less than had been projected, largely because rank-and-file federal employees preferred the blind-operated vending facility to vending machines. The vending machine proceeds in controversy amounted to only a few hundred dollars at the end of the year—or, calculated another way, only a few cents each month per federal employee working in the building.

I might add, parenthetically, that the vending machine company has since found it necessary to remove most of its machines from this particular building and that blind-operated vending facilities in this building presently are affording gainful employment to six handicapped persons.

Mr. Chairman, I want to make it clear that I most certainly am not indulging wholesale criticism of federal employees. Such criticism is not my intention and such criticism would be inappropriate. Blind persons who operate vending facilities on federal properties find the overwhelming majority of federal employees to be courteous, understanding and enlightened. They find that the great majority of the federal employees they serve are much too concerned with their work and entirely too dedicated to the mission and objectives of their respective agencies to have time to quibble over the three or four cents per month which might in theory accrue to each federal employee if blind-operated vending facilities were to be supplanted by vending machines. Most emphatically, the National Council of State Agencies for the Blind appreciates the excellent cooperation and support given blind operators of vending facilities by most federal employees.

Given the commendable attitudes of most federal workers, it seems most anomalous that state licensing agencies should continue to have difficulties with federal welfare unions. Perhaps if federal agencies required welfare unions to make detailed accountings to some central agency such as the Bureau of the Budget or

the General Accounting Office, of the uses made of these vending machine revenues, some light might be shed upon this anomalous situation. Presently, however, no such accounting is required. Members of the National Council have attempted, quite vainly, to determine precisely how such money is used by welfare unions. I do not suggest that such funds are misused. From time to time, I have been advised of various uses to which such funds have been placed. These uses include such salutary projects as barbecues, beer parties, "family nights" at which \$4.00 steak dinners are served for 99¢, and scholarships to children of union officials and (possibly) union members.

Mr. Chairman, I will readily stipulate that such activities undoubtedly contribute to the morale of at least certain federal employees. I will further concede that the morale and welfare of federal employees is a most legitimate concern of Congress and of this subcommittee. At the same time, however, I would very vigorously assert that Congress, through its appropriations for salary increases and various fringe benefits, has already done much to improve the morale and to secure the welfare of those persons who are employed by the federal government. I would further point out, respectfully, that blind operators of vending facilities on federal properties tend, on an average, to earn less than many of the federal employees whom they serve, that these blind persons have no paid vacations, that they have no sick leave benefits, that most of them work in excess of forty hours per week, and that these blind men and women have no retirement programs nor any paid group insurance programs.

To me, the issue seems entirely clear. The basic task is one of balancing equities, and that is precisely what S. 2461 attempts to do.

The demand by federal welfare unions for a share of the economic opportunity Congress intended to vest exclusively in the blind is presently without precedent in state government, in other governmental subdivisions, or in private industry. Hopefully, most leaders of labor unions operating in industrial locations served by blind operators of vending stands would be embarrassed to assert such petty demands. In this connection, however, it should be noted that the Randolph-Sheppard Act does in fact serve as a model for the rest of the country.

That is why enactment of S. 2461 presently is a matter of such urgency.

EFFECT OF S. 2461

For state licensing agencies, S. 2461 will simply extend to federal installations the substantive methods of program operation now used with regard to vending facilities located in state and municipal buildings or in locations provided by private industry.

S. 2461 provides for no radical change or modification of the existing Randolph-Sheppard Program. As mentioned, there have been a variety of technological and legislative developments subsequent to the enactment of this statute in 1936, and many of the provisions of S. 2461 simply update the Act to accommodate such changes and to eliminate provisions which have become archaic over the years.

Although S. 2461 will harm no person who might be employed by the federal government, the bill would be of immense benefit to thousands of visually disabled persons—both to those who are presently operating vending stands and to those who will be operating these facilities in the future.

The bill before this subcommittee contains no new expression of Congressional intent. S. 2461 simply requires that all concerned parties exercise more good faith in giving fuller effect to the intention declared by Congress thirty-four years ago. The proposal would not preclude all future disputes between state licensing agencies and federal agencies who might find the demands of local welfare groups to be meritorious, but the bill would provide an effective, viable mechanism for the fair, impartial and more efficient resolution of such disputes.

The National Council of State Agencies for the Blind is proud to join with other organizations and agencies in commending S. 2461 to you. Mr. Chairman, we thank you for this opportunity to testify in behalf of this proposal, and we urge favorable consideration and prompt enactment.

Mr. SCHLOSS. I would like to point out that the six national organizations represented at this table are the major organizations of and for the blind in the United States, that the provisions of S. 2461, were developed as the result of the collective and extensive experience of these six national organizations and were introduced in bill form by Senator Randolph, one of the original coauthors of the act.

The principal purpose of S. 2461, is to create employment opportunities for additional persons. As the chairman pointed out at the beginning of the hearings, there are close to 4,000 blind persons presently employed in the program.

With the provisions of S. 2461, enacted in the form passed by the Senate, we are confident—and a representative of the Rehabilitation Services Administration indicated this at the Senate hearings—that within 5 years there will be 7,500 blind people employed in this program. As the chairman also pointed out, over the years many of the blind persons employed in the Randolph-Sheppard program would undoubtedly have been welfare recipients. By creating additional employment opportunities through this bill at this time—a time of high unemployment, a time of increasing welfare rolls—we would certainly forestall the possibility of additional blind persons having to go on welfare. This is particularly important at this time.

We have a new group of blinded veterans, approximately 500 of the Vietnam era, and this group will increase as the result of service-connected disabilities in the years ahead. An even larger group are the children, many of them now in high school, who, during the early 1950's were blinded as premature infants, as a result of too much oxygen in incubators. Until it was determined that this was caused by too much oxygen in incubators, quite a substantial number lost their sight. At this point in time there are approximately 6,000 blind children and young people in the ninth, 10th, 11th, and 12th grades of residential and local public schools, and they will be coming on the labor market in the next 4 years in relatively substantial numbers. The Randolph-Sheppard program through expansion of employment opportunities as S. 2461 would do, will provide a source of employment for a substantial number of these individuals.

There are two ways in which the bill will expand employment opportunities. One is by clearly making operation and servicing of vending machines on Government property a part of the Randolph-Sheppard program. They would be licensed in the same way that vending stands have to be licensed by State licensing agencies in agreement with agencies controlling Federal property. The second way is through provision of vending facility sites in the design and construction of new buildings and substantial alteration of old ones and leased space, with the proviso written into the bill by the Senate exempting such space where the lessor retains commercial space on the ground floor which would be in competition with vending facilities operated by a blind person.

I would like to emphasize a point that has been stated before. The Randolph-Sheppard vending stand program has been a showcase program not only for employment of the blind and rehabilitation of the blind, but for all severely handicapped persons. It is a program where blind individuals very capably meet the public in a way that is done in very few other types of employment.

I might also point out as a sidelight in our discussion of preventing people from going on the welfare rolls, that the only declining welfare rolls in the past 12 years have been those under aid to the blind, title X of the Social Security Act, which in 1958 had 100,000 blind persons on the rolls. This year there are approximately 80,000. I understand from some of our colleagues at the Rehabilitation Services Administration that of the 8,800 blind people who were declared vocationally

rehabilitated in the last fiscal year, 2,200 were taken from welfare rolls. I think this is an excellent example of how effective vocational rehabilitation services for blind persons are being carried forward in this country, and how in fact the Randolph-Sheppard program is playing a part as well.

As has been brought out earlier, we understand that representatives of employee organizations which are in fact labor unions have asked at the 11th hour to be heard. They did not come forward on the Senate side. As an individual with lifelong conditioning to the important role which organized labor has played in the rehabilitation of handicapped persons and in fostering employment for them, I find it difficult to understand how this particular segment of organized labor can, in fact, oppose legislation which is designed to create employment opportunities for anybody, much less blind people who have more limited opportunities.

In fact, the American Federation of Labor and the Brotherhood of Locomotive Firemen and Enginemen in 1935, during hearings before the House of Representatives on the original Randolph-Sheppard Act, along with the Lions International and the organization I work for, were the major advocates. We certainly know that AFL-CIO, International Brotherhood of Electrical Workers, and UAW have played major roles in fostering the employment of blind and other handicapped persons. I think this opposition to S. 2461, is a kind of aberration of one small segment of the labor movement. In addition to those organizations which are affiliated with these national organizations of Federal employees, there seem to be probably autonomous groups which characterize themselves as welfare and recreation association of Federal employees. These groups are getting the income from vending machines in Federal buildings. Some of them we know are using it for recreational purposes, such as picnics and outings. Some of the welfare functions seem to be flowers and get-well cards for sick members. There is no question that the income from vending machines in buildings where there are vending stands has reduced the income of blind vending stand operators, who are using this income to support families—to literally buy bread and salt—and are being deprived of some of their income so that these funds can be used for recreational purposes by organizations of Federal employees.

We would certainly advocate, and have certainly supported, action by the Congress to increase pay for Federal employees. We believe that this is the first line of morale and esprit de corps, as some of these organizations call it, and we would certainly hope that action by the Congress would be continued in terms of adequate pay for work done by Federal employees. But we do not see where receiving the income from vending machines on Federal property for organizational purposes serves anything except to detract from employment opportunities for blind people who legally under the Randolph-Sheppard Act, supported by two decisions of the Comptroller General of the United States, are entitled to such income from Federal buildings. According to these decisions by the Comptroller General of the United States any income from vending machines other than that for which there is statutory authority to be paid elsewhere should go to the Treasury of the United States. I know that the Department of Health, Educa-

tion, and Welfare tried to get some figures and tried to learn what the amount of this income to these other organizations is before the Senate hearings last summer, but without success.

I believe the only way to find out would be for the Congress either through the investigation mechanism or the Internal Revenue Service to find out how much money is involved, what it is being spent for, whether any does inure to the benefit of any individual, whether these organizations have been granted tax-exempt status by the Internal Revenue Service—there are a lot of things which need to be looked into.

As the previous witness indicated, there are other points in the bill which update existing provisions. With reference to the concern noted about cafeterias, in fact, in some areas of the country cafeterias are part of the Randolph-Sheppard program. This bill as passed by the Senate would not give State licensing agencies blanket authority to operate cafeterias in Federal buildings through licensed blind operators.

I believe, Mr. Chairman, that is the sum of my oral presentation. I have submitted a supplementary statement summarizing the vending machine question which I would appreciate having included in the record.

Mr. BRADEMAS. Without objection, the prepared statement will be included in the record.

(The statement referred to follows:)

SUPPLEMENTARY STATEMENT OF IRVIN P. SCHLOSS, LEGISLATIVE ANALYST,
AMERICAN FOUNDATION FOR THE BLIND

VENDING MACHINES

A number of agencies controlling Federal property have permitted local welfare and recreation associations of Federal employees to install vending machines in Federal buildings in competition with vending stands operated by blind persons under the Randolph-Sheppard Act. The profits from these vending machines are used by these organizations to finance recreational activities, such as picnics and parties, bowling tournaments, and the like, as well as "welfare" activities, such as flowers and get well cards for ill members. The effect on blind stand operators has been to reduce their income, thus depriving them of resources to feed, house, clothe, and educate their families.

Despite two opinions by the Comptroller General of the United States ruling that there was no statutory authority for Federal employee recreation clubs to receive any money from vending machines on Federal property (32 Comp. Gen. 124, 32 Comp. Gen. 282), agencies controlling the property have condoned and even fostered the practice. In its regulations to implement the Randolph-Sheppard Act, General Services Administration has developed a formula allocating some of the vending machine income to employee recreation clubs and some to blind stand operators. The Post Office Department regulations allow vending machine income to be allocated to blind stand operators only to the extent that it will bring their income to the GS-5 level. Both regulations are of questionable legality in view of the provisions of the Randolph-Sheppard Act and the rulings of the Comptroller General that profits from vending machines on Federal property should be paid into the Treasury of the United States in the absence of other statutory authority.

In addition, there is no fiscal accountability of vending machine income to employee organizations; and no one seems to be able to determine the amount of money involved. In preparation for the Senate hearings on S. 2461, the Department of Health, Education, and Welfare tried unsuccessfully to learn from other Federal agencies how much vending machine income was going to employee recreation clubs. The Department has exact figures of the amount of vending machine income allocated to the vending stand program for the blind. The entire

question of vending machine income to Federal employee organizations to finance activities normally funded by dues for other similar types of organizations would benefit from a Congressional investigation.

Senator Randolph and the other members of the Special Subcommittee on Handicapped Workers of the Committee on Labor and Public Welfare were made fully aware of the issue of vending machine income. It was covered during the hearings on July 9 and 10 in the testimony of several witnesses. (See pp. 40-57 of the record of the hearings). No representative of any Federal employee organization appeared at the hearings or filed a statement for inclusion in the record.

It is worth noting that the Department of Defense recently announced that income from vending machines at the Pentagon would now be paid into the Treasury of the United States. This was described by radio newsmen as "a break for the taxpayer." It is likely that the Senate's action on S. 2461 and the discussion in the hearings of the issue of vending machine income prompted this action.

The provision for exclusive assignment of vending machine income in S. 2461 is designed to provide expanded employment opportunities for blind persons. In a number of states, blind persons are already servicing vending machines as a private enterprise or under the Randolph-Sheppard program in government buildings. The feasibility of this was also conclusively demonstrated in the District of Columbia as part of a project financed by the Social and Rehabilitation Service of HEW.

Mr. BRADEMAS. Mr. Nagle, would you like to be heard next?

**STATEMENT OF JOHN F. NAGLE, CHIEF OF THE WASHINGTON
OFFICE OF THE NATIONAL FEDERATION OF THE BLIND**

Mr. NAGLE. Mr. Chairman and members of the committee, my name is John F. Nagle. I am chief of the Washington office of the National Federation of the Blind. My address is 1346 Connecticut Avenue NW., Washington, D.C. 20036.

Developed in meetings of representatives of all organizations of and for the blind in the country, S. 2461 expresses the needed strengthenings and broadenings in the Randolph-Sheppard vending stand law as these needs are known to those who administer State vending stand programs and operate vending stands.

It is the belief of the National Federation of the Blind that if S. 2461 is not approved by this committee and the Congress, if the existing Randolph-Sheppard law is not strengthened and improved as we propose, then the vending stand program as a major employment source for trained and qualified blind persons will continue to diminish in size and importance to the vanishing point—a victim of the indifference or active opposition of officials in charge of Federal property; a victim, too, of the greed of Federal officials and Federal employee associations in their dealings with vending machine companies—dealings which deprive blind-operated vending stands of income from vending machines, dealings which even remove potentially lucrative vending stand locations from the vending stand program.

Mr. Chairman, there are uncountable thousands of Federal buildings and properties offering a limitless number of suitable sites for the establishment of blind-operated vending facilities.

Yet, Mr. Chairman as of June 30, 1969 there were only 856 vending stands managed by blind persons situated on Federal property.

After more than 34 years of existence, the Randolph-Sheppard program is providing employment opportunities to blind persons in only 856 vending stands located on Federal property.

Mr. Chairman, even though there seems a limitless number of Federal buildings in the city of Washington, there are only 73 stands operated by blind persons under the Randolph-Sheppard law in the entire District of Columbia.

No blind person operates a vending stand in the National Capitol Building.

No blind person earns his living running a vending stand in any of the Senate Office Buildings or any of the House Office Buildings.

There are only 11 blind-operated vending stands in Atomic Energy Commission installations.

Nine in the Department of Agriculture.

Eleven in the Department of the Air Force.

Fifteen in the Department of the Army.

One in the Department of Commerce.

With all of its buildings, facilities, forts, and other installations, there are only six blind-operated vending stands in the Department of Defense.

Thirty-five in the Department of Health Education, and Welfare.

Six in the Department of the Interior.

Eleven in the Department of the Navy.

Only 422 in the vast array of General Services Administration-controlled structures.

Only 254 blind-operated vending stands in the nationwide network of post offices.

Nine in the Tennessee Valley Authority.

Nine in the Treasury Department.

And 57 blind-operated vending stands in all other Federal agencies which are nameless although they are most numerous.

In 1962, Mr. Chairman, in another congressional hearing on another Randolph measure to amend the Federal Vending Stand Act, in response to a question, an official of the Vocational Rehabilitation Administration stated he believed there were—at that time—at least 40,000 blind Americans who could be trained to operate successfully vending stand businesses.

Yet, Mr. Chairman, after more than 34 years of the Randolph-Sheppard program there are only 856 vending stands on Federal property employing only 979 blind persons.

Mr. Chairman, members of the committee, the National Federation of the Blind believes that if the Randolph-Sheppard vending stand program is to survive to serve its congressionally designated purpose of providing employment opportunities for trained and qualified blind people;

If violations of the Federal vending stand law are to be dealt with in a systematic way;

If the rights of blind vending stand operators are to be adequately protected—

In short, if blind people are to be given the chance to work and earn their living as Congress intended they should by adopting the Randolph-Sheppard Vending Stand Act in 1936—

Then, S. 2461 must be approved by you, by the Congress, and enacted into Federal law.

Mr. BRADEMAS. Thank you, Mr. Nagle.

STATEMENT OF DURWARD K. McDANIEL, NATIONAL REPRESENTATIVE, AMERICAN COUNCIL OF THE BLIND

Mr. McDANIEL. I am Durward K. McDaniel, national representative of the American Council of the Blind, and I appear here today on behalf of the council and on behalf of the Randolph-Sheppard Vendors of America, which is the national organization of blind people who operate vending stands under this program.

The thing I would like to concentrate on orally, and I have filed a written statement, is the point of controversy which the Chair raised at the beginning, and I call the committee's attention to the fact that the language of this bill creating a preference under present conditions for the operation of vending concessions by blind persons is the same language as is in the present law, and that the language relating to the exclusive assignment of vending machine income is parenthetical language including in that context of the rulemaking authority of the departments of the Government, the purpose of that exclusive assignment being to protect the preference.

The requirement for the rulemaking of Departments of the Government is the same now in the present law. The difference would be in order to protect the preference they would make exclusive assignments of vending machine income.

Let us consider a moment what we are talking about in terms of vending machine income. We are not talking, of course, about the gross proceeds of vending machines: we are talking about a minor fraction of the gross proceeds.

I know of some instances where it is as low as 2 percent of the gross sales through the vending machines.

The Chair asked the question, how much was involved, and nobody knows that. Yet, we do know that it is substantial enough that those who currently receive this income don't want to lose it. We will hear some testimony about that on Thursday, of course.

The central fact is that the Congress has never authorized the diversion of this vending machine income to employee groups, or the use of it to subsidize the cost of food in cafeterias or for any other purpose except the Randolph-Sheppard program, and the Comptroller General in his two decisions on this said that this practice was of doubtful legality and that if the money didn't go to the vending stand program, then it should be paid into the Treasury of the United States as miscellaneous receipts, and those decisions cite the law for that. That hasn't been done.

In 1949, the Comptroller General called to the attention of Congress that this practice was going on and suggested there should be some clarification of it. During the past 20 years there have been numerous bills introduced in Congress which would have authorized employee groups through committees or otherwise to receive such vending machine income, but the Congress hasn't seen fit to enact that.

Nevertheless, this de facto situation goes on, and the competition for the income goes on and gets more intense all the time. So, with particular reference to the Post Office Department, we are losing the battle over employment opportunity for blind people because postal employees frequently prefer vending machines and in some instances, and I can cite you those instances that I know about, I don't know of any stand employing a blind person whatsoever in the facilities.

So this is not really a matter of academic considerations. It really is a contest between employment opportunities for blind people and the subsidization of employee groups, which we believe, is a conflict of interest under title 18 of the Code, section 209, because by virtue of their Federal employment—and these arrangements which go unchallenged by the administration—Federal employees are indirectly compensated not for work they do for the Government but because they happen to have the bargaining power to get these things done.

With respect to the concern raised by the Chair on the operation of cafeterias, my interpretation of this provision would not be that the blind would have the exclusive right to operate cafeterias. The word "exclusive" pertains only to the assignment of vending machine income.

I agree with Mr. Whitten that certainly if the vending machines were operated in the cafeteria as part of the food service by some other cafeteria than that operated by a blind person, there would be no question: this is not the kind of assignment of vending machine income contemplated by this language.

The machines operated in other parts of the building not as part of the cafeteria, I think would be affected by the language "exclusive assignment."

All of this I reiterate relates to the rulemaking authority and duty of the executive branch of Government, and notwithstanding all of this, there still has to be under the present law and under this bill, a permit issued by the Department in control of the property to the State licensing agencies to establish a vending facility.

So it is not as if we are trying to disarm the executive branch of the Government. I want to make it quite clear it is that we are contesting for this source of nonappropriated funds which would add materially to the expansion of this program.

I point out to you that if, as has been predicted, 7,500 people would be employed, that is more than twice the number of stands that now exist, and that would take a substantial expenditure of money.

Where is it to come from? It could come from the general revenue fund and partly from these nonappropriated funds. And I submit to you that it is in the interest of the Government to use these nonappropriated funds for the establishment of employment opportunities rather than to permit this twilight zone to exist where substantial sums are drained off to benefit employees of the Federal Government, whereas they do nothing in return for the money.

This is probably the most ambitious amendment that has ever been offered. Frankly, I believe that the estimate of 7,500 in people employed in 5 years is too conservative, because not only will it greatly enlarge the employment opportunities on Federal property, but there will be a corresponding increase in vending facilities on other property because of these nonappropriated funds if they are made available to this program as the exclusive assignment would make them available.

This has been a successful program. It could be much more successful. It cannot thrive if we are forced continuously to compete with Federal employees who, for the most part, I think, are in sympathy

with the purposes of the act and don't care whether this is a source of subsidizing union dues, or welfare funds, or whatever.

I know that some of the things these things go for would shock the Congress if they knew what this money is being used for in the so-called welfare fund. We know what they will be used for if they go to this program. We know they will be used for constructive purposes.

The organization I represent joins with the others in urging this bill be reported and passed without change because it is badly needed, and these issues do need to be resolved on the side of the congressional purpose of affording employment opportunity for blind people.

Mr. BRADEMAS. Thank you very much.

Mr. Hoehne.

STATEMENT OF CHARLES HOEHNE, ASSISTANT DIRECTOR, TEXAS STATE COMMITTEE FOR THE BLIND: REPRESENTING THE NATIONAL COUNCIL FOR STATE AGENCIES FOR THE BLIND

Mr. HOEHNE. Thank you, Mr. Chairman.

I am Charles Hoehne of Austin, Tex. representing the National Council of State Agencies for the Blind.

The National Council is an organization made up of the State licensing agencies throughout the country.

I shall be brief and I will merely summarize the main points of my prepared statement. There is not a great deal I can add to what my colleagues have already said. The National Council does very strongly support S. 2461. We commend it to you and we urge its enactment. We do this because, essentially, we see the legislation as having two basic purposes, both of which are vital to the rehabilitation objectives we are trying to accomplish at the State level throughout the country.

First of all, the legislation would make some badly needed improvements to modernize the Randolph-Sheppard Act from a technical standpoint. Many things have happened since the legislation was originally enacted in 1936.

We have a new technology now. The law does not accord with that technology. S. 2461, therefore, makes a number of semantic and other technical changes calculated to strengthen the program, in terms of the technological developments occurring since 1936 and in terms of the practical administrative experience accumulated by State licensing agencies over the years.

There seems to be no substantial issue about the technical changes. The things we are attempting to do to modernize the law are not in controversy, as far as I can gather.

Secondly, however, we are interested in seeing S. 2461 enacted because of the broader opportunities this will bring not only for blind people who will operate vending facilities on Federal property, but also for other blind individuals who will enter into other types of occupations as a consequence of the example set by the Randolph-Sheppard program.

The Randolph-Sheppard program is a showcase program. In my prepared statement I cite examples of one stand in a city resulting in 10 or 15 employment opportunities for blind and other severely handicapped people in occupations that are entirely unrelated to vending facilities.

We who are involved in the administration of rehabilitation programs for the blind have, as perhaps the greatest handicap or the greatest barrier to the achievement of maximum rehabilitation success, a public misconception about the so-called "helplessness of the blind."

When this law was enacted in 1936, there was a great deal of public misunderstanding about what the blind could or could not do. At that time a person who might have been highly skilled and successful in some profession, if he became blind, accepted employment in a sheltered workshop as being the only vocational goal to which he could realistically aspire. Blind individuals themselves believed this; not just the general public.

Mr. Chairman, the Randolph-Sheppard program has demonstrated to the public that severely handicapped people can successfully perform in demanding occupations. We are vitally concerned that this legislation be enacted, so that we can continue to demonstrate that blind men and women can achieve self-sufficiency through gainful employment—and demonstrate it more fully throughout the Nation.

Regarding those provisions of S. 2461 which relate to vending machine income, in my prepared testimony reference is made to some of the purposes for which the vending machine income is used in my own State of Texas. Primarily it is used for recreational purposes, in which not all Federal employees participate. Regardless of how such income may be used, it is of little if any benefit to the average Federal employee.

The salient point is simply this: There is not enough vending machine income to materially help Federal employees. On the other hand, \$100 or \$200 a month in vending machine income can be of tremendous assistance to a blind vending facility operator.

I point out, sir, that blind vending facility operators have no fringe benefits, they have no retirement, they have no paid vacations, they have no sick leave benefits. They do not have an 8-hour workday; the average vending facility operator works at least 10 hours a day, frequently 5½ or 6 days a week.

To have to compete with vending machines that are often installed not for valid service purposes but rather to generate income for those few people who happen to be in the welfare-union clique seems to us to represent an undue and entirely unreasonable hardship for those blind people who, it might be noted, already are confronted with quite enough difficulty.

The failure of Congress to enact this legislation at this time would in our judgment be most unfortunate and entirely detrimental to the membership of the National Council of State Agencies for the Blind and to those blind vending facility operators whom we now serve or whom we hope to serve in the future.

In our own State of Texas, at the present time we are operating approximately 140 vending stands. Of those, sir, only about 40 are located on Federal property. The greatest growth being experienced in our program is not in Federal buildings but rather in private industry, State government, municipal government, and county government.

We are very frankly concerned about the precedent now being set by Federal employee welfare unions. In no other instance in our entire program, other than on Federal property, do operators compete

with vending machines. In no other instance do they share the proceeds of these vending machines with employee groups.

I think most of the labor unions in Texas would be quite embarrassed and rather ashamed to take money from blind persons who are doing their very best to provide an effective, economical, and convenient service through these vending facilities.

Only with the Federal buildings do we have unfortunate problems of the type that S. 2461 would preclude. Not in all of the Federal buildings are problems experienced, however.

There are some Federal locations in the smaller communities of Texas—a post office or something of this type—where the Federal employees would not think of taking money away from a blind person. But in your larger buildings where a thousand or more employees are located, things perhaps get more impersonal and more mercenary and certainly far more difficult for the blind operator of the Randolph-Sheppard facility.

This program has served as a model, an inspiration, for blind people. It has been a program that has afforded all of us in rehabilitation an opportunity to place many, many handicapped people successfully in gainful occupations, not only in the stand program but in many other occupations as well.

Again, we do very strongly urge enactment of this legislation and I thank you for your time.

Mr. BRADEMAS. Thank you, Mr. Hoehne.

I have several questions which have come up in my mind as a result of having heard your very helpful statements.

I am a little bit puzzled by some of what you have said, so if my questions reflect that puzzlement, I trust you will ascribe it to my ignorance and nothing else.

I am having a very difficult time, however, in this apparent contest for money in finding out how much money we are talking about.

Mr. McDaniel said "substantial sums are being drained off to benefit Federal employees." I believe that is an accurate quotation. At least I wrote it down.

Mr. Hoehne has just said, however, there is not enough vending machine income to materially affect Federal employees. You appreciate why I find myself in something of a quandary, and therefore I advise the Federal employee representatives who I think are in the room today, I hope you will be able to come up with some specific facts and figures because it is very difficult for us on the subcommittee to know what you are talking about.

Doesn't anybody have figures on this matter?

Mr. SCHLOSS. The only figures available are the totals of funds from vending machines which are going into the program for licensed blind operators. The Department of Health, Education, and Welfare has those figures. For fiscal 1969 they totaled approximately \$2.4 million throughout the country. That is the only hard figure that any of us knows of.

Mr. BRADEMAS. What one would need, of course, is to get in light of the observation of Mr. McDaniel that we are not talking about gross proceeds—I believe you observed?

Mr. McDANIEL. Yes.

Mr. BRADEMAS. You used a 2-percent figure, I believe.

Mr. MCDANIEL. That is a low figure. It sometimes goes as high as 7.

Mr. BRADEMÁS. What I am trying to get at is not the low figure or high figure, I just want the accurate figure. You will appreciate why I find myself in something of a quandary. I would like to know how much money is now going to—I believe you said, Mr. Nagle, there are 979 blind persons now operating vending stands on Federal property; is that correct?

Mr. NAGLE. That is right.

Mr. BRADEMÁS. I would like to know how much income are they getting? I take it the Randolph-Sheppard Act is the act which provides assurance of income to those 979 blind persons operating vending stands on Federal property. Is that right?

Mr. NAGLE. That is right.

Mr. BRADEMÁS. We ought to be able to find out how much money in some reasonable way that involves under present law. Then we ought to be able to ask ourselves, suppose that the bill under consideration were enacted into law which would expand the definition of the kind of facilities from which income can be earned under this act by blind people, if I am not incorrect, let us say how much money would we then be talking about so we can have some kind of ballpark idea what we are talking about.

Then we ought to ask ourselves, in view of the fact Mr. McDaniel said moneys are now being drained off to benefit Federal employees, how much money is presently being drained off, to use your verb, to Federal employees which, if one refers to the testimony of Mr. Nagle, in his judgment ought properly to be going to blind persons, because I see in Mr. Nagle's prepared statement he says:

Hundreds of Federal employee groups and associations are operating vending machines, cafeterias, and similar services on Federal property in competition with vending stands operated by blind persons and in total disregard and derogation of congressional preference to the blind.

That statement, I take it, Mr. Nagle, represents a very direct criticism of the present pattern. What I would like to know—which I hope is a fair question—how much money is being earned by these Federal employee groups and associations?

Those are some of the factual questions I think our subcommittee has a right to put to you as well as to the employee representatives. Am I being unfair in that?

Mr. NAGLE. If I may say so, I think you are asking the wrong people the right question. We have no way of knowing what the income is from vending machines that are allocated to Federal employee associations. They would know this; they would have the record; they would have the financial statements. Each one of them, I would say, should be asked this question because every dime that their books indicate comes to them from vending machines properly belongs in the vending stand program under the Randolph-Sheppard Act.

Mr. BRADEMÁS. Let me ask you two questions at that point.

First of all, I should have thought you would be better advised not to speak with such sweeping assurance of all that money they are taking away from you if you don't know how much money you are talking about. I don't know how much it is and you haven't been able to give me an idea.

I think you have been giving voice to fears and apprehension other than what you actually know. Is that right?

Mr. HOEHNE. Not exactly, Mr. Chairman.

Mr. BRADEMAS. Just the facts is all I am after.

Mr. HOEHNE. I have been with the Randolph-Sheppard program about 11 years and I would say this to you, sir: If S. 2461 becomes law, the amount of income from competing vending machines that will accrue to our operators in Texas would be probably a grand total of \$5,000 or less. I base this on such data as I now have regarding vending machine income being shared by operators and by Federal employees in Texas.

Mr. BRADEMAS. You mean if this bill becomes law the total amount of money that will be an increment of income to all——

Mr. HOEHNE. All 40 of them.

Mr. BRADEMAS. All blind people——

Mr. HOEHNE. In Texas.

Mr. BRADEMAS. Will be \$5,000.

Mr. HOEHNE. I would estimate less than that, sir, from competing vending machines.

Mr. BRADEMAS. I can't believe you are serious in that judgment, because if this is the case then this is much ado about nothing. Texas is a pretty big State.

Mr. HOEHNE. No, sir. We have to distinguish, I think, between two fundamentally different situations. Where we have Federal buildings with blind persons operating vending facilities and Federal officials are conscientiously complying with the intent of the law, the vending machines are usually off in corners or on other floors or something of this type. Such machines present some competition, but not a great deal. The critical factors are how many machines and where located. S. 2461 would encourage machine utilization on the basis of genuine service requirements.

In the prepared testimony, I mentioned the controversy involving the Fort Worth Federal building. About \$200 or \$300 a month was involved there and that is one of the largest Federal buildings in the State.

Mr. BRADEMAS. But if the changes in definitions proposed in this bill were to come about, would that not broaden the opportunities for vending machines to blind people and make unrealistic the \$5,000?

Mr. HOEHNE. Precisely, but the machines would become a more significant component of the Randolph-Sheppard locations, rather than a competing factor. The other situation we are concerned about is that situation where there is no blind-operated vending facility in the building whatever.

To be specific, in Houston, about 7 or 8 years ago a new post office was built. At the time the old post office was being occupied we had, I think, four blind persons operating the vending facilities there, all of them doing well.

When the new post office was installed the Texas Commission for the Blind was not granted a license or permit to install a Randolph-Sheppard facility and the post office is being served by vending machines now.

What we are talking about, I think, is replacing some of the vending machines with blind labor. Such action necessarily minimizes the profits accruing on vending machines installed in clear violation of the spirit and letter of the Randolph-Sheppard Act.

Mr. SCHLOSS. If I may, Mr. Chairman, we are also talking about employment opportunities for blind people servicing vending machines as such. I have submitted for the files of the committee a demonstration project report of the District of Columbia Vocational Rehabilitation Administration that was funded with HEW money that successfully demonstrates this aspect. This is being done now in some States where blind people are running and servicing automated vending machines.

Mr. BRADEMAS. Mr. Nagle observed, to refer to his testimony, at present under the act less than 1,000 blind persons are being employed. I must say that is quite a surprise to me. I thought many more would be employed. How many people, in your judgment, would be employed within a few years, within 5 years let us say, were this bill to become law, given the changes in the definitions that are contemplated by the Hill?

Mr. SCHLOSS. Mr. Nagle, we must make clear, pointed out that it is less than 1,000 in Federal buildings. This program as a result of the Federal law has extended into State and local government buildings, and the total of 7,500, perhaps higher, within the next 5 years is predicated on the total program.

Mr. BRADEMAS. Are we mixing apples and oranges there? Are you saying that in 5 years 7,500 blind persons would be employed in Federal buildings and in State and local buildings?

Mr. SCHLOSS. In the total, in all of them.

Mr. BRADEMAS. Then what is the analogous figure at the present time? It is obviously not 979.

Mr. NAGLE. The analogous figure is 3,352.

Mr. BRADEMAS. The impact of the bill would approximately double employment opportunity?

Mr. SCHLOSS. That is correct.

Mr. BRADEMAS. Another question that concerns me, gentlemen, I derive also from Mr. Nagle's testimony, his prepared statement, in which he says, "It can't be too strongly emphasized we would give all proceeds from vending machines and similar operations on Federal property to blind vending stand operators."

The phrase "similar operations on Federal property" I call to your attention in line with the definition in the proposed bill in section 6, subsection (f), where the term "vending facility" is defined to include but is not limited to automatic vending machines, snack bars, and so forth, and then goes on to say, "which are or may be operated by blind licensees" and such term also includes cafeterias. This is a question I put to Mr. Whitten, also.

I would like to get your understanding of the impact of the proposed two changes in the bill in combination, namely the assuring of exclusive rights to proceeds to blind persons on the one hand and on the other hand the expansion of the definition of the term "vending facility" to include cafeterias.

Is my question clear?

Mr. SCHLOSS. Yes.

May I point out that the definition of vending facility in the bill is in accord with what is actually being done in many States at this time. Snack bars are a part of the Randolph-Sheppard program; automated vending machines are in some States; and cafeterias are in some States. But cafeterias and automated vending machines are not universally throughout the country part of the program.

Mr. BRADEMAS. Would they be under the bill?

Mr. SCHLOSS. The traditional vending stand has expanded, has changed from the candy-tobacco stand to cover other types of facilities in fact.

Mr. BRADEMAS. What I am trying to get at is this: If the bill were to become law, are we saying that all income from cafeterias operated on Federal premises or all income from vending machines operated in cafeterias on Federal premises would go to blind people, or some third definition?

Mr. SCHLOSS. This is not my concept. If the State licensing agency in agreement with the agency controlling the Federal property installed a cafeteria in a Federal building that was operated by blind persons then this would be the case. If it were not done that way, it would not be the case; for example, if they contracted with GSI or some other group.

Mr. MCDANIEL. May I point out that the bill as it passed the Senate has a qualification to the authorization for cafeterias, that is, that language immediately following the reference to cafeterias, which refers to the demonstrated feasibility of operation of cafeterias by blind persons. So it is not a blank check.

Mr. BRADEMAS. Do I take you to be saying wherever it can be demonstrated to the satisfaction of a State licensing agency that blind persons can feasibly operate a cafeteria that blind persons shall do so or may do so?

Mr. MCDANIEL. They would have a preference, I would say, but, as I view the case, it is still a matter of regulations of each department and still a matter of that department's issuing a permit to do it.

Mr. BRADEMAS. But possibly in light of your insistence or Mr. Nagle's insistence that the term "preference" should in his view even under present law mean exclusivity, I am trying to get the impact of the broadening of definition of vending machine on the one hand when coupled on the other with the writing in of the phrase "exclusive." Do I make myself clear?

Mr. MCDANIEL. I think the broadening of the definition is an authorization without which it couldn't be done. I don't think it is mandatory.

Mr. BRADEMAS. Is that your understanding, Mr. Nagle?

Mr. NAGLE. Yes; it is.

Mr. BRADEMAS. Then I am not sure I understand the impact of your prepared statement, but it is helpful to me to get that analysis.

Mr. Landgrebe.

Mr. LANDGREBE. Mr. Chairman, I have a couple of questions.

You preface yourself with a lot of comment about trying to find out what this is all about.

How many blind people are there who are qualified to operate these vending stands or even supervise maybe vending machines that are ready and willing and anxious to go to work on the job? Are there a considerable number of them? Doesn't this take a person with an unusual talent or desire or something of this kind?

Mr. NAGLE. Mr. Landgrebe, I spoke of that in my presentation, quoting an official of the Vocational Rehabilitation Administration who appeared in a hearing on vending stand legislation. When he was asked this same question—not how many blind people now are available and trained but who could be made available by training—he gave the possible figure of 40,000 blind people.

As to how many are presently trained and available to go into the program, I would say very few, simply because there is no point in training if there are not opportunities to put them in the stands. No sense in training people and having them go back home and wait for years to go to work.

Mr. LANDGREBE. I think most of us are trainable for most anything and I have some very close friends who are blind. One gentleman operates an answering service with quite a nice business involved at Fraser, Ind.

But how many people are there who really want this kind of a job even though they could be trained for it? We do have a lot of welfare programs and assistance for people with handicaps.

We have businesses closing down because they didn't have people available to do this or do that or the other kind of work. Are there blind people who really want these jobs?

Mr. SCHLOSS. Yes. I would have no doubt there are blind people who do want these jobs. On the other hand, just as is true with the public at large, not all blind people want these jobs. Other blind people want to be trained for the professions, for other types of business opportunities, for trades; but some will have the aptitude and desire for this type of employment.

Mr. LANDGREBE. I am not sure I am satisfied with the answer. In fact, I would personally like to receive a little more information on this particular point. Of course, I have always enjoyed my contact with blind people at the stand at the Capitol Building in Indianapolis and around there. Certainly if there are people who want these jobs, who will do these jobs in lieu of other benefits that are available, are willing to do them, and the broadening of this law will make these jobs available, we put the two together, then almost on that alone I would be strongly in support of this amendment to the bill we are working on.

I have no further questions.

Mr. SCHLOSS. We are going to have two factors to consider if I may amplify, as one does when one goes into the labor market whether one has a handicap or not. One factor is available opportunities, and one factor is your interest. There will certainly be situations where blind people may have other interests and other desires but this may be the only available opportunity, and if it is this or welfare, you are going to choose this. This is the same for anybody in seeking employment.

Mr. BRADEMAs. Mr. Hansen.

Mr. HANSEN. Thank you, Mr. Chairman.

Let me also welcome all of the members of the panel and express our appreciation for testimony that has been helpful, although I believe in fairness, the chairman has pointed up some gaps in data we should attempt to fill before taking final action on the bill.

Let me pursue one of those with Mr. Schloss who, I believe, made the statement that the passage of this bill would result in the approximate doubling to about 7,500 of the employment opportunities for blind people in the period of about 5 years.

Mr. SCHLOSS. Yes.

Mr. HANSEN. Would that also involve the approximate doubling of the income to those who operate blind vending services?

Mr. SCHLOSS. I would doubt that that would be the case. The average income in recent years as I have looked at statistics has gone up approximately \$300 to \$400 a year. There are so many factors involved with what will make up the average income. Inflation, of course, is a major factor.

Mr. HANSEN. On what do you base your estimate that the employment opportunities would increase to about 7,500 in 5 years?

Mr. SCHLOSS. I was quoting an official of the Rehabilitation Services Administration who answered that question in the Senate hearings with the figure of 7,500. This official is one who is closely involved at the Federal level in the administration of the program. I was assuming his estimate would be a rather good one.

Mr. HANSEN. But any accurate estimate would have to be based on a fairly accurate estimate of the income that is now being diverted to other places which would be available to the operators of vending services, would it not?

Mr. SCHLOSS. Yes; that would be a factor as far as what would be the gross income in that situation.

Mr. HANSEN. So far we haven't been able to come up with any very solid figures on the amount of income that is being diverted?

Mr. SCHLOSS. That is correct. It is extremely difficult, if not impossible, for us to get that information. It proves to be impossible for the Department of Health, Education, and Welfare to get from the other Federal agencies controlling Federal property which have authorized installation of vending machines by employee groups.

Mr. HANSEN. I can certainly appreciate that but I think at the same time it makes it more difficult to make very accurate predictions on the kind of employment opportunities that may be opened up as a result of the passage of this bill.

Let me ask all of the panelists if you agree with the general proposition that Mr. Whitten stated in response to one of my questions I think at least two of you made this flat assertion in your statement that the failure to pass this legislation or something close to it will result in a substantial reduction in the number of job opportunities for blind people in the next few years.

Mr. SCHLOSS. I have no doubt about that, particularly in Federal buildings where the failure to act upon this legislation at this time would certainly increase the inroads that vending machines operated for the benefit of employee groups would make.

Mr. HANSEN. Does anyone disagree with that statement?

Let me ask a couple further short questions.

I believe Mr. Hoehne said, as I understand it at least, another purpose also being served by providing employment opportunities in these vending stands, is opening the way for employment with private business or otherwise.

To what extent do these stands provide the kind of initial training that may qualify one for employment elsewhere? In other words, to what extent are they useful channels to a wider range of employment opportunities?

Mr. HOEHNE. There are a few operators who undoubtedly have gone into business on a larger scale of their own as a result of the training and the experience they received in the Randolph-Sheppard program. Generally, however, the people who are licensed to operate these vending facilities are specifically trained for this type of operation.

The training they receive is not intended to qualify them for something other than this type of vocation. Obviously it would not equip them to undertake computer programming or something of some other unrelated type requiring an altogether different type of vocational training.

My reference was to the fact that simply by putting qualified blind people in positions where they are conspicuous to the public, people daily see that a blind person can do something useful, that he can work, and that he can perform successfully.

The benefits to which I made reference related to things like a plant manager or company president coming into the post office and getting to know the blind operator of the Randolph-Sheppard facility, as apparently you have done, being favorably impressed, and deciding to give other blind people an opportunity to work in his plant or business firm.

The range of opportunities that a particular employer might be able to offer handicapped workers—that is, the employer's requirements—may be hard to predict. We have former cases now working as technicians, drill press operators, machinists, clerk-typists—practically every type of job imaginable, and many of these jobs trace back to someone simply having had demonstrated to him the fact that a blind person can, and does, in fact succeed in productive employment.

Mr. HANSEN. So more than the development of skill itself a builder of confidence on the part of the blind person and on the part of the public in the capacity of the blind person to perform a useful service.

Mr. HOEHNE. Yes.

Mr. HANSEN. Let me ask one final question and maybe we have the same lack of information on this as we do on the total income from these machines.

I am interested as a matter of just anticipating somewhat the discussion we will have on Thursday. To what extent is the income derived from the vending machines the result of public use and to what extent is the result of the use by employees in that building? Does anyone have any kind of an estimate?

Mr. HOEHNE. No, sir. I have never seen any data on this particular point.

Mr. HANSEN. Is most of it from the public use? Would this be a fair statement?

Mr. McDANIEL. In some locations that would be true, and in some not. I don't think it would make any difference insofar as the propriety of who gets the money is concerned, inasmuch as any customer, whether he is an employee or a member of the public, would still just be a customer and wouldn't have any overriding interest in getting some of his money back out of the machine.

Mr. HANSEN. Thanks to all of you. I appreciate your being here. Thank you, Mr. Chairman.

Mr. BRADEMAS. Thank you very much, gentlemen.

Your answers have been most helpful. I assure you to our understanding of the bill under consideration. I hope that you will allow us and/or members of our staff to be in further touch with you if we need to get your further advice and counsel on this legislation which we realize is of very great importance to blind people all over our country.

Mr. SCHLOSS. Yes.

Mr. BRADEMAS. We are adjourned until 10 o'clock Thursday of this week, when we shall resume hearings on this bill.

(Whereupon, at 11:35 a.m. the subcommittee adjourned, to reconvene at 10 a.m. Thursday, December 3, 1970.)

THE RANDOLPH-SHEPPARD ACT FOR THE BLIND AMENDMENTS OF 1970

TUESDAY, DECEMBER 8, 1970

HOUSE OF REPRESENTATIVES,
SELECT SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:40 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. John Brademas (chairman of the subcommittee) presiding.

Present: Representatives Brademas, Daniels, Bell, and Landgrebe.

Staff members present: Jack Duncan, counsel and Marty LaVor, minority legislative coordinator.

Mr. BRADEMAS. The subcommittee will come to order for the purpose of further consideration of the bill, S. 2461, the Randolph-Sheppard Act for the Blind Amendments of 1970.

The subcommittee is very pleased to be able to welcome to this committee the distinguished originator of this significant legislation, a man who served with great distinction in the House of Representatives for many years and has, as well, served and is serving with similar distinction in the U.S. Senate, and we are very pleased to welcome to our subcommittee today Senator Jennings Randolph of West Virginia.

Senator Randolph, pleased to have you here, sir.

STATEMENT OF HON. JENNINGS RANDOLPH, A U.S. SENATOR FROM THE STATE OF WEST VIRGINIA, ACCOMPANIED BY PHILIP McGANCE AND GEORGE LAWLESS, SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Senator RANDOLPH. Mr. Chairman, with your permission, I should like to have accompany me, for purposes, perhaps, of reference during my presentation, my legislative assistant, Philip McGance, and George Lawless, of the Labor and Public Welfare Committee.

Mr. BRADEMAS. We are very pleased to have them, Senator.

Please proceed as you wish.

Senator RANDOLPH. You have my appreciation, Chairman Brademas and members of the Select Subcommittee on Education, for providing me the privilege of appearing to testify in behalf of Senate 2461, which you have thoughtfully referred to as the amendments to the Randolph-Sheppard Act. I am gratified, as I know you are encouraged, that the basic legislation was enacted into law.

I had the responsibility to serve in the House of Representatives, a body I revere very, very much, and at that time, 34 years ago, this significant and I think worthwhile legislation became law.

The purpose of the act was to provide, and it was very important that we provide, then as now, job opportunities for the blind. I repeat: It was important then; perhaps it is even more important now. And this is the overriding purpose for my being present today, in the advocacy of the legislation which is pending before your subcommittee.

The act, however, has not done the job of expanding opportunities for the blind as fully as the Congress in the earlier period had intended. We do recall, however, that in 1954, it became necessary to restate the emphasis on job preference for the blind at the Federal installations because administrative caprice—and I have used the word that I think perhaps would be best used—had threatened the existence of the blind vending stand program.

I turn aside without carping criticism to say, Mr. Chairman, that in your experience, you have often found the intent of the Congress not being carried out by the department or the agency administering a certain law. This is understandable, in degree. That is the reason increasingly today that the Congress comes—the Senate and the House—and looks over the shoulder, as it were, of the department or agency, to determine whether the intent of the Congress is being followed.

I am very frank to say with emphasis that the threat which we knew existed in that period, and which we corrected in 1954, remains today—perhaps not in exactly the same levels. And it is the reason that we have offered in this present proposal the need for the amendments.

Introduction, as you know, Mr. Chairman, of the automatic vending machines over the past 20 years has created a destructive competitive force for the blind businessman or businesswoman. Some agencies arbitrarily choose the machine over the man. So the realistic purpose of the effort has been eroded by this administrative decision or decisions we believe not authorized by the original or amended law.

In addition to enabling thousands of blind citizens to earn their own livelihood, this program has served to demonstrate to the public that severely disabled individuals are essentially normal people who are capable of running a business which involves meeting the public and, of course, serving the public, in an efficient and effective manner.

The best evidence of this fact is that two of every three vending stands—which we propose under these amendments to call “facilities” rather than “stands”—these stands operating today are located, Mr. Chairman, on private property, or at Government locations other than Federal.

I think this is very important to take into consideration—that that was the program envisaged at the beginning, the Federal buildings, and then the program, of course, has spread, because of the value of such a program.

I shall speak to the key provisions of S. 2461. That is, perhaps, a word that might even be changed to another word, without losing the validity of our argument. We call it the exclusive assignment of vending machine income to the program of the vending facilities effort.

I recall that our hearings last June, when we had a Senate Special Subcommittee on Handicapped Workers, that we heard, as you have been told a few days ago by knowledgeable witnesses who represent the blind, that the present workforce of almost 3,400 blind vendor-operators could be nearly doubled over the next few years if this program is expanded to its full potential.

I turn aside at that point to say that I believe, Mr. Chairman, that perhaps the latest figures indicate that in the public assistance area, that we have at the present time, with more blind, of course, forming our population in this country, that there has been—and I think this is very important for a hearing such as you are conducting to note—that the only decreasing category in all our welfare rolls has occurred in the programs for the blind. In 1959, it was a hundred thousand on the welfare rolls. Today, Mr. Chairman, the figure is something like 80,000. This has been done only because of the rehabilitation programs for the blind. And this, we feel, has been an important segment of that program, which, as I say, has not reached, I repeat, its full potential.

Well, now, the goal of 7,000 or 7,500 vendors and those who assist them is impossible if the present situation within the Federal Government structure is permitted to continue. A number of agencies that control Federal properties have allowed local welfare and recreation associations of Federal employees to install vending machines in the Federal buildings. These machines cut directly into the income of vending stands operated under the provisions of the act which we are seeking to amend here in both the Senate and the House and place it upon the desk of the President of the United States, hopefully—and I put all of those letters in capitals: Hopefully—before this Congress goes home before Christmas.

Mr. Chairman, I don't just appeal to you; if I may, I would like to, in the proper context, challenge you and the members of the select subcommittee, you and Mr. Daniels, and others, to do this job, because I think that it is highly important.

Well, the profits from these vending machines are being used, as you would know from a study of the problem, for a variety of employee activities. There are the picnics and parties—and nothing wrong with picnics and parties. There are bowling tournaments, and functions for groups—nothing wrong with those.

Income is also being used for so-called welfare activities, such as flowers and get-well gifts for members who are ill. Certainly there is nothing wrong with that.

The problem is: Where does the money come from? And has it been taken from a group which the original legislation and the continuing legislation believes should have this aid.

So I think this has an alleged effect of raising morale and esprit de corps among members of these employee organizations. I say, "an alleged effect."

Now let us look at the other side—the effect of these practices on blind vendors. That is something that is very different. If the employee morale is raised, the income of the blind entrepreneur is reduced, depriving him and the other thousands of the resources to feed and to house and to clothe and to educate their families, in, of course, a period now of crushing inflation. Times change, of course, but I make that statement today because of the difficulty under which the people proceed to make ends meet.

I ask this question, Mr. Chairman: Where is the justice and humanity in what I call practices and policy—I weigh my words—which we believe to be wrong? You have heard that the Comptroller General of the United States has ruled on two occasions that there is no statutory authority for Federal employee recreation and welfare clubs to receive any money from vending machines on Federal property.

Yet despite these rulings of the Comptroller General, some agencies have not condoned, they have actually encouraged, such practices.

In its regulations to implement the act, the General Services Administration has developed what we believe to be at least a reasonable formula for allocating some of the vending machine income to employee clubs and some to blind stand operators and their State agencies.

Post Office Department regulations allow the vending machine income to be allocated to blind stand operators, to the extent that it will bring their income up to the GS-5 level.

Now, these arbitrary policies, either General Services or Post Office, have no authority in law, although there are some points of validity, certainly, in the first, over the second. Both regulations, in fact, are questionable, on a legal basis, in view of the provisions of the act and the rulings of the Comptroller General, who said that the profits from vending machines on Federal property should be paid into the Treasury of the United States in the absence of any statutory authority.

Now we come to the question that I know has troubled you, Mr. Chairman, I am sure, has concerned the members of your subcommittee, and that is: What is the sum of money that we are talking about here today?

There are no hard figures available from the Administration. Our committee made a repeated effort. We attempted to secure exact accounting of the income. The difficulty lies in the fact—and I must weigh my words—that there is no fiscal responsibility of these funds.

I suggest that you can help clear this polluted area when representatives of employee groups come before you.

In a recent newspaper article, a Federal employee group representative was quoted—and I say quoted—as saying that exclusive assignment of vending machine income to expanding job opportunities for blind workers would somehow adversely affect the morale and esprit de corps of all the Federal workers.

Now, I do not believe that statement, if he made it. I believe that the best way of insuring high morale of workers is to provide them with adequate compensation for their work. And that is what I have been trying to do through the years, and the others, who are members especially of the Post Office and Civil Service Committee, as our committee is designated in the Senate.

I served here in the House on what was then the Civil Service Committee, before the Reorganization Act, and in 1946, served as chairman of the House Civil Service Committee, and now, during more than 12 years in the Senate, I have served on the Post Office and Civil Service Committee and am chairman of the Subcommittee on Civil Service. My efforts and the efforts of the Members of the Congress, I think, especially those on the committees charged with the jurisdiction in both bodies, our purpose is to work for adequate compensation, conditions under which Federal employees carry forward their duties.

I think that is the responsibility of the Congress, and so I want to continue in that effort, to work for adequate compensation. As a member of our committee in the Senate on Post Office and Civil Service, I reemphasize that I feel that our efforts on behalf of rewarding Federal employees for their work has, although not a perfectly accomplished work, been reasonably well done.

Chairman Brademas, at this time, I am going to digress for a moment to mention a situation which does not specifically pertain to the legislation under consideration but which could have a profound effect on the Randolph-Sheppard vendors, on the future of the administration of the act.

I thus far in my testimony, which I shall keep brief, have implied criticism of the executive branch of the Government, in its administration of the act. It is fair, however, and I want to be fair in the matter, to recognize that the Congress of the United States, with over 12,000 employees and Members, does not, Mr. Brademas, have one blind vending stand on its premises.

I have tried to correct that. I have tried repeatedly to correct that, with the Rules Committee in the Senate. It is my genuine hope that we will soon be able to effectuate the measures to correct this inequity. It is wrong for us to talk about just the agencies, so-called, downtown, and not in the Congress of the United States, with the number of employees that are working on the Hill, carry out the provisions of the act.

It has been a discouraging effort, but I hope that I may have the privilege of joining you and others who may feel the special need to move forward in this, I think, unhappy situation.

Now, gentlemen, I emphasize that S. 2461, is cosponsored by a majority of the Senators of both parties. I am joined—I wanted to make sure of the number as of today—I am joined by 51 Senators of both parties in the sponsorship of this legislation.

The measure you are considering includes a number of urgently needed improvements in the program, and the vending machine is only one of these problems. I set it off, perhaps, because of the way I feel about it this morning, rather than discuss the other provisions, in which I think there is rather general agreement—I hope so.

If enacted, this bill will expand employment opportunities for thousands of additional blind persons, and they will become self-supporting, taxpaying citizens, a part of our productive society. And that is exactly what they want to do. And that is exactly what they have proven they can do.

I urge you, the members of this subcommittee, to give these thousands of severely handicapped persons the opportunity to demonstrate their worth.

I pause for a moment to say something about severely handicapped. I ask you if you were to be handicapped today physically, if you would want your eyesight to be taken from you. If each person asks himself that question, in the category of the handicaps that could come, I believe that you would say that that perhaps is the last of the handicaps that you would want to, in a measure, cause your life to be less than the life that could be led by even other handicaps that might possess you.

I think when I speak of the severely handicapped, the persons who are blind are truly in that classification, and we need, gentlemen,

to give them every assistance that we can. Not a handout; they have never desired that, sir. They want only the opportunity for helping hands from the Government, to make it possible for their hands, and their heads, and their hearts to be joined together in productivity in our society.

So the blind men and women of our country, and the newly blinded of the Vietnamese conflict, the recent medical mistakes among our young people, who will enter the job market in the next few years, all these people look hopefully for a better tomorrow. We, in the Congress, are rightly concerned, I believe, that we help that tomorrow become a reality, that it come soon.

Mr. Chairman, to you and your colleagues, I think that the passage of S. 2461 before this Congress goes home, could be a major step toward that goal. I am very grateful for your patience in listening to me this morning.

Mr. BRADEMAS. Thank you very much, Senator Randolph. This has been a most valuable beginning to our hearings this morning, and there is, of course, no one who can speak with greater authority to the operation of this entire program and to any proposals for changing or modifying it than the distinguished Senator from West Virginia.

I would like to put just two or three questions to you, Senator.

Senator RANDOLPH. Yes, sir.

Mr. BRADEMAS. You used the phrase at the outset of your statement "administrative caprice" to describe what I took you to be suggesting was, in effect, a violation of the intent of Congress in that a number of employee organizations have been receiving income from the vending machines located in Federal buildings. Is that a fair representation of what you were suggesting?

Senator RANDOLPH. Yes, it is a fair representation. I used the word "caprice" because I didn't want to use the words "subvert the intent of the Congress" or any other words, except I did say that I felt there were wrongful practices.

Mr. BRADEMAS. Well, now, you sit, and have, on the Committee on Post Office and Civil Service, and our distinguished colleague, the former chairman of this subcommittee, Mr. Daniels, is at present also a chairman of a Subcommittee of the House Post Office and Civil Service Committee, and both of you are far more familiar with these matters than am I, but under what legislative authority has it proved possible for these arrangements to be made whereby Federal employee associations have received income from vending machines in Federal buildings? How has it been possible to make these arrangements?

Senator RANDOLPH. Well, the Comptroller General says that it should not be a practice. He has so stated. We would like to place that in the record. First of all, that is an interpretation.

Mr. DANIELS. Mr. Chairman, would you yield at that point?

Mr. BRADEMAS. Yes, of course.

Mr. DANIELS. Senator, during the course of your testimony—I am sorry I wasn't here to listen to all of it as I was delayed slightly and did not have the benefit of all of your testimony—but I was present when you stated that the Comptroller General stated on two occasions that there was no statutory authority for the postal employees welfare committees operating these vending machines in post offices. Can you cite to us those decisions?

Senator RANDOLPH. Yes; we have them.

Mr. DANIELS. Would you be kind enough to supply those decisions for our record?

Senator RANDOLPH. Yes, indeed, Representative Daniels.

We will place in the record, as per your request, these citations. They were both in 1952. That was when they were given.

Mr. BRADEMAs. That will be very helpful.

(The documents referred to follow:)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, December 10, 1952.

The Honorable the POSTMASTER GENERAL.

MY DEAR MR. POSTMASTER GENERAL: Reference is made to your letter of November 17, 1952, with enclosure, in which you refer to Office decision of August 29, 1952, B-111086, 32 Comp. Gen.¹²⁴, to the Attorney General, relative to the disposition of proceeds derived from the installation and operation of vending machines on Government-owned or controlled property, and request a decision on three questions hereinafter set forth.

You cite the act of June 20, 1936, 49 Stat. 1559, often referred to as the Sheppard-Randolph Act, which authorizes blind persons to operate vending stands in Federal buildings, and state that, in accordance therewith, blind persons operate stands in the lobbies of Government-owned post office buildings under our administration, but that sales thereat have been limited to goods of a "dry" nature under the provisions of section 2(a)(4) thereof. It is stated further that, recently, the Department approved the installation of soft drink vending machines in both Government-owned and leased premises on an experimental basis; that, in the case of those properties where a blind-operated stand has been functioning, the postmaster has been instructed to determine the location of such machines and to have the operation and servicing thereof under the direction of the operator of the stand, the profits accruing to that person subject to the regulations of the State Licensing Agency designated by the Office of Vocational Rehabilitation to supervise the operation of such stands; and that, where there is no stand operated by a blind person, postal employees, as a group or through a representative committee, have been permitted, subject to the approval of the postmaster, to handle arrangements for installing and servicing the vending machines, with profits, if any, to be used for general welfare activities and not to accrue to any individual.

It is explained in the letter enclosing a copy of letter from the Secretary of the United National Association of Post Office Clerks that postal employee groups of the Philadelphia, Pennsylvania, Post Office, with approval of the Department, entered into a contract with Muzak Company for the installation of piped-in music to the said Post Office, and that, in addition to a partial payment of approximately \$3500, a balance of over \$9,000 and monthly operating charges remain to be paid from the proceeds to be derived from the machines. It is also indicated to be your understanding that employee groups at other post offices have entered into contracts for the purchase of vending machines, which contracts contemplate payment therefor on an installment basis from the profits to be derived from the operation thereof.

In view of the above, you request decision as follows:

"1. In the event permission is granted to a blind person to operate a vending stand in a building under the administration of the Post Office Department in accordance with the provisions of the Sheppard-Randolph Act, may the proceeds accrue to the operator of the stand—

(a) If the vending machine is immediately adjacent to the vending stand

(b) If the vending machine is located in some other portion of the building

"2. If there is no stand in the building operated under the provisions of the Sheppard-Randolph Act, may the profits of vending machines in the building be used for general welfare activities of the employees, or must they be deposited into the Treasury as Miscellaneous Receipts?

"3. If your answer to question number two (2) is to the effect that said profits must be deposited in the Treasury of the United States, may such action be held in abeyance pending the liquidation of contractual obligations entered into by postal personnel on the assumption that those profits could be used for such purpose?"

Section 1 of the act of June 20, 1936, *supra* provides: "That for the purpose of providing blind persons with remunerative employment, enlarging the economic

opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting blind persons licensed under the provisions of this Act shall be authorized to operate vending stands in any Federal building where, in the discretion of the head of the department or agency in charge of the maintenance of the building, such vending stands may be properly and satisfactorily operated by blind persons."

In view of such language and of the nature and purpose of the statute, if it be administratively determined desirable for blind persons to operate vending machines as a part of, or in conjunction with the operation of, a vending stand, it would appear immaterial whether the vending machines are situated adjacent to a vending stand or located in some other part of the building. Accordingly, parts (a) and (b) of question 1 are answered in the affirmative.

With respect to your second question, it was stated in the referred-to decision of August 29, 1952, that funds derived by the Government from the installation and operation of vending machines on Government-owned or controlled property are funds received "for the use of the United States" within the meaning of that phrase as used in section 3617, Revised Statutes, 31 U.S.C. 484, and, as such, are required to be deposited into the Treasury of the United States as miscellaneous receipts, in the absence of express statutory authority to the contrary. It was therein concluded that the funds so received by the Federal Bureau of Investigation from the installation of vending machines are required to be so deposited.

However, in the matter under consideration it appears that contractual arrangements for the installment purchase, installation, and operation of vending machines at various post offices were made by postal employee groups with administrative approval, and with the understanding that any proceeds received by the employee groups from the operation of the machines could be retained by them. While the legal authority of the administrative officials to have agreed to such an arrangement is doubtful, it has been concluded that this Office will interpose no objection to the continued use of proceeds derived by employee groups from the operation of such machines for employee general welfare activities pending further action in the matter by the Congress in the form of clarifying legislation as recommended in the report of this Office to the Congress of August 10, 1949, B-45101.

In view of the answer to question 2, answer with respect to the third question appears unnecessary.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, August 29, 1952.

The Honorable the ATTORNEY GENERAL.

MY DEAR MR. ATTORNEY GENERAL: Reference is made to your letter of July 28, 1952, relative to the disposition of funds received by the Federal Bureau of Investigation in connection with the installation of vending machines in certain of its divisional offices located throughout the United States and its possessions.

Your letter states that vending machines dispensing such items as cigarettes, coca colas, and candy have been installed in certain offices of the Federal Bureau of Investigation occupying Government-owned space and private property leased to the Government, and that the remuneration received from the operation thereof is deposited by the particular office in its recreation fund for the purpose of sponsoring employee activities in athletics, and in providing flowers, fruits, and gifts for employees on extended sick leave. However, in the light of the report of this Office to the Congress of August 10, 1949, B-45101, you request to be advised whether the funds derived from the installation and operation of the vending machines may continue to be so utilized by the said offices, or whether such funds should be deposited into the Treasury as miscellaneous receipts.

The cited report of August 10, 1949, requested the attention of the Congress to the improper diversion of a wide variety of substantial sums of money, including receipts derived from the installation and operation of automatic coin-operated vending machines, coming into the hands of officers and employees of the United States by reason of the operation of various official and quasi-official income-producing activities in the several departments and establishments of the Government. At page 5 of the said report it was stated:

"The first question which has engaged the attention of the General Accounting Office concerns the authority to withhold from the Treasury revenues, donations

and contributions, accruing from activities carried on in connection with the transaction of the regular business of the Government. It seems to me to be self-evident that these funds—arising as they do from the transaction of the business of the Government and used, according to administrative officers, as adjuncts thereto—necessarily are impressed with the character of funds received for the use of the United States. Under existing law funds received for use of the United States generally are required to be deposited in the Treasury, to be disbursed therefrom only in accordance with authority granted by the Congress. I find no express or clearly implied exception by the Congress in respect of the questionable matters brought to light in this report. Accordingly, the practice of diverting the funds from the Treasury to various 'welfare' and other purposes not affirmatively prescribed by the Congress would appear to be of doubtful legal propriety at best."

Elsewhere in the said report there was pointed out and discussed the practical and legal issues involved in the application of statutes requiring the deposit of such funds into the Treasury of the United States, and the use of public property and funds in connection therewith, and, in that regard, there was recognized the place and desirability of employee welfare and related activities in the Government service. The Congress, accordingly, was urged to enact clarifying legislation which would resolve such issues, and rectify existing unsatisfactory conditions with respect to the accounting for, disposition, and use of the funds involved. In that connection, H.R. 6325, 81st Congress, 1st Session, entitled "A BILL To provide for the establishment, operation, and financial control of income-producing activities in the Government, not otherwise specifically provided for by law, and for other purposes," was introduced and referred to the Committee on Expenditures in the Executive Departments. The bill was not reported out by the Committee.

One of the statutes cited in the report of August 10, 1949, is section 3167, Revised Statutes, 31 U.S.C. 484, which provides as follows:

"The gross amount of all moneys received from whatever source for the use of the United States, except as otherwise provided in section 487 of this title, shall be paid by the officer or agent receiving the same into the Treasury, at as early a day as practicable, without any abatement or deduction on account of salary, fees, costs, charges, expenses, or claim of any description whatever. But nothing herein shall affect any provision relating to the revenues of the Post Office Department."

It has been the consistent view of the General Accounting Office that funds derived from the installation and operation of vending machines, on Government-owned or controlled property, are funds received "for the use of the United States" within the meaning of that phrase as used in the provision of law quoted above and, as such, are required to be deposited into the Treasury of the United States as miscellaneous receipts, in the absence of express statutory authority to the contrary. No express provision of law to the contrary with respect to the receipts here involved has been found.

Accordingly, I have no alternative but to advise that the funds so received by the Federal Bureau of Investigation from the installation of vending machines are required to be deposited into the Treasury of the United States as miscellaneous receipts under the provisions of section 3617, Revised Statutes, *supra*.

Sincerely yours,

LINDSAY C. WARREN, *Comptroller General*.

Mr. BRADEMAS. Mr. Daniels has another question, I believe.

Senator RANDOLPH. Yes.

Mr. DANIELS. You further stated that both the General Services Administration and the Post Office Department are not vested with any statutory authority to permit postal employees to receive the income from vending machines in the Post Office facilities. Is that a correct statement?

Senator RANDOLPH. That is correct.

Mr. DANIELS. However, hasn't the practice of postal employees receiving income from these machines been going on for 20 or 25 years? I am leading up to the question the chairman brought up.

Senator RANDOLPH. I would think that the number of years you have indicated, Representative Daniels, is a correct record.

Mr. DANIELS. Now, I have been furnished with a statement of one of the witnesses who will testify, and that statement indicates that very extensive and detailed regulations have been issued by the Postmaster General, which appear in the Postal Manual, with regard to the manner in which post office welfare committees shall handle these funds. That will come out later on this morning in the testimony.

I was wondering, Senator, if you were aware of that.

Senator RANDOLPH. I respectfully suggest, Representative Daniels, that even though regulations and guidelines have been established, even within the two agencies that I have mentioned, that could not vitiate the law itself. And I think I would stand on this and attempt to make an issue on it if it were desired that it be done.

I hope you will remember what a difficult time we had to pass this legislation originally. If you had sat there, as you sit today, and had heard the Post Office Department command oppose the legislation—I remember those days, and I have to go back to them somewhat, as I think of this situation. But the words “exclusive assignment” need not actually appear in an amendment, if the intent of the Congress in the original legislation had, as I believe, been carried out by administrators.

As you know, the present law, Mr. Chairman and members of the subcommittee, says: “Preference shall be given as far as feasible to blind persons.” It is clear, from the testimony that I have followed, that such preference is not being given. That is the basic thrust of what I am saying.

In other words, I think the law has been ignored. I think we need an accounting of the moneys that are involved. I think the executive department should bring these facts to us.

The real effect of the “exclusive,” if this word were to be used, is to nail down—a trite expression—this question of preference for the blind—“preference shall be given to the blind.” And failure to include the “exclusive” reference of these revenues from vending machines—these were not contemplated, of course, these machines, when the original legislation was written—would, in effect, give a blessing, I think a legal blessing, to what is, to me, the illegal assumption that the act doesn’t really mean what the Congress intended and what we said.

So I think this is an administrative erosion of a legislative intent. This is my feeling. I am sure that there are those that are going to testify otherwise.

Mr. BRADEMAS. Would it be fair, Senator, to say—I confess that this legislation in its details is new to me; of course, I have been familiar with the existence of the program, but, therefore, if some of my questions don’t seem on target, I am sure you will forgive me.

Senator RANDOLPH. Well, they will all be pertinent, I assure you.

Mr. BRADEMAS. But is it fair to say that the moneys, the revenues from vending machines in Federal buildings could be used in one of at least four ways: They could go to blind operators of machines; they could go to Federal employee organizations for welfare and similar purposes; they could go directly into the Federal Treasury; or they could go to the facility itself; for example, a cafeteria, and count on the black-ink side of that particular institution, such as a cafeteria.

And, now, there may be some fifth purpose to which they conceivably could be put, but those seem to me to be four purposes for

which the revenues could be used and there is a reasonable case to be made for each of them.

And I take it that the problem here—and I have made very clear that I have not committed myself one way or the other on this legislation, because I am trying to get educated on it—but that the representatives of the blind are anxious that they should get any expanded revenues, representatives of employee organizations are apprehensive that they lose what they have been getting, managers of some of the Federal facilities may wish to use those revenues to reduce the cost to employees who carry on activities, such as eating at cafeterias, and the GSA may wish to see the moneys go into the Treasury. I don't know if I have accurately assessed the posture, but those are all reasonable positions that might be taken.

Senator RANDOLPH. I agree with you, sir.

Mr. BRADEMAs. And there is something to be said for each of those points of view, so what we are trying to do is come up with something equitable here, and one of the problems that I have had—on which, in all candor, I have not yet had a satisfactory answer from anyone—is: How much money are we talking about?

Now, there must be some real money involved here, because I haven't seen people get so excited about something of this sort. I was told, when we got into these hearings, this is a very noncontroversial bill, and then the bombs start going off. And I am enough of a politician to appreciate that there must be some serious money involved.

Senator RANDOLPH. Well, now, we tried as late—

Mr. BRADEMAs. What is the money involved?

Senator RANDOLPH. We tried as late as last night, again, to find—

Mr. BELL. Excuse me. Is this from nonblind or from blind?

Mr. BRADEMAs. What I am trying to get at, the question I am trying to get at, Mr. Bell is—

Senator RANDOLPH. It is nonblind, sir.

Mr. BRADEMAs. How much money is being produced, how much revenue is being produced by vending machines operated in Federal buildings in this country, with respect to which revenues, as I understand the purpose of Senator Randolph's bill, it is proposed—

Senator RANDOLPH. One of the purposes.

Mr. BRADEMAs (continuing). As one of the purposes, that the blind should be given exclusive right. Is that correct?

Senator RANDOLPH. Yes, although I do not hold to the word "exclusive"—and I have explained that—because of the earlier legislation and the language which was used. But, in essence, that is the thrust of what we are saying. We believe it is being eroded. There is a deterioration of the program.

Mr. BELL. Getting to the chairman's question, how much money is involved?

Senator RANDOLPH. Yes, and we continue to try to find that answer. And we attempted even late last night, because we can't seem to determine how much money is actually going into the employee recreation and welfare operations. Now, there may be the organizations who will give you this information.

You will recall, in my statement, that I said there is no accounting in these funds.

Now, Mr. Chairman, if I made an incorrect statement, I would want to withdraw that statement—if there is a reason for me to with-

draw it. But I know of no accounting for these funds. We do know that in the year—that is, the fiscal year 1969, Mr. Bell, approximately \$2.4 million of such funds were devoted to the operations of the Randolph-Sheppard program. So, you see, we are dealing in some large figures, aren't we?

If all agencies, Mr. Chairman, controlling these Federal properties apportioned the vending stand income on an equal basis, as has been suggested, then it would be a simple matter, perhaps, of multiplication, but there are relatively few of the vending facilities—less, I believe, than 1,000, in comparison to the thousands and thousands of the vending machines that are in operation.

And I want to pursue this question of the employee funds as you want to pursue it. I want to be very careful, and I want to be very exact in what I say, and if something develops that would cause me, as I have indicated, to revise my statements, I would want to do so.

You, Mr. Chairman, have mentioned the cafeteria problem. That is a moot question, to a degree, because blind persons are now operating quick food service counters on the cafeteria-type vending stands—that is, in some States—under the act. In the District of Columbia, I would like to point out that blind persons are being trained not only to operate effectively and efficiently the convenient food centers but to also service the vending machines in those centers. And I think that this shows that there is an opportunity for the blind in the servicing industry, as it were, of these machines.

I don't mean to imply that State licensing agencies should be bidding in competition with private contractors for the established cafeteria operations. But it does mean that contractors must not be permitted to offer vending machine facilities selling products such as candies, soft drinks, and other items which are in direct competition—on this point we are very certain—direct competition with the blind stand vending operator who sells these articles. So there is a moving in on this market unless those revenues are to go to the blind program, that accrue from the machines.

Mr. BRADEMAS. I appreciate very much what the Senator has said. I am troubled by the statement that he has made on more than one occasion this morning that there is, in effect—I believe I do not misrepresent him when I say he has suggested that there seems to be no system of fiscal accountability for these funds.

Senator RANDOLPH. That is correct. I have said that, and if I am incorrect, I would want to correct that later. But in our efforts to find it, we have been unable, Mr. Chairman, to determine it.

Just a moment. Is this right?

I have had these two gentlemen working on it for a long period of time.

Mr. BRADEMAS. Mr. Daniels.

Senator RANDOLPH. Yes, Mr. Daniels.

Mr. DANIELS. Senator, I indeed welcome you here this morning, and I want to congratulate you on a very excellent statement. I know of your interest in this work, and I would like you to know that I wholeheartedly support the statements that you have made with regard to aiding and assisting the blind, promoting legislation in behalf of their welfare, and in trying to assist these people in being self-sustaining and taxpayers instead of taxeaters.

For more than 30 years, I have also been interested in legislation for the blind.

Senator RANDOLPH. Yes.

Mr. DANIELS. I am a member of the Lions Club, have been past president of my local chapter, and our local chapter's primary charity is aid and assistance to the blind. And again, I concur with your expression that the most serious handicap that any individual might suffer is to lose his sight, particularly if one has had the benefit of sight in his lifetime, and then to suddenly or gradually lose his sight in later years certainly imposes a more drastic hardship upon an individual than one who really never had the opportunity to see.

I do support you in your endeavors along this line. I want to compliment you and Senator Sheppard for originally sponsoring legislation of this kind. It is very, very admirable.

However, in reading the statements of some of the witnesses who will appear—I might be wrong on this, and if I am, please correct me—I thought the original intent of the law was to enable blind persons to become self-supporting by operating a snack bar, or a vending machine, in the common areaways of Federal buildings. And in some States it is permitted in State-operated buildings.

Is that a correct statement?

Senator RANDOLPH. Well, it is certainly correct that you seek a site for the stand, or, as we would hope now under the amended act, the facility. We think that is more inclusive of what is being done. But as to having it in what we call—did you say open way? Corridor?

Mr. DANIELS. The common passageways.

Senator RANDOLPH. Well, it is where people, certainly, are—

Mr. DANIELS. Taking the lobby of a post office as an example, people come in to purchase stamps, and vending machines operated by the blind are there. Maybe there might be a public snack bar, a cigar stand, cigarette stand, and places of that type.

What I am trying to ascertain is if the intent of Congress when this legislation was originally enacted that the blind shall operate all of those facilities, and receive the income from these machines, from those machines located in public passageways, as distinguished from inside facilities, where the clerks sort the mail. That is a private part of the post office. In other words, it is nonpublic.

You see, as I understand it, there are vending machines not only in the lobby, in the hallways, but also on the interior of the places of employment which are exclusively occupied by the employees of the Post Office Department.

Now, under this legislation are we going to permit blind persons to go to those parts of the building which have in the past been exclusively occupied by the employees of the Post Office Department?

Senator RANDOLPH. Well, Representative Daniels, you raise a very good point, and I want to reply in this way: The legislation, although its intent was, at the beginning, and continues to be, to serve those persons who come, of course, on business in a public building, that the original intent also was to serve the Federal employees who are at labor in the public building.

There was no differentiation between the Federal employee and the person coming into that building for Post Office or other services. The Federal employees were to utilize, as they have, the vending stands, operated by the blind.

So I am unable to agree, and I am not sure you are asking me to agree, but you are asking me what the original intent was. I don't

think we set aside the utilization of these stands by the public as against the Federal employees. They were to use these stands—the public and those who were on the rolls as Government workers.

Mr. DANIELS. Well, perhaps later on in years, after these stands were established in the public corridors, a departure was made from that practice by certain Federal authorities authorizing the installation of these machines on the nonprivate sector of these public buildings, and as a result of which these welfare organizations moved in and made arrangements and agreements to receive the income from those machines from the nonprofit sector.

Now that practice has grown up—I know it has—and in certain public buildings, they even operate cafeterias from which they receive not a profit, but the income from these machines are used to defray the expenses, so that food will be less costly. I am sure you are aware of that.

Senator RANDOLPH. Well, I realize the vending machine has come in, and that this has changed, perhaps, the concept part of the activity of the vendor. But I return to my original premise—that the income from that machine should be a part of the program of the assistance to the blind, and the profits from the machine should go to the blind.

Mr. DANIELS. Regardless of where they are located in the public buildings?

Senator RANDOLPH. I want to—I might give you a different answer in an hour. I want to study that. But I think there is no differentiation in the intent and the original legislation, which would set off any area, work area or an area where people came to be serviced, one from the other.

Mr. DANIELS. Also, will you give some thought to this point: Today, with the modernization of the Post Office, they are installing heavy equipment, and some of that equipment is very bulky, and some of the facilities being built today are extremely large. Would you deem it advisable for a blind person to operate machines in an area of that nature, where there is a strong possibility of their becoming injured, in view of the fact that they are sightless?

Senator RANDOLPH. No, I would not want any person who is blind to do a job for which he was not trained, and which he could not adequately carry forward.

Mr. DANIELS. I have no further questions.

Senator RANDOLPH. I thank you, Mr. Daniels.

Mr. DANIELS. Thank you.

Senator RANDOLPH. These are very helpful, and they are very provocative questions, because we have had a transition period here.

Mr. BRADEMAs. I just have the impression, the more I get into this subject, if I may remark before yielding to the gentleman from California, that Congress has really not looked at this program very carefully for a long time. The world has changed technologically, in that we have a lot more vending machines around now, and much more revenues are being generated by them than I am sure was anticipated when the law was written.

Senator RANDOLPH. Well, frankly, I never thought of the vending machine at the time of the original act which I drafted.

Mr. BRADEMAs. And I confess my internal radar is getting an awful lot of blips on its screen, the more I hear about this operation.

And I look forward with rather more enthusiasm toward getting into this than I did at the outset.

Senator RANDOLPH. Well, that is encouraging and I am grateful.

Mr. BRADEMAS. Mr. Bell.

Mr. BELL. Senator Randolph.

Senator RANDOLPH. Yes, sir.

Mr. BELL. I also want to welcome you before this subcommittee, and compliment you for making available to us your great fund of detailed knowledge on this subject, because I know you have a very busy schedule.

Because you don't know how much money comes in these vending machines, how do you project the number of new jobs that will become available to blind people?

Senator RANDOLPH. Well, it is only a projection, as I am very frank to say. I could say more than I have at that point. Mr. Lawless calls my attention to the fact that there would be the new and renovated areas, which would be available to the blind. I said, Representative Bell, when you were not in the room at that time, that although I have been critical in a degree of the agencies of Government, I had to be most critical of the Congress of the United States with 12,000 people here in the Congress, we have not a single vending machine operated by a blind person.

I have tried so very, very diligently to do something about this. Every effort that I have made has been unsuccessful. It is a sad situation, when a Congress would, you know, bring into being such a law, and then fail to implement it within its own house.

And so there are these opportunities, and very broad opportunities, which I hope we can develop, through various efforts. I personally believe that we could have well over 6,000. There are those that believe 7,000, 7,500. We now have 3,400, Mr. Bell, approximately, gainfully employed.

Mr. BELL. And you could go as high as 7,000?

Senator RANDOLPH. I think that that figure would be correct, from the various programs.

Mr. BELL. Senator, what would happen to the money that would be collected? What would that money be used for—to set up new stands, or to go into programs to help underpaid operators, or where would that money be used?

Senator RANDOLPH. Well, the operators themselves, of course, they are the persons that make certain sums of money from the operation of their stands, during the year. I think that we ought to place in the record, if it has not been placed in the record—and it may have—I think we ought to bring the most recent figures of the average salary, State by State.

Mr. BELL. Yes.

Senator RANDOLPH. Also, we ought to place in the record the number of installations, the vending stands, in the States, and bring to you current information from the Service for the Blind.

Mr. BELL. I assume it would create some new job slots; would it not?

Senator RANDOLPH. Yes; I am certain of that, and of course, we advance the money, the licensing programs, to the State agencies, which is very important.

Mr. BELL. That is all, Mr. Chairman.

Mr. BRADEMAS. Mr. Landgrebe?

Senator RANDOLPH. I thank you very much, Representative Bell. I go back a moment, in the absence of Representative Daniels, to only comment, as he expressed his interest in the blind, to say that I believe that factually this program, Representative Bell, has helped to bring other programs into being. It has stimulated the blind. They in a sense, and I use the word advisedly, see what others are doing, and so they do jobs in so many, many facets of our life that they would have never thought of doing before.

I had the pleasure in Pennsylvania, on Friday night, of addressing the Greater Pittsburgh Guild for the Blind, and then earlier in the evening, going to the very usable building where the blind programs are being taught, and where training is moving forward; and to see those programs unfold, helping a blind person to really be productive, to make articles and present himself, as a member of the sales force of America, as well as to groom himself properly, is a wonderful experience, as I have had at so many places, and I think I am not going back over the programs that have helped the blind throughout the country.

I am very glad that Leonard Robinson is sitting in the audience today. He is the blind attorney, from Cleveland, originally, who brought this idea to me. It failed with introduction on many occasions, by many legislators, in the House and Senate, and I will not go back over that, except to say that when the law came into being, Representative Bell, there was a new day that dawned. And it has been the instrumentality by which thousands and thousands of blind persons have become self-supporting, and are not subject to payments from welfare rolls, a part of our society.

That must be considered as a part of the value of this act. I don't think we can overlook it. And these people who are in the program they need to earn good money. And this is a stimulus to others—not that they just earn enough money to exist, but that they earn enough money, through the operation of these stands, to really be a part of a productive gainful society.

So I want them to make more than less. That is why I want these proceeds in the vending machines to help them, in doing just that.

Mr. BELL. Thank you.

Mr. BRADEMAS. Mr. Landgrebe?

Mr. LANDGREBE. Senator, I believe this is our first meeting, and I welcome you to our committee.

Do you have any idea how the advent of the vending machine has altered the needs of the blind? In other words, we seem to think that these vending machines produce a lot of revenue, and that there is more than is needed for the blind, and as you stated yourself, when your first bill was written, we did not have the vending machines.

With the fact that we now have vending machines, does not the basic needs of the blind still remain? Do they still not need our encouragement and our compassion and our concern? Is there any reason to think that the vending machines should take over, and automatically, as they sell merchandise, the blind should be automatically pushed aside? Is there anything in your philosophy that would—

Senator RANDOLPH. Yes, in my statement, Representative—is it Landgrebe?

Mr. LANDGREBE. Landgrebe.

Senator RANDOLPH. Indiana, isn't it?

Mr. LANDGREBE. Right.

Senator RANDOLPH. I wanted to restate what I earlier said, that there is this threat of an erosion of the funds which we think rightfully should go to the blind from the operation of the stands, including, the moneys that come from the vending machines, which as has been indicated, and is true, is a new source, you see, of moneys.

But at the very outset, Representative Landgrebe, the items that were considered as salable by the blind were rather limited, but the blind proved that they could process and sell other products, beyond just the limited number that we envisaged at the start. They, themselves, have made this program succeed.

And, so, there is a need for the blind to continue, I hope not by an unfair competition from a machine, but if the machine is a part of their sales program, as it were, they should profit from it.

Mr. LANDGREBE. In no way that you know of has the advent of the vending machine itself altered the concerns and the philosophy that brought about your bill originally, and that was that the Government should have some obligation to help the blind more than just survive, but give them an opportunity to prosper and to enjoy some of the fruits of this great land.

Senator RANDOLPH. No, sir, it does not change the intent that legislation as passed originally, or as amended.

Mr. LANDGREBE. And as you have stated, you have made some surveys. Can these blind people actually service these vending machines? Is there any question about them being able to participate in the actual operations of these machines, other than just to reap some of the harvest from them?

Senator RANDOLPH. No, sir, I think they can service these machines, sir.

Mr. LANDGREBE. And perhaps they can be assisted to arrive at the location of the machines and service those machines, and be assisted to go back to some safe area, just the same as they can get to any other place, and to their work, and so on.

Senator RANDOLPH. You have said what I believe, sir, they can do that.

Mr. LANDGREBE. I don't think I have any other questions of you, Senator.

Senator RANDOLPH. Thank you, Mr. Landgrebe, very much.

Mr. BRADEMAS. Thank you very much, Senator Randolph. Your testimony has been enormously helpful to the subcommittee, and I am sure that if we have further questions that we would like to put to you, as the originator and champion of this program, you will allow us to feel that we may have that opportunity.

Senator RANDOLPH. Yes, I would return personally, and supply the testimony from this desk, or I would do it by written document. I want to be helpful, and if I speak, Mr. Chairman, with some vigor, you can understand. I feel no, you know, malice against anyone. I only come today to plead that the erosion which I believe is in process, that it not continue, there be some amendment, even programs other than the one I present.

I am not saying that it could not be better worded, whereby we make certain that the intent of the Congress, from the beginning, through

the years, which has meant not only these jobs, but these thousands of other jobs that have come into being, because this job proved what the blind could do, that it not now, because of a machine, you know, be rather deteriorated, or eroded, or lessened in its strength.

I believe this very, very much. I hope that you will understand that I speak very earnestly, in reference to this matter.

Mr. BRADEMAs. We appreciate that.

Mr. DANIELS. Mr. Chairman?

Mr. BRADEMAs. Mr. Daniels.

Mr. DANIELS. I am sorry that I was interrupted twice, Senator, while you were testifying.

I would like to direct your attention to page 5 of your bill, S. 2461, the section dealing with definitions, section 9, and going down to subparagraph F. on page 6, there is a definition there for the term "vending facilities," which reads that it "includes, but is not limited to, automatic vending machines, snack bars, cart service, shelters, counters, and such other appropriate auxiliary equipment (as the Secretary may by regulations prescribe) as are necessary for the sale of the articles" and so forth, and also include, go further down, on line 16, cafeterias.

Now, by this legislation, you are broadening the definition, then, of a vending machine, so that it would include a cafeteria.

Senator RANDOLPH. You mean the vending stand?

Mr. DANIELS. Yes.

Senator RANDOLPH. Yes; that is correct, sir.

Mr. BRADEMAs. Will the gentleman yield?

Senator RANDOLPH. I don't mean the vending machine, do you?

Mr. DANIELS. You say a vending facility.

Senator RANDOLPH. Yes. Well, that is the vending stand. We are trying to change that "stand" as it now exists, in the present law, to "facility."

Mr. BRADEMAs. Will the gentleman yield?

Mr. DANIELS. I would be glad to.

Mr. BRADEMAs. Because this is a question on which we did some dialog with representatives of the blind the other day.

As I understand the thrust of the bill, the term "vending machine" is broadened, under your bill, to make it read "vending facility."

Senator RANDOLPH. No, "vending stand."

Mr. BRADEMAs. I beg your pardon. "Vending stand" is broadened to mean "vending facility."

Senator RANDOLPH. That is right, Mr. Chairman.

Mr. BRADEMAs. And then among the kinds of enterprises that could be included within the word "vending facility", would be a cafeteria, provided that there was a demonstration by the State licensing agency of the feasibility of the inclusion of such a facility.

Senator RANDOLPH. Yes, there is no effective language.

Mr. BRADEMAs. So that if I understand the question of the gentleman from New Jersey, he is concerned, as I was concerned the other day, in questioning the representatives of the blind, that about the impact of the combination in your bill, of the change in the broadening of the definition of the term "vending stand", to "vending facility".

The combination of that expanded definition with the addition of the word "exclusive", and what I was trying to understand was the impact of that combination upon the operation of this bill. It could, as

I understand the purpose of that combination, provide greatly enhanced opportunities for blind people to earn revenues. Isn't that the point?

Senator RANDOLPH. That is correct.

Mr. BRADEMAs. Isn't that the point?

Mr. DANIELS. I think that is the point.

Mr. BRADEMAs. Whether that is a good idea or not is something else we have to fight about, but just so we are clear on what the intent is.

Senator RANDOLPH. I liked the word you used—"earn". That is exactly what we have.

You know, I do want to say that per se, we are not just turning over cafeterias to the blind. That language here.

Mr. DANIELS. Well, Senator, I will be very frank with you. The part that puzzles me with respect to your testimony is that that part of a public building which is open to the public in general and that part which is the private part of the building restricted to the employees of a Federal agency.

Now I understand that these vending stands or machines are located in both portions, both the public and the nonpublic section. And now the nonpublic section is patronized exclusively by the employees of an agency. They have it for their own accommodation, to enjoy a reduced cost in the food or beverage or candy or sandwiches that they may eat, and any small profit derived therefrom, going to their welfare fund.

Senator RANDOLPH. Well, Representative Daniels, I know your concern in this matter. But I must return to the basic premise that if the vending machine, you see, in the private sector of the building, as we will say, if that vending machine profit is to go, let us say, as we think, wrongfully, to the employee groups, and not to be applied to the blind, as moneys that they need, we are bringing, frankly, a competitive operation in against the blind, that the Congress has designated as the operators of those facilities which are to service not only the public visiting the buildings, doing whatever they need to do there, but also the workers within those buildings.

So whether it is in the private or the public sector, if the private sector has something that is operated in competition with the blind vendor, then it is an unfair competition with the vendor.

Do you agree with me on that?

Mr. DANIELS. Well, not entirely.

Senator RANDOLPH. No?

Mr. DANIELS. I must be very frank with you.

Senator RANDOLPH. That is all right, sir.

Mr. DANIELS. This is exactly the question that is puzzling me.

Senator RANDOLPH. Yes.

Mr. DANIELS. Now I am wholeheartedly in favor of giving opportunities to the blind. I think they should be made self-supporting, and I have supported every piece of legislation that has come across my path in not only here, but as a private citizen, back home. And I am fully sympathetic.

Senator RANDOLPH. Well, I commend your efforts in Lionism, in this activity. That was the way I first had my interest as the District Governor of Lions in West Virginia, back in 1930-31. And I felt that there should be a project, perhaps, have the blind, especially boys and girls, operated on, you see.

And Dr. Jay Blades operated on all these boys and girls, you know, without cost. We paid the hospitalization and transportation of these young people. And this was so successful, and I just felt here is a productive segment of our society, and they must not be, you know, placed in a closet; they must be out in the mainstream of our productive life, and they have been proving this.

I earlier said here that the welfare rolls today, you know, have dropped from 100,000 of those of the blind down to 80,000, since 1959, whereas more blind are in the country, of course, indicating that these programs in which you have been a leader, Representative Daniels, have been rehabilitative in great degree, and I come back and say, this act was the stimulus that helped these many other programs—this has been attested to over and over again.

Mr. BRADEMAs. If the Senator will yield, just following—I don't want to prolong the Senator's time here unduly, but the gentleman from New Jersey has raised, I think, a very significant point on which I confess, also, I am not clear in my own mind, and as the author of the Randolph-Sheppard Act, perhaps we had better put this question to you while you are here.

Senator RANDOLPH. Yes.

Mr. BRADEMAs. I believe that Mr. Daniels was trying to get some understanding of whether or not there is any distinction that should be made between, income from vending machines in public areas of Federal buildings and private areas of Federal buildings. Is that correct?

Mr. DANIELS. The common halls, common lobbies. That is patronized and open to the public, as distinguished from those portions of the building to which the public is barred.

Mr. BRADEMAs. Now, is there in the act, or as the sponsor of the act, what about that question of this distinction? Is that something that—

Senator RANDOLPH. I restate, Mr. Chairman, what I earlier said: that in the original act, we of course did not attempt to differentiate between the Federal employee and the Federal user of a facility who came as a citizen into that building. There was no differentiation whatsoever. It was for the public, and for the employees themselves.

I don't want to weaken my case, now, for a moment, but if there is some very real reason now why there should be a post thought to, I don't mean arbitrary allocations, but this should be a matter that could be handled.

I would not personally—the blind organizations might, but I would not personally—attempt to be, you know, straight jacketed in my thinking.

Mr. BRADEMAs. I understand.

Senator RANDOLPH. But originally, there was no differentiation as to those that were to purchase from the blind vendor or no place where that stand couldn't be placed, if it was convenient and feasible. I think that is what you are interested in.

Mr. DANIELS. Yes.

Mr. BRADEMAs. Apparently what has happened here is, and again I say this just listening to the testimony, that arrangements and agreements have been entered into—I don't want to prejudge whether in violation of statutory authority, or without reference to statutory authority, but on a kind of common law basis, people have just gone ahead and done things, and that is where we are right now.

Senator RANDOLPH. They have failed to give the preference to the blind, and that is what is written into the law. Preference to the blind. This has been forgotten by the agencies, and I want to be very careful in condemning them, but I have said that in many ways today.

Mr. BRADEMÁS. Well, I think, Senator, that we understand your point of view.

Senator RANDOLPH. Thank you, sir.

Mr. BRADEMÁS. Thank you very much, indeed, We are very grateful to you, Senator, and the members of your staff, for having come with us today.

Senator RANDOLPH. Well, I appreciate the attention that you have given me, the questions that have been asked, and your concern for the blind, and perhaps the strengthening, not the weakening, of this program, certainly we can arrive at constructive legislation.

Mr. BRADEMÁS. Thank you, sir.

The next witnesses will be presenting their views as a panel, and the subcommittee is pleased to welcome to take chairs up here Mr. Francis S. Filbey, president of the United Federal Postal Clerks, accompanied by Mr. Patrick J. Nilan, legislative director of that organization; Mr. James Rademacher, president of the National Association of Letter Carriers, and Mr. Michael J. Cullen, president of the National Association of Special Delivery Messengers, and Mr. Lonnie Johnson, director of the Mail Handlers Division, Laborers' International Union of North America, AFL-CIO.

Gentlemen, we are very glad to have you all this morning, and perhaps you would be kind enough to identify yourselves and then the Chair observes it is 11 o'clock, we will want to have some questions to put to you, and unless there is objection, all of your statements will be included in toto in the hearings, and maybe if you can summarize, then we can put some questions to you.

STATEMENTS OF FRANCIS S. FILBEY, PRESIDENT, UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO; PATRICK J. NILAN, LEGISLATIVE DIRECTOR, UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO; J. STANLY LEWIS, VICE PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS; MICHAEL J. CULLEN, PRESIDENT, NATIONAL ASSOCIATION OF SPECIAL DELIVERY MESSENGERS, AFL-CIO; AND LONNIE L. JOHNSON, DIRECTOR, MAIL HANDLERS DIVISION, LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO

Mr. FILBEY. All right, Mr. Chairman.

My name is Francis S. Filbey, and I am President of the United Federal Postal Clerks.

We have with us today the legislative director of our organization, Patrick J. Nilan; the vice president of the National Association of Letter Carriers, AFL-CIO, Mr. Stanly Lewis; president of the National Association of Special Delivery Messengers, Mr. Michael J. Cullen; the president of the Mail Handlers Division of the Laborers' International Union of North America, AFL-CIO, Mr. Lonnie Johnson.

We are very happy to comply with your request, in order that we can get our testimony in the record and make ourselves available for questioning by the members of your distinguished committee.

We find ourselves, of course, in a very difficult situation. First, we lay ourselves open with the possibility of being charged with attempting to rob the blind, which makes it very difficult for us to prepare and testify on this most important piece of legislation.

Secondly, we find ourselves for probably the first time in our organization's career in opposition to a piece of legislation introduced by one of the greatest friends Federal and postal employees ever had, the distinguished Senator from West Virginia, Senator Randolph.

Be that as it may, we have an obligation to the people we represent, and if it meets with the approval of the chairman, Legislative Director Nilan will make a presentation on our behalf.

Mr. BRADEMAS. Of course.

(Mr. Nilan's prepared statement follows:)

STATEMENT OF PATRICK J. NILAN, LEGISLATIVE DIRECTOR, UNITED FEDERATION OF POSTAL CLERKS (AFL-CIO)

Mr. Chairman and Members of the Committee: For the record, I am Patrick J. Nilan, National Legislative Director of the United Federation of Postal Clerks (AFL-CIO) with offices at 817-14th Street, N.W., Washington, D.C. I am very pleased to appear before the Committee this morning with our national president, Francis S. Filbey, as we present our testimony concerning S. 2461, which proposes to amend the Randolph-Sheppard Act for the blind.

We speak in behalf of the nation's 310,000 postal clerks, for whom we are the Exclusive National Representative for labor-management relations and collective bargaining with the Post Office Department. Our membership is exclusively in the postal clerk craft and is employed in post offices in all 50 states, the District of Columbia, Puerto Rico, Virgin Islands and Guam.

Mr. Chairman and Members of the Committee, we want to express our deep appreciation to each of you for permitting us this opportunity to testify in opposition to S. 2461 as presently written. We shall offer a number of amendments for your consideration at the conclusion of this statement.

First, we desire to make clear for the record that the United Federation of Postal Clerks, and we are confident all other postal and federal employee organizations testifying here this morning, are not opposing S. 2461 as written because of any desire to compromise the ability of sightless, or other handicapped persons to become productive and self-sustaining citizens of this great country of ours. Rather, as the AFL-CIO labor organization representing 310,000 postal clerks we have no choice but to advise this Committee of the irreparable harm to the well-being and morale of the nation's postal workers which will result if S. 2461 should be enacted as presently written.

Practically all of our major post offices, and many smaller size post offices throughout the fifty states, have historically for more than 20-25 years enjoyed health, welfare and recreational benefits as a direct result of income from the sale of vended products within the *non-public* and *restricted postal work and locker room areas*. These vending facilities and operations have been supervised, administered, and often serviced by postal employee welfare committees and *not* the respective unions to which the employees may belong.

It is important to acquaint this Committee with the prevailing rigid rules and regulations under which employee welfare committees function within post offices throughout the country, as well as benefits accruing to employees and blind vendors operating vending stands in public areas of post offices. We will first outline highlights of such benefits under present postal regulations. The entire regulations are included as *Exhibit "A"* at the conclusion of this statement.

HIGHLIGHTS OF PRESENT POST OFFICE REGULATIONS

Benefits

1. Vending machines are installed only upon approval by the postal official in charge and restricted to workrooms, swingrooms or other *strictly* postal space.

Machines may be installed where they do not conflict with postal operational needs and will not cause congestion in the present or the immediate future. (Postal Manual 743.513)

2. Contracts by Employee Welfare Committees with outside firms to install, operate and maintain vending machines are designed to *provide jobs for the blind* as the contract must specify that (a) the vending machine company which is awarded the contract shall hire blind persons to the *maximum extent possible* to operate, maintain and service the machines and (b) the contractor shall train the blind personnel in the operation of the machines. (Postal Manual 743.521)

3. Division of profits with blind vending stand operators are also provided for. When a blind operator is not receiving adequate income, consideration is given to assigning him *all or part of the profits* from vending machines operated by the Employee Welfare Committee. Adequate income is construed as the average income of the average employee at the installation. (Postal Manual 743.541)

4. Income received by employee welfare committees from vending machines must be used advantageously for the welfare and recreational activities of *all* employees. No profits can accrue to the benefit of any single group, organization or individual.

5. Income derived from vending machines provide welfare and recreational benefits for employees that would otherwise not be available. Among them are health aids not provided by the postal service. *For example*, in some large cities the employees have purchased or leased ambulance services to transport to the hospital emergency cases of employees who become ill or are hurt while on duty. This has resulted in many lives being saved because of the ability to take prompt action. Other committees provide *vaccinations* for all employees for diseases for diseases such as influenza.

Many welfare committees set up *scholarship awards* for children of employees. Many a child has received a college education who would otherwise have had to cease his or her education after high school. Most committees send *flowers* or a small gift to the employee's wife upon the birth of a child; many send flowers or other *remembrance* when a death occurs in the employee's immediate family; most committees provide a *modest gift* upon an employee's retirement.

All these worthwhile programs avoid the need to disrupt the work day with numerous special collections.

Many employ employee committees expend funds for radios, television sets or even piped-in-music in swing room or locker room areas. When piped-in-music is provided management gains because usually a public address system is included as part of the package.

The list of worth while benefits is long. (Postal Manual 743.543).

More specifically, here are some of the health, welfare and recreational programs presently being sponsored and paid for by an employee welfare committee in one large mid-west city post office.

1. Installation of a background music and intercom system with a public address system. Rental of background music also paid for.

2. Radios and Televisions installed in employee swingroom and locker room areas. Radios also provided at postal substations.

3. Partial support of the post office band, including some musical instruments and other expense.

4. Establishment and maintenance of a Post Office Human Relations Library, including books, periodicals and magazines.

5. Gifts and remembrances, such as candy, tobacco, etc. for sick employees—*These items are all purchased from the blind vendor in the public lobby area.*

6. Flowers or other appropriate remembrances to sick employees.

7. Memorials, Bibles, and other appropriate remembrances in behalf of a deceased employee.

8. Television rentals for extended stays in hospitals by employees.

9. Purchase of air-conditioners for employee swingroom or locker room areas.

10. Retirement gifts for employees of not more than \$25, as a token of appreciation for 30-35-40 years or longer of dedicated postal service.

11. Repair of employee eyeglasses which are broken while working in the post office.

12. Athletic and related recreational programs with the post office designation included on all uniforms and in other public relations.

13. Children's Christmas parties.

14. Numerous and important health aids and benefits, such as:

(a) wheel chairs, crutches

- (b) portable oxygen units
 - (c) influenza shots and other preventative medicine vaccinations.
 - (d) first aid books and other items
15. Employee recognition affairs—Paying a part or all expenses related to the presentation of awards for safety, superior accomplishment and suggestions, etc.
 16. Resurfacing of employee parking lot owned by the government—bicycle racks for employee parking of bicycles.
 17. Incentive awards to stimulate employee suggestion programs.
 18. Booster batteries and cables for aid in starting automobiles—temperatures in the winter go to 35 degrees below zero in this city.
 19. Christmas decorations for post office.
 20. Postal Service pins for 25 years to 40 years of service.
 21. College scholarships for children of employees.
 22. Miscellaneous game equipment, such as playing cards, cribbage boards and ping pong tables.
 23. Job training aids, for example: For distribution clerks—city and state maps and indexes, practice cards, practice cases, etc.

HIGHLIGHTS OF PRESENT POST OFFICE REGULATIONS

Controls over committee funds

1. In a National Agreement arrived at through collective bargaining in 1968, the Post Office Department and the seven employee organizations with Exclusive Recognition at the National level have agreed upon the composition of post office employee welfare committees and how committee members shall be appointed. This National Agreement also sets forth the responsibilities of employee welfare committees and requires operation of these committees under a constitution and by-laws. It further permits expenditures of funds *only* by a three-fourths vote of committee as accounting and auditing of committee funds as required by the Department—see “Article XXI, National Agreement,” which is included at the end of this statement as *Exhibit “C”*.

2. The Post Office Department’s regulations for safeguarding Employee Welfare Fund’s are as follows:

- (a) Not more than 2 checking accounts may be maintained without approval of Region.
 - (b) Checking accounts must be in banks insured by FDIC
 - (c) Balance in checking accounts must be sufficient to avoid service charges
 - (d) Funds not required in checking accounts and reserve funds shall be:
 - (1) Carried in interest bearing accounts in Federal credit unions or Federally insured banks or savings institutions
 - (2) Invested in Federal Government securities and kept in safe deposit box or other secure depository.
 - (e) System of receipts and disbursements
 - (f) Record of assets
 - (g) Inventory of supplies
 - (h) How to list unpaid obligations
 - (i) File system
 - (j) Reports (frequency, preparation and distribution)
 - (k) Annual Audits
 - (1) By committee of postal employees at small operation
 - (2) By public or certified public accountants at large operation
 - (l) Audit requirements
 - (m) Audit reports (preparation and distribution)
 - (n) Review of audits by Director, Regional Finance Division (Part 490—Postal Manual)

Mr. Chairman and Members of the Committee, we sincerely hope these abbreviated references from Post Office Department regulations which are included in their entirety as *Exhibits “A”* and *“B”* at the conclusion of this statement establish and document, without question, the legitimacy of, and absolute necessity for, continued operation of vending facilities by post office employee welfare committees and employee cafeterias in the best interests of *ALL* postal workers. *Particularly*, when all revenue and income used to support these activities and programs is generated *exclusively* by the employees and is used *exclusively* for their benefit.

It is important to realize that cafeterias and vending facilities in post offices resulted primarily because of employee needs for food, beverages, and other items as post offices operate on a 24-hour and seven-day week, work schedules. We estimate at least 60% of our postal clerks and other "rank-and-file" workers are employed after 4 PM and prior to 8 AM daily. Therefore, vendible products and *particularly service, supervision, and administration* of such vending facilities and programs must be maintained on a 24-hour a day (particularly on night shifts) and 7-day week basis.

In addition, the large postal facilities in major cities throughout that country, where employee welfare committees necessarily must provide vending facilities and service such operations on a 24-hour basis, are generally located (and increasingly so) on the outskirts of cities where no other food, beverage, or other facilities exist. Therefore, cafeteria and vending facilities operated by employee welfare committees are an absolute necessity in these large mail facilities and the continuous operation of such services permit the least possible cost per item to the employee and whatever modest profit might result *certainly should revert back to the employees purchasing such products through their welfare committees.*

It is important to note also that not only because of the far out locations of these larger mail plants operating more at night than during the day, but also, the tremendous and continuing introduction of machines related to automation and mechanization of post offices demonstrate conclusively that employee welfare committees are best equipped to service and administer related vending facilities.

Remember! With the tremendous and continuing increase in mail processing machinery and with vending facilities often located *adjacent to or near such machinery*, important safety factors cannot be ignored in deciding whether sightless persons can really supervise and service such vending operations. *Also*, the great need for such servicing and supervising of vending operations during the all-night work tours in major post offices obviously can be better and more responsibly performed with a higher degree of safety by an employee welfare committee.

Mr. Chairman and Members of the Committee, in view of your interest demonstrated at the November 30th hearing in the operation of employee cafeterias particularly, as concerned with possible assignment of such cafeterias to sightless persons in the future under the present provisions of S. 2461, we will at this point acquaint you with the present rules and regulations under which employee cafeterias must now operate in post offices.

Also, we will indicate the often close interrelationship between vending facilities operated by employee welfare committees and employee cafeterias which serve to provide all employees with good food, beverages, and other items at the *least possible cost* because these programs and operations are immediately responsive to the employees themselves through their welfare committee representatives. We seriously question whether this desirable and yes, necessary minimum cost for good quality products would continue under a strictly money-making business operation under the complete control of persons who are *not* employees of the post office concerned but rather, are *only* concerned with profit making vending or cafeteria services.

HIGHLIGHTS OF POST OFFICE CAFETERIA REGULATIONS

1. The cafeterias must be operated on a non-profit basis (See Regional Manual 749)
2. Welfare committees often subsidize losses in employee cafeterias due to food costs.
3. This relationship between employee welfare committees and employee cafeterias permits the sale of food to employees on a non-profit basis and particularly hold down prices of such food—if handled by a vendor other than a postal employee or welfare committee operation, there would be no such protection of employees against much higher food costs since such cafeterias would be operated as a profit-making business.
4. Part 749 of the Post Office Regional Manual of 1960 originally provided (and to the best of our knowledge still does) the regulations for cafeteria operations which require operation on a non-profit basis. They provide for application by employees and decision by management that a manually operated cafeteria is in the interest of the employees and therefore, in the interest of management.
5. These regulations also provide for operation, either by an employee cafeteria committee or "through a management committee or by contract with a concessionaire."

Rigid controls

Rigid controls are placed upon the employees concerning the manner in which they shall contract for services; the manner in which they shall handle all money; in the accounting procedures required by the Post Office Department which require that each employee who handles cafeteria money shall be bonded.

A cafeteria committee cannot even engage in a contract with a concessionaire until it has received approval by the Post Office Department at the headquarters level. The proposed contract is forwarded from the post office concerned, through the appropriate regional office to the Bureau of Personnel and approval is granted by the Bureau of Personnel after consultation with all other bureaus concerned; including the Bureau of Operations, the Bureau of Finance, the Bureau of Facilities and the General Counsel.

The cafeteria committee represents all employees in the postal installation and the membership usually consists of: one member from the clerical craft; one member from the city carrier craft; one member from other craft groups collectively; and one member from the supervisory employees; and one member at large, selected by the postmaster. Where a single group or groups of employees have a predominant number of employees in the installation in relation to other groups of employees, proportionate representation is given these groups, except that the total committee membership may not exceed *nine* members.

Frankly, at the present time, there are not a great many full-fledged cafeterias in postal installations operated by the postal service. The last figure known being approximately 25. This is because the operations are non-profit and because of the close scrutiny and supervision given to the management of the cafeterias and the management of the funds. Very few employee cafeterias are solvent and most of them, of necessity, are subsidized through the employee welfare committees which manage funds derived from vending machines.

Without the help of employee welfare committees, many of these cafeterias would be compelled to close up, leaving the employees without hot full-service food facilities. This is a most important matter to postal employees, particularly those who work the "graveyard" shift, and who rely upon the cafeterias for sustenance since there is, normally, nothing else available in the area.

The movement of mail handling operations into large centralized and highly mechanized mail "factories" located on the far-out fringe areas of major cities throughout the country will, of course, increase the need for additional employee cafeterias not only in the future but at the present time. In such new and expanded facilities, the desirable interrelationship between cafeterias and employee welfare committee vending facilities and operations becomes even more essential and necessary.

Mr. Chairman and Members of the Committee, we would now like to direct your attention to those sections of S. 2461 which gives us the most trouble and also which we will subsequently suggest amendments to in lieu of existing language.

Section 2 of S. 2461 proposes to amend Section 1 of the Randolph-Sheppard Act to require the "exclusive" assignment of all vending machine income to the blind to assure that the preference granted to the blind is protected. The United Federation of Postal Clerks opposes this section for the following reasons:

(1) In many post offices, there are cafeterias or other basic food service facilities which are operated primarily for the purpose of providing wholesome food for employees, essentially on a non-profit basis. Many of these depend upon vending machine income to hold food costs down. This, as already explained, does not preclude the assignment to the blind of income from other vending machines. This "subsidy" to the cafeteria or other food service facility should not be diverted to the blind in that the vending machine operation can provide no additional employment for the blind. Also, as explained, blind are given preference under vending machine service contracts negotiated by employee welfare committees.

(2) Many post offices throughout the country are small in size. In fact, the 754 largest post offices (of more than 32,000 total) include more than 520,000 of the total of approximately 740,000 postal employees. Of the 754 major post offices, approximately 170 have as many as 500 employees; the smallest of the 754 has about 100 employees. *Therefore, of the more than 32,000 post offices, approximately 31,250 have from 100 employees down to no employee, other than the postmaster.* In over 7,000 offices, the postmaster is the only employee. In post offices, with 100 or fewer employees, it is obvious that a vending facility, as defined in the bill, *could not* provide living-wage employment for a blind person.

In the 754 major post offices, employment is divided between main offices and more than 3,800 stations and branches. Therefore, even where total post office

employment is in the 500 range, employment is divided among locations. Most of these stations and branches also employ too few persons to support a vending machine facility which would provide employment and a living wage for a blind person.

Section 6 of S. 2461, as it would be amended by Section 9(f) of the bill, apparently would permit cafeteria operations by blind state licensees. This is opposed for the following reasons:

(1) The cafeteria operation is essentially a non-profit operation for the benefit of postal employees. Sighted persons are absolutely essential to manage and supervise food preparation and service. Operation by the blind would, of necessity, add to the cost of operations in that support of the blind would be added to current necessary employment. *A one-for-one substitution of the blind for the sighted is not possible.* If costs were kept down by this one-for-one substitution, standards would suffer with respect to sanitary, healthful, and attractive conditions, for lack of sighted supervision.

(2) The diversion of the cafeteria operation to State licensees and management would remove the contract operation from the present realm of competitive bidding. This absence of competition, or the availability thereof, would detract from the quality of the cafeteria food and service, and add to the cost thereof. Postal employees are entitled to improved conditions, not worsening ones.

Section 10 of S. 2461 would amend the Randolph-Sheppard Act by adding a new Section 8 to provide for the arbitration of disputes between the postal service and the state licensing agency.

(1) This proposed arbitration procedure would not protect the interests of the employees who support, by their individual purchases, the vending facility, in that *no provision is made for the employees or their representatives* to participate in the selection of an arbitrator, or to be heard in the course of arbitration. Decisions by a state licensing agency should be open to appeal to arbitration by employees, through their representatives. This proposed addition to the Act, therefore, is opposed unless amended to protect the interests of postal employees.

COLLECTIVE BARGAINING & THE U.S. POSTAL SERVICE

The pending legislation, S. 2461, reflects, perhaps unintentionally, a continuation of the past paternalism of the Federal employer. The "agency" is recognized but the employees and their representatives are ignored. This continuation of paternalism in Federal employment is astounding in that the Congress, as early as 1935, enacted the National Labor Relations Act and as recently as 1970, the "Postal Reorganization Act," Public Law 91-375. The latter Act completes the process which brings the postal employees and their elected representatives into the main stream of modern labor relations.

The significance of this 1970 legislation might be overlooked without a reference to background. The Congress in 1912 approved legislation protecting the right of postal employees to organize for the purpose of improving working conditions, the right to petition the Congress—Title 5, Section 7101, United States Code. By the time Executive Order 10988 of January 17, 1962, was issued, the postal employees long had been highly organized. They exercised the right, then, granted for the first time to negotiate a National Agreement with the Post Office Department in 1963. New National Agreements were subsequently negotiated in 1964, 1966, and 1968, subject to all laws and all Federal regulations, leaving too little open to employee organizations and government to negotiate in collective bargaining agreements. *The Postal Reorganization Act of 1970 opens to bargaining: wages, hours, and working conditions as in private industry.*

Despite past limitations on the scope of bargaining, the existing National Agreement of 1968 provides for the employee welfare committee, with income from vending machines and other enterprises and with responsibility for administering funds "for the recreation, welfare and benefit of all employees in the installation." A copy of the full text of the Article XXI of the National Agreement entitled, "Employee Services," has been submitted for the record as Exhibit "C".

Since approval of Public Law 91-375, the "Postal Reorganization Act of August 12, 1970," there has been no opportunity for our labor organization or postal management to negotiate a completely new National Agreement. Therefore, the "Employee Services" article continues as negotiated in 1968. Re-negotiation, in this important area will be vacated if the Congress approves, by legislation, such as S. 2461, the procedures which without question will drain away the gains which have been won in the limited collective bargaining of past years.

Surely the Congress which approved the Postal Reorganization Act will not approve new paternalistic legislation to *negate* the authority so recently given to the yet-to-be activated United States Postal Service, and incidentally, to vacate negotiation rights already won by postal unions and established in the current National Agreement. If this is the course to be followed, the bold legislation of 1970 will become a comic gesture with the Congress, reasserting control in one area after another and again becoming the seat of battle between employees and employer with respect to wages, hours, and working conditions.

PROPOSED AMENDMENTS TO S. 2461

The United Federation of Postal Clerks supports the following amendments to S. 2461 and respectfully urges this Committee to favorably consider amending the legislation consistent with these proposed changes:

1. Amend Section 2 of the bill by striking the word, "exclusive."
2. Amend Section 2 of the bill further by adding the words, "Except vending machines and other eating facilities in workrooms, swingrooms, and other strictly postal space not available to the public," following the word, "preference," in line 5, page 9 of the bill.
3. Amend Sections 10 and 11 of the bill concerned with Arbitration and Judicial Review as appropriate to provide the same provisions for arbitration and judicial review for employee representatives and the employing agency, such as the U.S. Postal Service, as presently provided in the bill for appeals by state licensing agencies and blind persons.
4. Amend Section 7 of the bill to provide that employee representatives and the employing agency, such as the U.S. Postal Service, shall be consulted in advance of any decision to install a vending facility.
5. Amend Section 6 of the bill by placing a period after the word, "located," on line 15 of page 10 of the bill and striking the balance of the section.

We also suggest that this Committee seriously consider all ramifications of the language and intent of the new subsection (d) of the Act as proposed in Section 7 of the bill, lines 21-25 on page 10 and lines 1-25 on page 11 as it appears this new subsection would in effect completely subordinate the public interest to the interest of the blind. The Committee may desire to suitably protect the public interest by striking this proposed addition to the Act.

Mr. Chairman and Members of the Committee, before we conclude, it is appropriate that we address ourselves to a matter of obvious concern to the Committee; namely, securing authentic and detailed information concerning vending revenue presently being received by blind persons as salary or other income including funds reverting to blind associations and state licensing agencies, as well as, the present vending income available to employee welfare committees for sponsorship of health, safety, welfare, and recreational programs of benefit to employees. *Regretfully*, our organization cannot respond to your questions concerning these items any more than the proponents of S. 2461 could when they testified before this Committee on November 30th.

The reason being that our labor organizations do not have any direct interest or control over the operations of postal employee welfare committees functioning in post offices throughout the country; and therefore, have no way of securing this information desired by the Committee. We referred earlier in our testimony to the strict rules and regulations of the United States Post Office Department under which local post office welfare committees must operate. It would appear only the Post Office Department could provide this information for the Committee, and this obviously would require a reasonable amount of time to accomplish.

Also, we suggest only the Department of Health, Education and Welfare; the state blind licensing agencies; blind associations; and the blind vendors themselves are in a position to provide this Committee with the desired specific information concerning income, salaries, etc. resulting from present provisions of the Randolph-Sheppard Act.

It is because of the Committee's sincere interest in knowing all the facts concerning not only vending and cafeteria revenue and expenditures; but also, the tremendously important impact S. 2461, as presently written, would have on postal and federal employees; blind persons; related associations; state licensing agencies; all departments and agencies of Government; and the certain need for Congressional review of all facets of any Act which may result from S. 2461 that

we earnestly suggest this Committee make certain it has all pertinent information, facts, figures, etc. prior to final consideration and possible reporting of the legislation.

This is a much more involved, important, and far-reaching piece of legislation than appears on the surface. This is particularly true insofar as hundreds and thousands of loyal, dedicated, and hard-working postal and other federal employees who have enjoyed beneficial health, safety, welfare and recreational programs from *their purchases* of vending products and related income available for the good of all employees through their employee welfare committees which have been functioning in their best interest for up to 25 years. *Such benefits are NOT available to the employees from ANY other source!*

We urge you *NOT* to legislate these benefits away from our postal and federal employees, and *NOT* to legislate and negate important provisions of an existing collective bargaining agreement between postal workers and their employer, the Post Office Department.

Thank you, Mr. Chairman and Members of the Committee, for this one opportunity to present the views of the United Federation of Postal Clerks (AFL-CIO) on behalf of the 310,000 postal clerks employed in post offices throughout the United States and possessions thereof. President Filbey and I will be happy to respond to any questions you may have concerning our testimony.

EXHIBIT "A"

743.5 VENDING MACHINES OPERATED BY EMPLOYEE WELFARE COMMITTEES

.51 EMPLOYEES' COMMITTEES

.511 *Appointment of Employees' Committees.* Employees' committees shall be appointed by the postal official in charge, as outlined in section 743.512, to represent all employee groups of an installation. The postal official in charge shall act as chairman of the committee. The Employee Welfare Committee shall meet on official time.

.512 *National Agreement.* See Article XXI, *Employee Services*, in Appendix A, Chapter 7.

.513 *Installation of Machines.* On approval of the postal official in charge, vending machines may be installed and operated by employees' committees in post offices and other postal installations. The operation of these machines by employees' committees will be restricted to workrooms, swingrooms, or other strictly postal space, and will be installed only where they will not cause congestion in the present or immediate future. Vending machines may dispense hot or cold products and such other items as the postal official in charge believes are appropriate.

.52 OUTSIDE FIRMS

.521 When Employee Welfare Committee contract with outside firms to install, operate and maintain vending machines, contract must specify that:

a. The vending machine company which is awarded the contract shall hire visually handicapped persons to the maximum extent possible to operate, maintain and service the machines; and

b. The contractor shall train the visually handicapped personnel in the operation of vending machines.

.522 Contracts in effect on March 16, 1965 will not be affected by instructions in 743.521, until their expiration.

.53 REIMBURSEMENT FOR UTILITIES

.531 *Charges To Be Assessed.* A monthly charge will be assessed against employee committees for the electricity consumed by each minor concession electrical appliance or vending machine under their control. This also applies to refrigerators used by concessionaires to store products for later dispensing. Charges will be assessed only for the items listed and shall be in accordance with the monthly rate schedule as follows:

Beverages; cold, bottled, canned, or packaged	1. 85
Hot canned foods	1. 10
Beverages; cold, single or multiple flavor, cup type	3. 00
Boxes, cold drink	1. 60
Beverages; hot, single or double flavor or product, cup type	4. 50
Cigarettes; pastry, and candy with merchandising light	. 35
Sandwiches, refrigerated	1. 55
Fruits, fresh	1. 50
Ice cream	1. 40
Nuts (in heated dispensers)	. 75
Popcorn	. 70
Heater for sandwiches 1,000 KW (Vending machine or counter)	1. 80
Refrigerator, storage, 8 cu. ft. or less	2. 00
Refrigerator, storage, 9 to 16 cu. ft.	3. 30
Refrigerator, storage, more than 16 cu. ft.	5. 00

.532 *Charges Not Assessed.* Postmasters will not assess charges against the following for utilities used:

a. When vending machines are operated in a building controlled and maintained by GSA.

b. For vending operations falling within the scope of 491.2.

c. When the annual assessment does not exceed \$13.

d. Employee welfare committee when the net profit from all vending machines operated by the committee (including those at branches, stations, and other units) does not exceed \$50 per year. In determining net profit, the scheduled assessment for utilities as set forth herein shall be considered as an expense item. For example: profit after all expenses except utilities is \$65 for the year. Scheduled utility charges are \$25, thus the net profit to the employee committee would be only \$40, if the utility charges were to be assessed. Under these conditions, no assessment is to be made for utilities.

e. Small refrigerators not directly connected with a vending operation.

f. Vending machines operated by a concessionaire *within* a cafeteria when the cafeteria is separately metered.

.533 *Reimbursing Department.* Make reimbursement as prescribed in 437.47.

.534 *Inquiries.* Refer all inquiries regarding assessments of utilities to Director, Engineering and Facilities, for your region.

.54 ASSIGNMENT OF PROFITS

.541 *To Blind Persons.* Profits from all vending machines presently operated by a licensed blind operator of a lobby stand, either in conjunction with his stand or in other areas of the same building under control of the Post Office Department, shall be assigned to the blind operator. When machines are being operated by an employees' committee in proximity to a stand or machines operated by a blind person and are in competition therewith, and a blind operator is not receiving an adequate income, consideration shall be given to assigning him all or part of the profits from other vending machines in the same building, regardless of location. (Adequate income is construed as being the equivalent of the average income of the average employee at the installation.) Reassignment of profits shall be considered only upon request from a State licensing agency to a postmaster or other postal official in charge of an installation. Assignment of profits to the blind operator from other vending machines shall be determined by the postal official in charge and the State licensing agency on the basis of the following:

a. Proximity to and competition with the vending stand;

b. Income which accrues to the operator from the stand operation; and

c. Profits from vending machines not operated in connection with the stand.

.542 *To Employees' Committees.* All income received by employees' committees from vending machines or other enterprises (except cafeterias, which are governed by other regulations) shall be used advantageously for the welfare and recreational activities of all employees. No profits shall accrue to the benefit of any single group, organization, or individual.

.543 *Appropriate Employee Committee Expenditures.* The following are examples of appropriate expenditures that may be made by employees' committees. The examples are not all inclusive and there are many other types of expenditures that may properly be made which will be for the benefit of all employees.

Births: Expenditure restricted to the purchase of flowers or other gifts for the employee or wife of the employee.

Deaths: Expenditure permissible when death is in employee's immediate family.

Retirement or other Separation: Expenditures permissible for employees only.

Parties: Expenditures permissible provided all employees are invited to the party.

Holiday Decorations: Expenditure restricted to purchase of holiday decorations for the postal installation.

Christmas Gifts: Expenditure permissible provided same criteria is followed for all employees.

Health Aids: Expenditures may be made for medical supplies not available to the postal installation through regular channels, for the health and welfare of all employees.

Trophies and Awards: Expenditure permissible provided same criteria is used for all employees.

Radios and Public Address Systems: Expenditure permissible for these items. However, prior approval for installation of such equipment must be obtained from appropriate regional officials.

Wedding Gifts: Expenditure permissible provided it is limited to postal employees and same criteria is used for all employees.

Recreation: Expenditure permissible provided the recreation facilities are available to all employees.

Monthly Newsletter: Expenditure for this purpose would be proper, providing the publication is available to all employees.

Annual Scholarship Awards: Awards of scholarships may be made to the children of employees in the postal facility involved provided the same criteria is used to determine eligibility.

Safety and Award Dinners: Expenditure may be made for this purpose provided all employees are given the opportunity to attend the dinner.

544 Improper Employee Welfare Committee Expenditures: The following are examples of improper expenditures which should not be made by Employee Welfare Committees.

Public Charities: Employee Welfare funds may not be used for this purpose.

Pay Rise Rally: Employee Welfare funds may not be used to defray expenses of persons traveling to or attending salary rallies.

.55 CONTROLS OVER COMMITTEE FUNDS

Guides for accounting for employee committee funds are contained in Subchapter 490. Refer any inquiries on establishing accounting records and making reports to the regional controller.

EXHIBIT "B"

SUBCHAPTER 490 ACCOUNTING FOR EMPLOYEE WELFARE COMMITTEE FUNDS

Part 491

INTRODUCTION

491.1 FUNDS INCLUDED

Employee welfare committee funds are monies received from operating vending machines and other enterprises except as stated in 491.2. The following are examples of activities from which welfare funds may be derived:

a. Sale of non-alcoholic beverages, candy, cigarettes and other consumable products either by vending machine or hand-to-hand on a profit or commission basis.

b. Interest on savings accounts and from investments in U.S. Savings Bonds or other securities.

c. Refunds of utility charges or other previous disbursements.

Only one fund shall be maintained for the operations at each postal installation. Separate funds will not be maintained by stations and branches.

491.2 FUNDS EXCLUDED

Monies received from the following operations are not employee welfare committee funds, are excluded by these instructions, and are not to be included in the records or reports.

a. Stands or vending machines operated by blind persons (614.1).

b. Funds derived from operation of a cafeteria or other eating facility such as a restaurant or snack bar including income from vending machines located within the operating areas of the eating facility.

- c. Coffee urn shared by a group of employees on a nonprofit basis.
 - d. Honor systems where the money received covers only cost of items available.
 - e. Vending machines operated on a nonprofit basis as when
 - (1) vending company retains all money, or
 - (2) money covers only cost of purchasing contents and rental of machine.
 - f. Voluntary contributions such as those incident to death or illness of fellow workers.
 - g. Donations or gifts from any source. These are in violation of the Code of Ethical Conduct and shall not be accepted under any circumstances.
 - h. Funds derived from the sale of tickets to dinners, picnics, parties, etc. Solicitations to supplement amounts contributed or made available from the employee welfare fund shall not be conducted on Government time nor any amounts collected be included in committee fund records and reports.
- Note:* When a question arises as to whether a particular operation is a committee fund, write to the director, regional personnel division.

491.3 PROHIBITION AGAINST USE OF GOVERNMENT FUNDS

Collections that are the property of the U.S. Government, including, but not limited, to commissions on telephone pay stations (see 437 and 632.39 Postal Manual), must not be used by employee welfare committees. If there is any question whether monies involved are Government funds write to the director, regional finance division.

491.4 QUESTIONS ON ACCOUNTING, AUDITING, AND REPORTING

Refer any questions on accounting and control of committee funds, audit of records and preparation of required reports to Accounting Programs Branch, Regional Finance Division.

491.5 REFERRING OTHER QUESTIONS

Refer other questions such as those dealing with initial establishment of committee fund or purposes for which funds may be disbursed to the director, regional personnel division.

491.6 REFERENCES TO OTHER INSTRUCTIONS

Other instructions on vending machine operations including the assessment of charges for utilities used in operating vending machines and the accounting for such charges are covered in 437.45, 464, and 743.5.

Part 492

ADMINISTRATION OF EMPLOYEE WELFARE COMMITTEES

492.1 APPOINTMENT OF EMPLOYEE WELFARE COMMITTEES

Employee welfare committees shall be appointed as outlined in section 743.5.

492.2 SEPARATION OF DUTIES

Where practicable, the employee maintaining the committee fund cashbook shall not handle funds other than those of the employee welfare committee. One committee member should maintain the records with another committee member assigned to handle the funds when the amount of money involved warrants such a division of duties. All funds received throughout a postal installation must be turned over to the employee designated to handle such funds.

492.3 SAFEKEEPING OF FUNDS

.31 GENERAL REQUIREMENTS

When the average balance of a fund is \$100 or more, deposit in a bank all funds except those retained as petty cash. Make deposits as frequently as necessary consistent with the type and amount of funds received. Use prenumbered checks for disbursements except disbursements for small amounts (less than \$10) which may be made from petty cash. The employee welfare committee shall decide whether to maintain a bank account when the balance of the fund averages less than \$100. Funds not deposited in a bank or other savings institution must be afforded the best protection available so that unauthorized persons do not have access to them.

.32 REQUIREMENTS FOR BANKING AND INVESTMENT OF FUNDS

.321 Not more than two checking accounts should be maintained without approval of the director, regional finance division.

.322 Checking accounts shall be carried in commercial banks insured by the Federal Deposit Insurance Corporation unless no such insured bank is available locally.

.323 Balances in checking accounts (including normal float of outstanding checks) should ordinarily not exceed by any substantial amount the balances required to avoid service charges or thirty days cash expenditures, whichever is larger.

.324 Current funds not required in the checking accounts, and all reserve funds shall be:

a. carried in interest-bearing accounts in federal credit unions or in federally insured banks or savings institutions if available locally. The balance in any individual bank or institution shall not exceed \$20,000 without approval of the director, regional finance division, and/or

b. invested in Federal Government securities registered in the name of the organization and held in a safe deposit box or other secure depository.

Part 493

RECORDS AND FILES

493.1 RECEIPTS AND DISBURSEMENTS

.11 TYPE OF RECORD

A designated member of the committee at each postal installation shall maintain a record of all monies received by or disbursed from the fund. Use bound cashbook (Stock Item No. O-135-A) to keep this record. Insert the following headings above the columns on each page of the cashbook. (See Exhibit 493.12d.)

- a. date;
- b. check number (when checks are used);
- c. explanation;
- d. beginning balance and receipts; and
- e. disbursements.

When the number and type of disbursements make it practicable to record each of the different types in a separate column, do not requisition Item No. O-135-A. Use committee funds to purchase locally a cashbook with the required number of columns. In addition to these five column headings cashbooks shall have a column headed *Total Disbursements* plus the number of columns required for the different types of disbursements including one column for miscellaneous.

.12 METHOD OF RECORDING

Record as follows:

a. Use permanent ink for all entries in the cashbook. When an error is made before the balance is forwarded to the new page, draw a single line through the incorrect entry and insert the correct entry immediately above, and initial the correction. When an error is discovered on a page for which the balance has been forwarded, record the correction on the next blank line (in the column which will bring the cashbook into agreement with cash on hand) and make reference to the page number and line being corrected.

b. Insert as the first entry on each page in cashbook the words *balance brought forward*. (See Exhibit 493.12d.) Record each different transaction on a separate line of the cashbook. Do not make an entry when funds are deposited in the bank because such amounts should have been recorded as a receipt at the time they were received.

c. Completely use each page of the cashbook (including last 3 lines for balance forward) except when the end of a reporting period or an audit require the balance to be recorded before a page is filled. Record balances by drawing a single line under the last daily transaction on a page and enter beneath this line the total of each individual amount column. Subtract the total of all disbursement from the total of the *Beginning Balance and Receipts* column to determine the balance to be carried forward. (See Exhibit 493.12d.) This balance must always represent the amount of cash on hand and in the bank. Insert as the first entry in the *Beginning Balance and Receipts* column on the next page the amount shown as *balance brought forward*.

CASH BOOK

Date	Check No.	Explanation	Beginning balance and receipts	Disbursements
xx		Balance brought forward (or cash on hand and in bank).	xx.xx	
				
Daily entries for receipts and disbursements.				
xx		Total receipts and beginning balance.....	xx.xx	xx.xx
		Less disbursements.....	xx.xx	
		Balance forward.....	xx.xx	

493.2 CHECKBOOK

When checks are used for disbursements, complete in ink the stub of each check as it is issued. Where practicable, the member of the employee welfare committee authorized to sign checks shall not be the same person who receives and deposits funds. The check stub balance shall be reconciled periodically to the bank statement.

493.3 RECORD OF ASSETS

Maintain a permanent record of all vending machines or other related assets costing \$50 or more and having a useful life of over one year which are owned by the employee welfare committee. This includes machines purchased outright, those under lease-purchase, those being purchased on the installment plan and those donated. Show for each item of equipment the location, date received, purchase price, amount of periodic payments, and amount still unpaid.

493.4 SUPPLIES INVENTORY

Inventory of all supplies on hand will be made by physical count on over 30 each year, or more often if desired. This covers supplies not sold through machines and those for sale through vending machines owned by the employee welfare committee, including supplies in these machines. List items under a separate heading for each building where located on date of inventory. Show description of the item, quantity, unit cost and total cost. Unit cost may be taken from amount on the most recent bill. The chairman of the committee must sign the statement. Retain for two years from the date of inventory.

493.5 UNPAID OBLIGATIONS

List all unpaid bills on June 30 each year, or more often if desired. Include all unpaid obligations except those listed in the record of assets (493.3). Show the date of the bill, name of vendor, description of purchase, amount due and date due. The chairman of the committee must sign the listing. Retain for two years from date of listing.

493.6 FILES

The employee welfare committee at each postal installation shall maintain chronological files of any of the following documents or other similar documents pertaining to the operation of the fund:

- a. Paid invoices showing date paid (attach any delivery tickets to the related invoice).
- b. Bank statements and related paid checks.
- c. Statements from outside vending machine owners covering commissions received by fund or other items.
- d. Supplies inventory and listing of unpaid obligations.
- e. Financial statements, audit reports and comments by the director, regional finance division.
- f. Constitution and bylaws, agreements or regulations covering operations and minutes of committee meetings.

Part 494

REPORTS

494.1 FREQUENCY

Statements must be prepared by all employee welfare committees at post offices and other installations for each fiscal year ending June 30, or more frequently if desired, to show the financial condition of the fund. Complete original forms by typewriter or in ink, using carbon for copies. The committee shall maintain files of all original reports for two years from the date prepared.

494.2 PREPARATION AND DISTRIBUTION

.21 ELECTRICALLY-OPERATED EQUIPMENT SCHEDULE

Prepared Form 3242, *Electrically-Operated Equipment Schedule*, in triplicate. See instructions on the reverse prior to completion. See 748.53 for types of machines and appliances for which utility charges apply, the fixed monthly rates, and requirements for assessment.

.22 STATEMENT OF RECEIPTS AND DISBURSEMENTS

Prepare Form 3241, *Statement of Receipts and Disbursements*, in triplicate. See instructions on reverse prior to completion. If the installation is other than a post office, the name of the installation must be entered on all forms in the space designated for post office. Attach the appropriate copy of Form 3242 to the statement. The statement must be signed by the chairman and the treasurer of the employee welfare committee. The installation head must forward the duplicate copies to the director, regional finance division, with the audit report prepared under Part 495. A copy of Form 3241 may be posted on the employee bulletin boards.

Part 495

AUDITS

495.1 FREQUENCY

An annual audit must be made of employee welfare committee funds. More frequent audits may be made if desired.

495.2 WHO MAKES AUDITS

.21 BY POSTAL EMPLOYEES

The head of each postal installation shall recommend an audit as prescribed in 495.22, when he feels that the size and complexity of an operation justifies such action. Directors, regional finance division, will review such recommendations and advise installation heads whether an outside audit should be made. The division director may also require that an outside audit be made irrespective of any recommendations. When an outside audit is not made, the installation head will appoint at least three employees as an audit committee. This committee shall not include any employee responsible for receiving, disbursing or having custody of funds connected with the vending operations. Where three employees are not available, the installation head may make the examination.

.22 BY OUTSIDE AUDITORS

When the director, regional finance division, determines that an independent audit is advisable, this audit shall be made in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States. Where the installation head has a question as to whether public accountants in his state or political subdivision are certified or licensed by a regulatory authority he will write the director, regional finance division. Where public accountants are not licensed or certified, independent audits shall be made by certified public accountants.

495.3 AUDIT REQUIREMENTS

As a minimum the audit committee's review shall include the following:

- a. Determination that the employee welfare committee fund is being operated in accordance with prescribed instructions and bylaws.
- b. Review of immediately preceding audit report for any improper practices previously noted.
- c. Verification that equipment owned by the fund is physically on hand.
- d. Review of bank statement reconciliations.
- e. Verification that records maintained properly reflect cash on hand and in bank. (This verification should be made on an unannounced or surprise basis.)
- f. Determination that proper percentages for vending machine receipts are being paid and recorded.
- g. Review for their acceptability all receipts from sources other than vending machines and interest or dividends.
- h. Review of all disbursements for their propriety.

495.4 AUDIT REPORTS

.41 CONTENT OF AUDIT REPORT

As a minimum the audit report shall include:

- a. A brief statement of the work performed by the auditor or the audit committee.
- b. Copies of:
 - (1) Form 3241, *Statement of Receipts and Disbursements*.
 - (2) Form 3242, *Electrically-Operated Equipment Schedule*.
- c. An opinion as to whether the employee welfare committee fund is being operated as prescribed by Postal Manual and regional office instructions and committee bylaws; an opinion on the statements prepared by the employee welfare committee with any adjustments recommended; and a detailed listing of deviations from instructions including disbursements for questionable or unauthorized purposes (see part 614, 733.5), and other deficiencies.

.42 DISTRIBUTION

The audit report shall be submitted in triplicate to the head of the installation within 60 days after the close of the fiscal year. A copy shall be posted on employee bulletin boards. One copy of the report signed by all members of the audit committee or the outside auditor shall be submitted promptly to the director, regional finance division, by the installation head.

.43 FOLLOWUP ACTION

The installation head is responsible for seeing that proper practices are followed and deficiencies are corrected. Where deficiencies have been noted, the installation head should report by memorandum to his Regional Director, the corrective action taken.

495.5 REVIEW AND COMMENTS BY DIRECTOR, REGIONAL FINANCE DIVISION

The director, regional finance division, will review the audit reports to determine that they are complete and that there is no indication that the committee funds are not operating in accordance with the prescribed accounting instructions. If a report is considered inadequate, the division director may request additional information from the installation head or request him to arrange for further examination of the records. If the division director feels that comments are warranted he will comment on significant items for the information of the installation head, the Regional Director and the committee. Any evidence of deficiencies in internal controls or financial irregularities of any kind should be brought to the attention of the installation head.

Part 496

TAX STATUS OF FUNDS

Employee welfare committee funds are exempt from Federal taxation. Therefore income tax return should not be filed. If inquiry is received from Internal Revenue Service on tax status of these funds, prepare a reply along the following lines:

District Director
Internal Revenue Service
-----, -----, ZIP Code
Dear Mr.-----:

Reference is made to your request that the Employee Welfare Committee at the ----- Post Office furnish an application for exemption from Federal income tax on Treasury Department Form No. 1024.

Employee Welfare Committees are appointed by the postal official in charge to represent all employee groups. He is the Chairman of the Committee. The Committee may operate vending machines only after securing his prior approval. (Section 743.5, Postal Manual.) All income from vending machines may be used only for the welfare and recreational activities of employees. No profits may accrue to the benefit of any single group, organization, or individual. (Section 743.5, Postal Manual.) The Post Office Department has issued detailed regulations to insure proper receipt and disbursement of these funds. (Subchapter 490, Postal Manual.)

Aside from the source from which their funds are derived, the Employee Welfare Committees do not differ from the Minneapolis, Minnesota, Post Office Canteen situation in which it was ruled that the Canteen was not subject to Federal income tax. See letter dated September 29, 1955, from Mr. P. Henry Needham, Chief, Pensions and Exemption Organizations Branch, Internal Revenue Service, Treasury Department, Washington, D.C. (T:R:PEO:S, FOB). Copies of sections 743.5 and Subchapter 490, Postal Manual, are attached.

Accordingly, it is believed that the Employee Welfare Committee at ----- is exempt from Federal income tax, and need not file Federal income tax returns.

Sincerely,

(Postmaster or other authorized official)

EXHIBIT "C"

ARTICLE XXI

Employee Services

Vending Machines

A. Employee Welfare Committee

An Employee Welfare Committee shall be established in each installation where employees receive income from vending machines or other enterprises. Each craft or occupational group of employees shall have one representative from the craft or occupational group on the Employee Welfare Committee having control over vending machine operations in workrooms and swing rooms. Each craft or occupa-

tional group of employees shall also have an alternate who shall represent the craft or occupational group involved on the Committee on occasions when the Committee member is unable to be present.

B. Appointment to Committee

1. Any organization with exclusive recognition at the installation and any Organization party to this Agreement that has formal recognition at the installation shall, in January of each year, designate the name of an employee in the craft to serve as Committee member and the name of an employee in the craft to serve as alternate. These designees shall be appointed by the installation head to represent the craft or occupational group involved. In the event either the Committee member or alternate leave the craft, the organization shall designate the name of a craft employee as a replacement.

2. If no organization has recognition, for a craft or occupational group as specified in B, 1 above, an election shall be held by such craft or occupational group and the installation head shall select in order the craft or occupational group employees receiving the highest number of votes as Committee member and alternate. In the event either the Committee member or alternate leave the craft, the installation head shall select as a replacement the employee who received the next highest number of votes.

3. Employees appointed under B, 1 and 2 above will serve until the following January with the following exceptions: an organization with exclusive recognition at the installation may, no later than ten days prior to the next scheduled Employee Welfare Committee meeting, request the removal of the committee member or alternate for the craft or occupational group. Upon receipt of such a written request from the President of the organization, accompanied by the name of a replacement, the installation head shall remove the committee member or alternate and replace him with the employee named as his successor prior to the next scheduled committee meeting.

C. Meetings of Employee Welfare Committee

The Employee Welfare Committee shall meet regularly but in any event, no less than once each six months. The Employee Welfare Committee shall meet on official time.

D. Responsibility of Employee Welfare Committee.

The Employee Welfare Committee represents all employees in the installation and is responsible for administering committee funds for the recreation, welfare and benefit of all employees in the installation. The Employee Welfare Committee is specifically responsible for, but not limited to:

1. Contracting for the operation of vending machines through open competitive bidding;
2. Restricting items sold in vending machines to those prescribed in the Department's regulations;
3. Periodic publications of financial status for the information of all employees;
4. Expending Committee funds advantageously for the welfare, benefits and recreational activities of all employees. No profit shall accrue to the benefit of any single group, organization or individual.

E. Committee Operation and Expenditure of Funds

Employee Welfare Committees shall operate within the framework of a constitution and by-laws. A sample format for the constitution and by-laws will be supplied by the Department at the request of the Committee. The Committee may make necessary modification to the sample format to meet local conditions. The expenditure of funds of the Employee Welfare Committee shall be by three-fourths vote. The accounting and auditing of all funds shall be as prescribed by regulations governing such funds in official Departmental publications.

F. Rates for Utilities

The rates charged the Employee Welfare Committee for utilities furnished shall be as prescribed by the Post Office Department.

Mr. NILAN. Thank you very much, Mr. Chairman, and members of the committee.

I would like to simply paraphrase a number of, what we consider, the more important parts of our statement. I will do it very briefly, and perhaps it will result in questions by the committee.

Mr. Chairman, we have attempted in our statement to provide the committee with a documented, specific, and accurate report and analysis of the regulations and the rules which are very rigid and are very responsive to the needs of the vending operations by the employee welfare groups, functioning within the U.S. postal service.

I would particularly like to refer the committee to exhibits A, B, and C, which we have attached following the conclusion of our statement. These are the regulations, these are the rules, outlining the fiscal responsibility, accounting, and so on, that is required of all postal employee welfare groups. These welfare groups, as you will note from these exhibits, are not appointed or directly responsive to the labor organizations which we represent. The postmaster in each office appoints them, consistent with article XXI of our national agreement, our collective bargaining agreement, if you will, with the Post Office Department, but these rules in exhibits A and B, particularly, point out the responsibilities under which these committees exist, even to the extent of CPA audits of all accounts. Under these regulations for all accounts and disbursements, no funds can be expended by any committee without a three-fourths approval of the committee concerned.

We also comment briefly on the highlights of these regulations, for your consideration. We are not going to read them, in our efforts to cooperate with the committee, but we do want to point out the benefits that employee welfare groups have sponsored, for up to 20 or 25 years. We believe that your questions on committee funds, which are responded to on pages 7 and 8 of our testimony, and detailed in exhibits A and B, will be answered on these pages and by these exhibits.

I would like to just mention for a moment, Mr. Chairman, on page 9 of your statement, at the top of the page, a very important paragraph.

The reason for the vending facilities in nonpublic areas having become so active in recent years is that the postal service and post offices operate on a 24-hour day, and as a matter of fact, the majority, 60 percent at least, if not more, of all postal employees (and particularly in our craft) are employed after 4 p.m. daily, and before 8 a.m. in the morning. And these shifts are on a 24-hour day, and a 7-day week. Therefore, the employee welfare groups have provided, with the approval of management, under the rules and regulations, vending facilities which are necessary to the needs of our people.

On top of page 10 we point out, as Congressman Daniels mentioned, the sharp increase in automation, machinery, and other processes in postal operations, near which our vending operations, as far as employees are concerned, are functioning today.

We go on to page 11 to 13, in which we discuss in detail the post office cafeteria regulations. And these are interlocked, even though it may not appear to be on the surface with welfare committees which provide a very responsible function in relationship to employee cafeterias.

Through the vending income which helps subsidize the cafeterias, there is a control on the prices charged for food to our postal workers. It is a subsidy that often is granted, based on needs of the cafeteria. In many instances, funds of employee welfare groups have actually refurbished cafeteria areas, and made them more responsive to the needs of hot meal service, and full-meal service for our employees.

We mention also the rigid controls on pages 11 and 12 of our statement, which are documented in exhibit B, and we hope again that these items will convince you of the need for continuing the present type of operation of our welfare committees.

On pages 13, 14, and 15, to the top of page 16, we discuss and address ourselves particularly to the sections of S. 2461 which give us great trouble, and of course, to our employees and their welfare associations.

We try to be specific in pointing out why we must challenge these sections. We point out, for example, on page 14, that in 170 post offices out of approximately 32,000, the bulk of postal employees are employed. These 170 post offices have as many as 500 employees, and the other approximately 31,250 post offices are comparatively so small that there is really no great need for operation vending facilities. They can be one- or two-man offices, with three or four people employed at the most, and therefore, the main vending operations are concerned with the largest 170 post offices.

On page 16, Mr. Chairman, we want to particularly bring to the attention of the committee that the Post Office Department and the labor organizations enjoying exclusive national postal recognition, including the United Federation of Postal Clerks, negotiated an article XXI in our collective bargaining agreement, which generally spells out the provisions under which employee welfare committees are appointed, and will function. The Post Office Department agreed to this in collective bargaining, and of course, now that the new Postal Reorganization Act has been enacted by the Congress and the administration on August 12, 1970, we have had no opportunity to renegotiate this particular section, but we do know that the Department will consider it when negotiations open in January.

On page 18, Mr. Chairman and members of the committee, we offer our proposed amendments to the pending legislation. We suggest and recommend very strongly that the word "exclusive" be deleted from the assignment of vending profits to blind and sightless persons who are operating facilities.

We also suggest, Mr. Chairman, another amendment, that the committee add words to clarify and make certain there is no misunderstanding, that vending machines and other eating facilities in workrooms, swing rooms, and other strictly postal space not available to the public, be excluded, as far as the vending operations for the blind are concerned, and such vending machine areas continue to operate under postal employee welfare groups.

We also suggest amendments to sections 10 and 11, which would permit at least the employee representatives and the employing agencies to have the same opportunities for arbitration and judicial review, in case there are disputes over the application of the act, as are given to the blind or other interested parties.

We also suggest on page 19 an amendment to section 7, to again permit both the employee representatives and the employing agencies, such as the U.S. postal service, to be consulted concerning decisions on installation of vending facilities.

We also suggest an amendment to section 6 of the bill, by placing a period after the word "located", on line 15 of page 10. And I might add, Mr. Chairman, we are using a copy of the bill that might not be the final draft available to the committee, but this amendment would continue the language that the blind or sightless person should

be able to operate and service the vending machine with which he may be concerned.

We also suggest to the committee that they consider the possibilities of deleting section 7 of the bill, which it appears would place an undue burden on the Postal Service, as far as requiring them to clear in advance with the blind, and their associations and HEW, possible vending machines that could be introduced in up to 32,000 installations, even though realistically, as I mentioned earlier, the main parts of a vending operation or facility would be really limited to only 170 or 200 of the post offices in the entire Postal Service.

Mr. Chairman, much has been made of the need for, and we certainly recognize the interest and the desirability of providing, factual and detailed breakdowns of the income of employee welfare groups. I think we must recognize that since we do not, as labor organizations, have direct control or direct administrative responsibility for these employee groups, and since the Post Office Department does, under very rigid rules and regulations, administers these programs, that we are unable to get any total accounting ourselves. We are satisfied with the rules, regulations and accounting procedures required by the Post Office Department, of the employee welfare groups. There is no possible way that any single employee or group of employees or management or anyone else can benefit personally from the distribution of these funds.

I believe that Mr. Cullen has been able to develop, at least in four or five of our larger post offices, some general information as to vending funds that are available to employee welfare groups in these offices.

We also have tried to get more detailed information, but because the Post Office Department has accounting of funds at the Post Office and the regional level, and reports made to the Post Office Department itself, only the Department could provide the committee with a complete, detailed and specific breakdown on the moneys involved.

We would like to conclude our statement, Mr. Chairman, by following up, as, our president, Mr. Filbey did. We appreciate very much this opportunity to appear before this committee on such short notice. We have provided Mr. Brademas as Chairman, and members of the committee, with a statement by President Filbey and myself explaining why we were unable at the time the Senate considered the bill to appear before the Senate committee.

Mr. Chairman, in conclusion, I would like to simply state in reference to page 21 of our statement: This is a much more involved, important, and far-reaching piece of legislation than appears on the surface. This is particularly true insofar as hundreds and thousands of loyal, dedicated, and hard-working postal and other Federal employees who have enjoyed beneficial health, safety, welfare and recreational programs from their purchases of vending products and related income available for the good of all employees through their employee welfare committees which have been functioning in their best interest for up to 25 years. Such benefits are not available to the employees from any other source.

We urge you not to legislate these benefits away from our postal and Federal employees, and not to legislate and negate important provisions of an existing collective bargaining agreement between postal workers and their employer, the Post Office Department.

Thank you, Mr. Chairman and members of the committee, for this opportunity for President Filbey and myself to present the views of the United Federation of Postal Clerks on behalf of the 310,000 postal clerks employed in post offices throughout the United States and possessions thereof. President Filbey and I will be happy to respond to any questions you may have concerning our testimony, either now or following the presentation of testimony by our colleagues, appearing at this panel this morning.

Thank you very much, Mr. Chairman.

Mr. BRADEMÁS. Thank you, Mr. Nilan.

Would you like us to put questions to you now, or do you want to—

Mr. FILBEY. Yes, sir.

Mr. BRADEMÁS. Well, why don't I go ahead and ask you some questions now, and if we run out of time I guess we can always come back, because the more I get into this issue, the more I realize that we need a lot more time on this. There is more here than meets the eye.

For example, I am struck by what appears to me to be some apparent inconsistencies. I think you used the phrase, Mr. Nilan—with respect to the moneys that are going into the welfare committees—I believe you said that there were CPA audits available.

Mr. NILAN. That is correct, Mr. Chairman. Required by the postmaster or the regional office concerned. In other words, if the operation is one where there is a large income involved the regulation permits the postmaster and/or the regional office to require a CPA audit every year. If not, an auditing committee is appointed by the postmaster, which no member of the welfare committee can be serving on who has anything to do with the funds. This, of course, is in the smaller postoffices and operations, where the amount of money involved is comparatively small.

Mr. DANIELS. Mr. Chairman, at that point—

Mr. BRADEMÁS. Let me just pursue this, and I will be glad to yield.

I want to get straight in my own mind the mechanics of this operation. You are saying that there are in the hands of the Post Office Department, audits of the revenues received by employee welfare committees all over the United States?

Mr. NILAN. That is correct.

Mr. BRADEMÁS. Is that correct?

Mr. NILAN. That is correct.

Mr. BRADEMÁS. And you are saying that you don't have those audits available to you.

Mr. NILAN. They are not reported to us as a labor organization.

Mr. BRADEMÁS. Why not?

Mr. NILAN. Well, because our national organizations have no direct control or responsibility for the vending committee operations themselves. They function on the local post office level.

Mr. BRADEMÁS. I understand, but the audits certainly would be available to the welfare committees; would they not?

Mr. NILAN. Oh, yes.

Mr. BRADEMÁS. And they certainly are available to the Post Office Department, which is the institution that asks for them; is it not?

Mr. NILAN. They are required to be made available to the Post Office.

Mr. BRADEMÁS. Then why is it so difficult for us—my question is rhetorical, I suppose—to get a straight, direct, honest answer from the Post Office Department, when we say how much money is involved? They say, “Well, you know, it is very hard to say.”

You understand why I grow more and more suspicious about this operation with every word of testimony I hear?

Mr. NILAN. Certainly. Let me mention this, that the legislation came up on us rather suddenly and I am sure the Post Office Department, given time—and specifically requested to do so by this committee—could come up with the information desired.

Mr. BRADEMÁS. They will be requested.

Mr. NILAN. The Department could provide you with that information. They probably have to gather it from their regional offices, which make their reports from the postmasters to the regional offices. I think this would be available. I am sure that if our labor organizations had been aware of the need for such information we could have requested that a financial report be given to us.

Mr. BRADEMÁS. If I were in your shoes—that is your job, that is not my job—but if I were in your shoes I would sure want to know how much money was involved. Wouldn't you?

Mr. NILAN. Right.

Mr. Cullen, in just a moment, Mr. Chairman, has requested from the Department certain post offices on a breakdown, which may give you an example of the funds, as far as the gage that you might be able to balance this out.

Mr. BRADEMÁS. Right. Well, the little information that I have been given in response to requests by our subcommittee staff to the Post Office Department is, to be gentle about it, not any that a 7-year-old boy would take seriously. In other words, I don't think they are telling us—let me be gentle about it. We haven't had all the facts from the Post Office Department.

Mr. NILAN. Mr. Chairman, on the audit, I would like to refer you to page 3 of our exhibit B, and the reference to part 495 of the postal manual. That is exhibit B, page 3, at the end of the statement.

There is provided the audit section, which states the frequency and who makes the audits, and it also provides under part 495.22 for audits by outside auditors, including certified public accountants or other auditors as felt necessary to protect the funds.

Mr. BRADEMÁS. Well, that is very helpful, Mr. Nilan, and I want to commend you and your organization for having done such a fine job of getting these various materials together for us, because I think you understand that we are not trying to point a finger of blame at anybody. We are really trying to understand, or as the man said, “We just want the facts.” And as I said, we seem to be having a very difficult time arriving at them.

Now I have a number of further questions, but I want to yield for a question to the gentleman from New Jersey.

Mr. DANIELS. Thank you, Mr. Chairman.

I direct your attention to page 7 and 8 of the statement of the United Federation of Postal Clerks, from which Mr. Nilan testified, and there it sets forth that in 1968 in a national agreement arrived at by the Post Office and the seven employee organizations with exclusive recognition at the national level, have agreed upon the composition of post office employee welfare committees, and how committee members shall be appointed then it goes on to set forth the

Post Office Department's regulations for the safeguarding of the committee funds.

You will notice that not more than two checking accounts may be maintained without approval of the region. Checking accounts must be in banks insured by the FDIC, balance in checking accounts must be sufficient to avoid service charges, funds not required in checking accounts and reserve funds shall be carried in interest-bearing accounts, and so forth. Then we come down to item K, annual audits. Audits are made by committees of the postal employees at small operations, and by public or C.P.A.'s at large operations. And these reports are required to be distributed, and they are reviewed by the Director of the Regional Finance Division.

Now I see no reason why, in view of the fact that this agreement as arrived at 2 years ago, that we can't get some information as to the amounts of moneys that have been received, and, of course, collected by these welfare committees, if these funds are properly accounted.

Mr. BRADEMAS. I think the gentleman from New Jersey is exactly on target with his observation, and that what he said is a most valuable contribution to our understanding of this problem. Because in review of the auditing procedure, being part of the national agreement, I believe the gentleman said—

Mr. DANIELS. That is correct.

Mr. BRADEMAS. Certainly it ought to be a matter of public knowledge, public record.

Mr. DANIELS. Public record, and should be public information.

Mr. BRADEMAS. Well, with the agreement of the gentleman from New Jersey, let's try to get that information for the benefit of the committee, and I am sure that our friends from the employee organizations are just as interested in being made aware of that kind of information as are members of this subcommittee. because it affects the well-being of your own members.

Mr. FILBEY. Mr. Chairman, the Post Office Department itself has a Post Office Department form 3241. Its title is "Post Office Department Employee Welfare Committee Funds Statement of Receipts and Disbursements."

The Post Office Department form must be completed by every employee services committee or welfare committee, whatever it might be called, that operates in the Post Office Department, and must be filed.

Mr. BRADEMAS. Where is it filed, sir?

Mr. FILBEY. It is filed with the region, with the Bureau of Audits of the 15 respective post office regions.

Mr. NILAN. We could present it for the record, Mr. Chairman.

Mr. FILBEY. We would be happy to submit them for the record.

Mr. BRADEMAS. That would be very helpful.

Mr. FILBEY. These, of course, are blanks, they haven't been filled out, but this is the required form.

(The form referred to follows:)

POST OFFICE DEPARTMENT EMPLOYEE WELFARE COMMITTEE FUNDS STATEMENT OF RECEIPTS AND DISBURSEMENTS		POST OFFICE AND ZIP CODE		FOR FISCAL YEAR ENDED June 30, 19__
LINE	DESCRIPTION	VENDING OPERATION	OTHER ENTERPRISES	TOTAL
1	BEGINNING CASH BALANCE			
2	FROM SALES OR COMMISSIONS			
3	FROM INTEREST OR DIVIDENDS			
4	OTHER (Describe)			
5	TOTAL RECEIPTS (2 through 4)			
6	TOTAL BEGINNING CASH BALANCE AND RECEIPTS (1 plus 5)			
7	SUPPLIES (Soda, Candy, Cigarettes, etc.)			
8	PURCHASE OF VENDING EQUIPMENT			
9	RENTAL OF VENDING EQUIPMENT			
10	REPAIRS AND PARTS FOR VENDING EQUIPMENT			
11	BANK SERVICE CHARGES			
12	OTHER (Describe)			
13	TOTAL OPERATING EXPENSES			
14	PROFIT FROM VENDING MACHINE OPERATION BEFORE UTILITY ASSESSMENT (5 minus 13)			
15	UTILITY ASSESSMENT			
16	BIRTHS, DEATHS, WEDDING GIFTS			
17	RETIREMENTS OR SEPARATIONS			
18	RADIO OR PUBLIC ADDRESS SYSTEMS			
19	AWARDS, TROPHIES, RECREATION			
20	OTHER (Describe)			
21	TOTAL EMPLOYEE BENEFITS			
22	TOTAL DISBURSEMENTS (13 plus 15 plus 21)			
23	ENDING CASH BALANCE (6 minus 22)			
24	CASH ON HAND AND IN MACHINES OWNED BY WELFARE FUND			
25	CASH IN CHECKING ACCOUNTS			
26	CASH IN SAVINGS ACCOUNTS OR INVESTMENTS			
27	TOTAL CASH			
EMPLOYEE WELFARE COMMITTEE	CHAIRMAN (Signature and Date)	TREASURER (Signature and Date)		

Mr. BRADEMAs. Who is the superior, then, in the Post Office Department in Washington in that particular area?

Mr. FILBEY. I would think the Assistant Postmaster General in the Bureau of Finance.

Mr. BRADEMAs. Well, we ought to get in touch with him, then, and ask him to give us some sort of intelligent breakdown of the information that we are discussing here.

Do you know his name?

Mr. FILBEY. Frank Hargrove is the Assistant Postmaster General, Bureau of Finance and Administration.

Mr. BRADEMAs. Another of the—I will just ask two more questions, before yielding to Mr. Daniels, and they getting back to letting your other colleagues testify.

You will appreciate, I think it is quite clear, why we are interested in how much money is involved here, because that tells us a great deal. I don't have to expand on that point.

On one of the points you made in your statement, Mr. Nilan, I believe on page 9, you say that you refer to cafeterias operated and vending facilities operated by employee welfare committees, in major cities, postal facilities in major cities, and then you refer to whatever modest profit might result certainly should revert back to the employees' purchasing such products through their welfare committees. Well, without getting into whether—that is obviously an expression of a point of view, but that is not my question. My question is, you refer to modest profit there. But on page 11 of your statement, you say referring to the Post Office Regional Manual, "Cafeterias must be operated on a nonprofit basis," and you go ahead to make the point that it is important to hold down the cost of sale of food to employees.

Now this seems to me to be an inconsistency. Not supposed to be making a profit, under the Post Office regulations; on the other hand, you say you would like to have a chunk of whatever modest profits are made.

Mr. NILAN. Well, let me clarify it. I perhaps erred in that paragraph in trying to explain the interrelationship between a cafeteria and the employee welfare group operating vending facility. Actually, they are separate and distinct. The postal cafeterias are operated separately and by a committee appointed by the postmaster, which has nothing to do with the employee welfare committee. So there are two separate operations. However, the interrelationship develops because under the postal regulations, a cafeteria must operate on a nonprofit basis. But when you try to get up to that nonprofit line, in order not to show a profit, occasionally there may be a small profit, but it is a minor or miscellaneous profit.

Most of the problem is operating on a less than break-even point, and that is where the postmaster in a post office will prepare an appropriate letter to the welfare committee, pointing out there is a deficiency of \$5,000, or \$1,000, or something else for operating expenses, and recommend to the welfare committee of which he is also chairman that the employee committee make up the deficiency from welfare funds. The postmaster is chairman of the employee's welfare organization, and is also chairman and in complete charge of the cafeteria operation, so this is where the interrelationship comes.

The cafeteria must be operated on a nonprofit basis. There may occasionally be a small profit involved, but it is quickly evaporated. The biggest part is where the welfare committee, through the vending funds that postal employees contribute, subsidize the cafeteria operation.

I hope this will maybe clear up the point, unless you have got a further specific question.

Mr. BRADEMAs. Well, as what seems to me to have happened—and I am sure you will straighten me out if my understanding is mistaken—is that during the course of the past 20 or 25 years, on a kind of piecemeal basis, there has grown up a tradition and a practice,

whereby Federal employee unions—in your case, postal employee unions—have negotiated with the postal management arrangements under which revenue from certain vending facilities have been channeled into welfare committees. Is that correct?

Mr. NILAN. The national agreement was reached in 1968, but the employee-welfare committees functioned through rules and regulations of the Post Office Department, up to that date, really prior to that date for up to 20 or 25 years.

Mr. BRADEMÁS. I understand that. And therefore, in a sense, you are contending that since these practices have in effect been sanctioned by the Post Office Department, in that it has actually issued rules and regulations for the operation of these agreements, that the pattern should not be changed. I believe that is what you are saying.

Mr. NILAN. This is part of our basic position . . .

Mr. BRADEMÁS. I am not arguing with you. I am just trying to understand your point of view.

Now as I understand Senator Randolph to be saying, and the representatives of the blind organizations to be saying, they may have been doing it, but they have had not statutory authority for doing it. They just went ahead and did it, and we think they are violating the intent of the law, because whether they have been issuing rules or regulations or not, says Senator Randolph, they are not supposed to be doing that, and we are complaining about it, and therefore, we want to change the law to conform to what we believe, what Senator Randolph believes to have been the original intent of his law.

Is that a fair representation of the dispute?

Mr. NILAN. I think that is a fair statement.

Mr. BRADEMÁS. Fine. I just wanted to be sure.

Mr. NILAN. And on that point, if I may, Mr. Chairman, I think you brought this out, as did some of the other members of the committee. We are talking about a law that was written in 1935, and of course, no question about its being a very valid and a very responsible law. But in trying to project the working conditions and the operations of the Post Office Department from 1935 (and Federal agencies) the growth in the past 35 years has been substantial. It was amended, I believe, in 1954. But the language itself, apparently, in the view of GAO, felt that perhaps conditions had changed, and the language maybe was not intended to do what some, including Senator Randolph, may have felt was anticipating at that time, in 1935 and even 1954.

Let me, if I may, just read the appropriate references in the Comptroller General's ruling here. It says:

Where contractual arrangements for installation and operation of vending machines on Government-owned or controlled property may be made by employee groups, with administrative approval, and with understanding that any funds received by such group from the operation of machines could be retained by employees, for general welfare activities, GAO will not object to continued use of such funds for employee general welfare activities, pending enactment of clarifying legislation.

We consider in this ruling of 1952, that perhaps the changing conditions, and I know Congress deals with this question all the time, that the GAO felt that the 1935 act or the 1954 amendments did not anticipate some of these problems. Not even 5 years ago, let alone 25 years or 30 or 35 years ago.

Mr. BRADEMÁS. I think that is a very helpful observation on your part, and I think one of the problems here is that conditions have

changed and, of course, one of the conditions that I take it has changed is that a lot more money is coming out of those vending machines.

Mr. NILAN. There is no question about it.

Mr. BRADEMAS. And that is the big change that has got everybody excited.

Mr. NILAN. Exactly.

Mr. BRADEMAS. Mr. Daniels.

Mr. DANIELS. Mr. Nilan, do you know whether or not welfare committees exist in other organizations other than Post Office?

Mr. NILAN. They certainly do, and I believe the representatives of the American Federation of Government Employees, when they testify, or in their statement, explain the situation in other Federal installations. It is not just a Post Office operation, except that we have had a very tight operation based on rules and regulations and postal employee welfare committees probably have been functioning for a longer period of time.

Mr. DANIELS. Do you know if they account for their funds or make audits as your welfare committees do, as required by the Post Office Department?

Mr. NILAN. I would assume, but I am not in a position to answer, Mr. Daniels. I have not seen their statement.

Mr. FILBEY. Representatives in the back of the room indicate yes.

Mr. DANIELS. Now you were here earlier when Senator Randolph was testifying, and I endeavored to obtain from him an opinion as to whether or not a distinction ought to be made from those parts of the building which are public in nature, like postal lobbies, hallways, and corridors where vending machines exist, as distinguished from those portions of the building which are nonpublic, occupied by the employees exclusively.

Do you believe this legislation ought to separate the two?

Mr. NILAN. I believe it would be very important, both for the blind vendor as well as the employee welfare groups, if some policy statement could be enacted into law along what you have suggested.

Now I say it for this very important reason: No. 1, I understand there are post offices, for example, where a Postmaster will not permit a blind vendor to operate in the lobby. Public areas. We think this is wrong. We support wholeheartedly the blind vendor, and the sightless people, and their operations, having access to the public areas.

Now as for the employee, the worker being under Post Office regulations, such employee, whether he be letter carrier, clerk, or special messenger, he is prohibited from going into the public areas, other than during his off-work time. In other words, during the day he or she is not supposed to go into the public area, unless it is in response to a part of their work. They must enter and leave through the back doors of the post offices, and this is particularly true in the big post offices; they are not exposed at any time, really, to any vendor who may be in the lobby.

Mr. DANIELS. What you are saying, then, is that a postal employee during working hours, is confined exclusively—

Mr. NILAN. That is right.

Mr. DANIELS (continuing). To the working area as distinguished from the public area?

Mr. NILAN. Absolutely, sir.

Mr. DANIELS. As a result of his job he must enter the public area.

Mr. NILAN. As a matter of fact—

Mr. DANIELS. Well, then, do I understand you correctly that it is your position that you would not object to the blind having exclusive rights to all vending machines in the public area?

Mr. NILAN. That is correct.

Mr. FILBEY. Mr. Daniels, to follow that up, the Post Office Department's regulations presently provide that if there is a blind vendor in the lobby of the post office, and if through the installation of vending equipment in the inside, the security part of the post office, and because of the installation of that vending equipment, the blind vendor no longer is making a living on his operations in the lobby, that the welfare committee funds must be taken from that welfare committee and given to that blind vendor, automatically, up to the point where that blind vendor will be making as much money as the average wage paid the employees in that post office.

This is a regulation. And it operates down.

Mr. DANIELS. Now you said the average wage paid—

Mr. FILBEY. To the postal employees.

Mr. DANIELS. Is it confined to any level?

Mr. FILBEY. The average. They take all the employees, the wages of that particular office, and average it out with the number of employees and the average wage paid.

Mr. DANIELS. Would that include supervisory personnel?

Mr. FILBEY. As far as I know, it includes everyone.

Mr. BRADEMAs. Would the gentleman yield?

Mr. DANIELS. I would be happy to.

Mr. BRADEMAs. What if you had a smaller post office, where you only had room for a machine, and no blind vending stand?

Mr. FILBEY. Well, there is no blind vendor there, and under the present system, those funds are available to the welfare committee, but then we are talking probably about a hundred dollars a year.

Mr. BRADEMAs. Well, as I understand Senator Randolph's bill here, if it were legislated into existence, revenue from such a vending machine would totally accrue to a blind person.

Mr. FILBEY. Absolutely.

Without the blind person ever having anything to do with it, or even necessarily being located in the city or town where it exists.

Mr. BRADEMAs. You would not be happy with that arrangement, I take it.

Mr. NILAN. I don't think the postal workers would, Mr. Chairman. If I may on this, Mr. Daniels, we were advised by the Post Office Department at the present time there is approximately 347 blind operated vending stands in postal installations throughout the country. Of these 347, in 193 part of the vending profits accrue to the employee welfare committees, and 85 of such stands receive all of the vending machine income at their respective postal installations, consistent with the postal regulations.

So in our opinion, everything has been done possible to make certain the blind vendor, in an installation that can accommodate a stand receives a salary commensurate at least with the salary, average salary of a postal clerk or letter carrier, which would be around \$7,500 to \$8,700. If he doesn't, he or she automatically gets a subsidy from the welfare committee to have this aggregate salary.

Mr. DANIELS. Mr. Nilan, one further question: Under postal rules and regulations, are there any prohibitions against anyone not an employee entering the private or security section of the post office?

Mr. NILAN. Even more so now than ever before. Recently, the last year, or year and a half, each postal worker must have a badge with his picture on it, identifying himself, in order to enter the postal operation.

Mr. FILBEY. Nonuniformed personnel that is. Nonuniformed personnel must have an identified badge with a picture.

Mr. DANIELS. Would a blind vendor have a right to enter that private sector?

Mr. NILAN. Not without the approval of the postmaster.

Mr. DANIELS. Do you know if the postmaster gives such approval?

Mr. NILAN. I don't know. In my opinion, if I recall correctly in our own operation in Minneapolis, when a—say a Coco-Cola vendor would come in to service a machine, or to pick up empty bottles, usually a guard would be called to the entrance, and would accompany him to whatever service he had to make. It has been very restrictive as far as entering the nonpublic postal workroom areas, and because of the bomb threats and violence and so on, the last 12–18 months, the protection and security has been considerably enhanced. It is just not possible, and remember, the bulk of the vending operations occur at night. It is after 4 or 5 o'clock in the afternoon, until 8 a.m. in the morning. This is where the bulk of the vending income is from. And more and more, as I believe you pointed out, under the Postal Reorganization Act, more and more of the working part of the postal service is going to be relegated to the outskirts of metropolitan areas. There are not going to be public lobbies there. It is going to be strictly postal workers and postal operations. The public is not going to be available there and I think it is very important that in whatever final form the legislation takes that the blind are recognized for vending operations only within the public lobby areas and in the cities where the public is going to contribute most of the business for the blind.

And again speaking very frankly, the postal employee, since he is the only customer of a vending facility, feels and believes, and I am sure you gentlemen know, that whatever profits might accrue from such machines should be available, within certain limitations, to welfare and recreational programs and committees. It is the only sort of income available to employee welfare groups.

Mr. DANIELS. One further question, Mr. Nilan. Under the proposed legislation, section 9, with regard to definitions, defines vending facility in a very broad light. Do you have any quarrel with that definition?

Mr. NILAN. We have a quarrel with this definition and it is one of the points that was mentioned earlier. We are concerned because in the testimony a week ago, a week ago Monday, I believe it was, those supporting S. 2461 were confused and not certain of the intended definitions. There is no confusion in our mind or the minds of our legal counsel. Our counsel tells us that if the present language is continued in a final act, that employee cafeterias would become completely available to blind vending operations. There are certain qualifications, I would agree, but the language is so broad and all-encompassing that in our opinion it would include the cafeterias.

Mr. DANIELS. In your statement, do you make any reference to this section?

Mr. NILAN. I don't believe we got into section 9. Maybe we did. I think we did refer to it.

Mr. DANIELS. Well, if you have it, in order to save time the hour is growing late and we have some other witnesses who have been requested to testify, I am going to ask unanimous consent, Mr. Chairman, that that panel of witnesses may have the opportunity to comment on the definition of "Vending facility," as contained in paragraph 9, captioned "Definitions."

Mr. BRADEMAS. Yes, without objection you may, of course, feel free to submit that for the record.

Mr. NILAN. If I may respond, Mr. Daniels, if you take the broad language of the definitions and tie that in with the exclusive assignment that is it. There ain't nothing else available for employee welfare or cafeteria committees to operate or provide employee programs from welfare foods.

Mr. BRADEMAS. Well, you are asking the same question that I put to Senator Randolph this morning, and that I put to representatives of the blind last week, namely, the impact of the combination of the word "exclusive" and the broadening of the definition of vending stand to read "vending facility."

Well, I want to be sure we let others speak here. Go right ahead. Who is next?

Mr. NILAN. I believe Mr. Lewis of the letter carriers.

Mr. BRADEMAS. Mr. Lewis.

Mr. LEWIS. Thank you, Mr. Chairman.

I am Stanly Lewis. I am the vice president of the National Association of Letter Carriers. We represent more than 215,000 letter carriers throughout the entire Nation, in some 6,500 post offices. We are pleased to have the opportunity of joining with our colleagues in the postal organizations in appearing before your subcommittee today in regard to S. 2461.

We join with the statements made by our colleagues, from the United Federation of Postal Clerks, and join with them, too, in their proposed amendments that are being offered to the bill.

It is rather an unusual position for us, also, to be testifying in opposition to legislation sponsored by Senator Randolph. He has certainly been a very outstanding champion of postal employees, through his long years of service in both the House and the Senate.

I only want to emphasize several points that have been made, and to emphasize our thinking on them. First I would like to make it perfectly clear that we are only referring to vending machines in those areas from which the general public is excluded. As far as those areas where the general public is allowed, that is, the public areas, where a blind vendor now has the rights to operate vending machines, or a vending stand, we are not opposing this, and we think this is fair and just and should continue.

But we do believe that in the nonpublic areas, areas restricted only to postal employees, that the revenue from these machines should remain with the employee welfare groups. You have asked several questions about where the funds of the moneys go to and or interest in them. While we as an organization are concerned about the income from these machines we don't have a direct involvement in them.

We as unions do not receive any of the moneys at all. Only the employees working in an individual post office, whether they belong to a union or not, the employee welfare fund is composed of those employees. Those employees have the direct control over the moneys that are spent and how it is spent, and must make the accounting for it.

So we don't have a direct control as a union, nor do our local branches have a direct control. The employees representing the various employee craft groups within the post office have that particular control.

We believe that by keeping, the vending machines under the control of the employee welfare funds, as was pointed out, we are able to keep the cost of the different items that are vended to the employees down to a reasonable level. Once this becomes an area that profit is a part of the motivation, the costs are bound to rise to a higher degree, because profits have to be made.

We find in a number of places where vending machines now operate, and where a reasonable profit accumulates, let us say, particularly in the post office, during the Christmas season, that the employees get what they call a "free day". Instead of needing the coin to operate the machine to get a cup of coffee or a coke, on a particular day if the profits have been above normal, that this is returned to the employees who furnish the profits to begin with, on a free basis, so we believe that this is a point that is certainly of benefit to the employees, because it is their money that make the profit to begin with.

I want to again thank you for the opportunity of appearing with this panel before your committee, associate our organization with the amendments that have been proposed in Mr. Nilan and Mr. Filbey's statements. We are in complete harmony and agreement with those proposals.

(Mr. Lewis' prepared statement follows:)

STATEMENT OF J. STANLY LEWIS, VICE PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. Chairman and members of the committee: I am very grateful for the opportunity of appearing before you today.

For the record, my name is J. Stanly Lewis and I am Vice President of the National Association of Letter Carriers, with headquarters at 100 Indiana Avenue, Northwest, Washington, D.C. We have approximately 215,000 members in approximately 6,500 local Branches spread throughout all fifty of our States and all our insular possessions.

Before becoming specific on the legislation under consideration, I want to make it perfectly clear that the N.A.L.C., in opposing certain aspects of S. 2461, is not suddenly assuming a Scrooge-like character by trying to deprive the blind of what should rightfully be theirs. Far from it. Both collectively and individually, the members of the National Association of Letter Carriers over the years have created a remarkable and proud record of assisting those less fortunate than themselves. As some of you might know, we have been particularly active and effective in trying to help the children ravaged by Multiple Sclerosis.

No, Mr. Chairman, all we want to do is to point out that the welfare funds in our own Post Offices also do a great number of good things, and, as postal employees we want to retain the right to use some of the profits that come from the pockets of postal employees—and only postal employees—for beneficial purposes of our own choosing.

Specifically, we would like the following changes to be made in the existing Bill.

- (1) In Section 2, strike out the word "exclusive."
- (2) If the word "exclusive" is *not* deleted, we would like to have language added which would exclude from the Bill such vending machines and other eating facilities that are on workroom floors and in swing rooms and other areas where the general public is not admitted, and which are restricted solely for the use of postal employees.

(3) In Sections 10, and 11, we would like the employee representatives to enjoy the same provisions for arbitration and judicial review which the employing agency enjoys.

(4) Section 7, (d) We would like to have the right of being consulted before management installs vending facilities in our work and rest areas.

(5) In Section 6, we would very much like to retain the language of the original Randolph-Sheppard Act appearing in the final sentence of Section 2, Subsection 5 (b), as follows: "*but are able in spite of such infirmity, to operate such stands.*"

Because, in previous discussion of this Bill, there seems to have been some well-meant but serious misunderstandings about the purpose and use of the welfare funds in Post Offices, I feel it is necessary to be a little specific about what these funds do, and who operates them.

The welfare funds have nothing whatsoever to do with the postal unions and, conversely, the unions have nothing to do with the welfare funds. We do not control them; we do not administer them. Article XXI, of the Postal Labor Agreement is very specific about what the welfare funds can and cannot be used for. Above all, they must be used for the benefit of *all* employees in the Post Office, regardless of craft, regardless of whether they are union members or not.

If a scholarship program is undertaken through use of the welfare funds, the scholarship competition must be made available to children of all employees of that particular post office, without exception. If the money is partially used to send flowers to postal families in times of sorrow, it must be used in the same way and to the same extent to every postal family suffering tragedy. If, as so often happens, the money is spent to provide health and safety devices not otherwise available in the Post Office, these devices must be made available to every employee without exception or favor.

I also want to make perfectly clear that the vending machines we are talking about are only those in areas where the general public is excluded. Every penny that goes into those machines comes from the pocket of a postal employee. All we want to do is to continue to have the use of the profits from these machines determined democratically by the Employees Welfare Committee in each Post Office so that they will contribute to the benefit, the welfare, or the recreation of all postal employees.

This seems to me only just and fair. It is the only logical and painless way we have of raising a little money which will be used to make the postal job just a little more pleasant, and make the Post Office just a little more attractive as a place in which to work.

There is another serious point involved here, Mr. Chairman. Many employees—particularly those on the night shift—depend upon these machines for their sustenance. There is literally no place they can go to get food or even a cup of coffee.

By controlling these machines in the work and rest areas, the employees control the cost of the food and drink being dispensed. The cost is kept low. The profits are really not large at all in relation to the volume.

If these machines are taken out of our control, the profit motive—even for the very best of reasons—could become dominant. Prices would go up and the captive employees would have to pay the magnified prices or go hungry. I think this is a very real possibility and one that should be seriously considered.

Our members and, I am sure, the members of all the other postal unions are more than a little concerned about the intent of this Bill. They feel the Bill represents an act of expropriation—an arbitrary seizure of their own funds for purposes which will be dictated to them.

It could be that the postal employees in some post offices will voluntarily determine to turn over all or a substantial part of their welfare fund to programs to help the blind. This has been done, just as there have been instances of the employees voting to turn over the major part of these funds to United Govers' Fund or some other worthy charity. But these have been free and democratic decisions made by the employees concerning the use to which the profits from their own money should be put. They want to retain that right of determination—particularly since, in many cases, the employees are a captive audience who must use these machines on the workroom floor, or in the swing room, or none at all.

Mr. Chairman and Members of the Committee, through recent legislation—particularly the Postal Reform Act of 1970—we have made enormous strides in ridding the postal establishment of the obnoxious paternalism which has plagued it for 180 years. The proposed expropriation of the profits from the vending machines and facilities used solely by postal employees—and the arbitrary determination of the use of such profits, no matter how noble that purpose may be—represents a step backwards into the hated paternalism of the past.

We suggest wholeheartedly that you amend the present Bill, S 2461, in the manner which I have recommended, and permit postal employees to make their own decision as to the uses for which their own nickels, dimes, and quarters shall be used.

Thank you very much.

Mr. BRADEMAS. One of the things that I also observed in this classroom, in which I find myself getting educated, over the last several days is—and I don't comment on whether it is just or right one way or the other—but there does seem to me to be a tacit assumption on your part, that is, on the part of the employee organizations, that the revenues from the vending machines are in justice to go to the welfare committees.

There seems to be a tacit assumption that it is yours, that it is your money. That is to say, it belongs to the welfare committees—I don't mean to the unions—as distinguished from other alternatives, such as to go to the Treasury of the United States.

And I think that that is a presupposition that ought to be put right out on the table. That at least, we may on this subcommittee conclude yes, you have got it coming to you, but at least, we ought to face up to the fact that the situation has over the last 25 years apparently been operating on that kind of a presupposition.

Yes, Mr. Nilan. Am I wrong in that assumption?

Mr. NILAN. Mr. Chairman, yes; I do. But I also believe, and perhaps your staff can research this out, if I recall correctly, back in the mid-1950's, some sort of an agreement was worked out between the Post Office Department and the then Department of Health and Education, or whatever the title of the Department was at that time, and as a result of that agreement, the postal regulations and rules were developed, particularly in the areas of subsidizing the blind stands and the areas of the salary that must be involved, so I believe at that time it got at least an informal blessing, if you will, between the agencies administering the act and the Post Office Department. I believe that information could also be requested from the Post Office Department.

Mr. BRADEMAS. I am sure, at least from what I know of it, that you are quite right. That in point of fact, you ought to have, I can quite understand your view about this, that 20 years ago there was a wedding, and we are now debating its legality.

Mr. FILBEY. Mr. Chairman, the wedding goes back even beyond 20 years.

Mr. BRADEMAS. I do not refer to its offspring.

Mr. FILBEY. I came to the postal service in 1926, in the city of Baltimore, which is one of these large operations. When I came into the postal service, there was a blind vendor in the old main post office. There were no vending machines, of course, and there were postal employees, both clerks and carriers, who were conducting on the inside of the post office their own little business, in selling candy or cigarettes, or coffee, making coffee, and so forth.

We moved away from that, in 1933, when we got a new post office. We got a new postal building in Baltimore, and there we had an employees' cafeteria, which served the complete Federal building. The blind vendor was still in the main lobby of the post office.

The cafeterias were operated by a committee as presently exists, and the cafeteria consistently lost money. Essentially, Coca-Cola

machines, I think, were the first vending machines that came on the Federal premises. I would suggest that it was because of the fact that one of the leading officials of the Coca-Cola Co., had formerly been Postmaster General, or not, but the first vending machines that came into Federal buildings were Coca-Cola machines.

Then a dispute arose as to whether those profits would go to the blind vendor or the cafeteria committee, in order to subsidize the cafeteria, and that was as far back as 1933, prior to the passage of this particular act.

And in those days postal employees, we had in big cities in those days—you had all-night restaurants adjacent, in the main downtown areas, where post offices were located, so that the people that I represent, postal clerks, who worked, 90 percent of them from 4 in the afternoon until 8 the next morning, over two shifts, had a place to go to get something to eat, during their half hour lunch break, but gradually these establishments in the downtown area, like everything else that has happened to the inner city, they died out. There is no place for the employees to get food. Vending operations then began to expand, on the inside of the post office, and today, in the city of Baltimore, we have what is called a vending machine cafeteria. Inside the post office, not accessible to public. This is what they are talking about when they say vending facility.

Mr. BRADEMAS. I understand.

Mr. FILBEY. It is a full-scale cafeteria, vends hot food as well as cold food, and everything else. This is the only place these people, and there are, I would say, in the city of Baltimore, 1,200 to 1,300 clerks employed during those hours, the only place they can get anything to eat on their half hour lunch period is from that vending machine cafeteria, there is no eating establishment open anywhere around that post office.

Mr. BRADEMAS. I would like to observe that I understand that Mr. David Silvergleid, president of the National Postal Union, is in the hearing room, and I understand must leave in just a few minutes. I wonder if our colleagues, if our friends who are presently before the committee would mind if we let Mr. Silvergleid come down now and say whatever he has to say, if you could stay on a few more minutes.

Is that possible?

Mr. Silvergleid, would you like to come up and make your statement?

**STATEMENT OF DAVID SILVERGLEID, PRESIDENT, NATIONAL
POSTAL UNION, WASHINGTON, D.C.**

Mr. SILVERGLEID. Yes; thank you very much, Mr. Chairman. I certainly appreciate your consideration.

May I just say for the record, Mr. Chairman, that my name is David Silvergleid. I am president of the National Postal Union. We represent some 80,000 postal workers. We are an independent union. And I appreciate the consideration shown by the chairman, Mr. Daniels, and my colleagues in the postal service, because this is one issue on which we are, I think, in thorough agreement.

I would like to go on record as supporting the statements made by Mr. Nilan and his associates here. I support the amendments he proposed.

I regret that time is such an element at present, because coincidentally, I happen to have with me the presidents of three of the largest postal installations in the country: Moe Biller of the Manhattan-Bronx Postal Union, representing some 27,000 postal workers; Al Rosen, the president of our Philadelphia Postal Union; and Leroy Armstead, the president of our Los Angeles Postal Union. And I was hopeful they might get an opportunity to present to the subcommittee their views on their local situations and subject themselves to your questions. I am sure they would be able to give you some idea of the finances involved in vending machines at the present time.

I might state just as an example that in the big city of New York, and this only encompasses the Manhattan and Bronx Boroughs, the welfare committee turns over about 50 percent of the vending machine receipts to the committee for the blind, totaling some \$75,000. This is the allotment for the blind from the committee itself.

Now very briefly, Mr. Chairman, because I am not going to take advantage of my colleagues, I don't go back as far as my good friend Stu Filbey; I came in a couple of years after he did, but I was in on the initiation of the vending machines in the postal service, in the Brooklyn, N.Y., Post Office.

They didn't get in there until some time in the late 1940's. It is considerably more than 20 years, in any event. And the objective, as I remember it, then was that it would involve a mutually satisfactory arrangement for both the Post Office Department and the employees.

The management was concerned with the employees attempting to go out of the building from time to time to seek refreshments. They weren't available. The employees were interested in getting refreshments in the building, and there was no profit motive.

Senator Randolph asks, "Where does the income, where does the money come from?" The money comes out of the pockets—and we are talking specifically now about machines that are not in the public sectors of any of the post offices—the money comes directly out of the pockets of the postal employees who make the purchases.

The Senator also raised the question, and we needn't state, I think, or emphasize that we are in thorough accord with what the Senator said and what the witnesses here said, about taking care of the blind.

We recognize that there are many categories of handicapped people, and the Post Office Department has certainly done its full share, with the cooperation of the employee unions, in providing gainful employment for these handicapped people. We want to see the blind, particularly, get everything they are entitled to get.

This is why, if we felt that their income was in any way being reduced or that employment for more blind people was in any way being curtailed, believe me, Mr. Chairman, we would not be here testifying in the vein we are today.

But we can't reasonably conceive of blind people servicing vending facilities within the Post Office Department. The opportunity is available to them, because as I understand it, in the contracts that are entered into, there is provision that blind people wherever possible must be employed by the vendor. We can't conceive of them being able to service these machines.

In my own office, and I take exception—not exception, but I present a view differing from that presented by the Senator that this could cut

into the profits or the income now realized by the blind—in my own office, and Brother Cullen here is well aware of the situation, he is also from Brooklyn, N. Y., we arrange for the vendor, the blind vendor, to receive receipts from any of the vending machines that in any way at all conflict with the merchandise he is selling.

The other machines'—that he had nothing to do with—receipts went into the welfare fund, and they were utilized for the purposes that have been so well outlined in Mr. Nilan's statement.

I am not going to go into any further details, Mr. Chairman, except to request that my statement be included in the record without its being read.

Mr. BRADEMAS. Of course, sir.

(Mr. Silvergleid's prepared statement follows:)

STATEMENT OF DAVID SILVERGLEID, PRESIDENT, NATIONAL POSTAL UNION

Mr. Chairman and members of the committee, my name is David Silvergleid and I am privileged to serve as President of National Postal Union, located at 425 13th Street NW, Washington, D.C. We represent approximately 80,000 postal employees throughout the United States of America, Puerto Rico and the Virgin Islands, as well as 10,000 career Federal employees who are Associate Members of our Union. I am accompanied by our Legislative Director, Edward L. Bowley.

Mr. Chairman, we are grateful for this opportunity to testify on S. 2461. While its apparent objectives appear worthwhile and beyond reproach, we are concerned with its inevitable detrimental effects on postal and Federal employees generally.

Certainly, no one can quarrel with the original Randolph-Sheppard Act of 1936. Its intent was to provide employment and reasonable income for individuals who were handicapped by blindness. The senior Senator from West Virginia is to be congratulated for his continuing interest and concern in seeking to secure and expand a guaranteed income for persons afflicted with blindness.

However, we regrettably find ourselves in complete disagreement with the basic objective of S. 2461. We oppose strongly the exclusive assignment of vending machine income to the blind. We do not agree with Rehabilitation Services Administration Commissioner Edward Newman that the bill "would extend and expand this program in its efforts to provide employment opportunities for a much greater number of blind persons." Merely turning over all the revenues of vending machines to the blind would in no way expand employment of additional blind individuals.

Secondly, in most post offices where there are vending facilities, employee welfare funds have been established and maintained solely through the income of revenues from vending machines. These funds are used for many purposes, such as gifts to retired employees; flowers for deceased employees and immediate members of their families; recreational activities, including golf tournaments, soft ball, bowling, etc. In some cities portions of the funds are allocated to annual picnics and other functions to promote employee morale. Still other cities utilize such funds for mass inoculations against influenza, mass chest x-rays, mass glaucoma tests, etc., etc.

To the best of our knowledge—although procedures vary from post office to post office—there is no intent to in any way harm the blind person or reduce his income. For example, in the city of Brooklyn, New York, there is a blind person who runs the vending stand in the lobby of the post office. Arrangements were made to insure that he would receive the proceeds from all vending machines that in any way competed with the merchandise he sold. This procedure served to augment his income greatly without any additional effort on his part.

In the city of Philadelphia, Pennsylvania, the blind caretakers are assured of the income of a Level 5 post office clerk or letter carrier. In the city of Washington, D.C., where there is no cafeteria, the snack bar is operated by the Society of the Blind, and profits are turned over in their entirety to the Society. Proceeds from vending machines in the Main Post Office, with the exception of the cigarette machines, are turned over to the Society of the Blind in their entirety. On the cigarette machines, the Society receives one cent of each pack of cigarettes sold, while the Employees Welfare Fund is the recipient of a like amount. However, the proceeds from vending machines in the Sub-Stations of the Washington, D.C.

Post Office, which are too small to accommodate vending stands, go entirely to the Employee Welfare Fund.

We must emphasize, Mr. Chairman, that while it is a common practice in the private sector for employers to furnish many of the activities, equipment and facilities provided by present employee welfare funds in post offices, the U.S. Government makes neither provision nor appropriation for such purposes. The only method by which postal employees may establish such welfare funds and receive the limited benefits described herein is through the use of at least a portion of the income of vending machines.

Mr. Chairman, while we are all for the objectives of the sponsors of S. 2461 to provide greater employment opportunities and reasonable income to the blind, we do not believe this should be accomplished solely at the expense of postal and Federal employees generally. We feel that a specific formula such as provided in S. 2461 leaves absolutely no leeway for the continuation of employee welfare funds in the postal service. Therefore, we urge that the provision for exclusive assignment of vending machine income to the blind be deleted from this bill.

Mr. Chairman, and Members of the Committee, thanks again for permitting us to present our views on this important subject.

Mr. SILVERGLEID. I certainly appreciate your courtesy, your indulgence, the cooperation of my good friend, Congressman Daniels, and the cooperation of my colleagues in the Post Office Department. Thank you.

Mr. BRADEMAS. Thank you very much, Mr. Silvergleid.

Now, it is just a minute or two, we only have a few minutes left, and perhaps we could hear from Mr. Cullen and Mr. Johnson.

Would you gentlemen like to speak briefly?

Mr. NILAN. Mr. Cullen has got a statement to make.

Mr. BRADEMAS. And we would be glad to insert both your statements in the hearing record.

STATEMENT OF MICHAEL J. CULLEN, PRESIDENT, NATIONAL ASSOCIATION OF SPECIAL DELIVERY MESSENGERS, AFL-CIO

Mr. CULLEN. By way of identification, I am Michael J. Cullen. I am president of the National Association of Special Delivery Messengers, AFL-CIO. This union, organized in 1932, holds Exclusive Recognition for the Special Delivery Messenger craft in the United States Postal Service. Our membership is concentrated in the larger offices, and thus would be affected by the purposes of S. 2461.

We did try to get some of the information after listening to the witnesses at the November 30 hearing as to what finances were involved. One witness from the State of Texas testified he estimated that it would be about \$5,000 in that State. We were able to learn that in the Dallas Post Office, the receipts were \$25,933 from that particular office.

Now Dallas is the largest office in the State. Certainly there are other offices which would have varying figures, but it would indicate that the sum involved in the State of Texas is substantially higher than the \$5,000 that the witness indicated.

In Detroit, the welfare fund reported to the welfare fund committee in that city indicated an income of \$20,461. Of that sum, \$4,920 was turned over as a subsidy to the blind stand. In other words, they concluded that the operator of that stand was not making what they thought was the average salary. They turned over \$4,920 to him.

The Denver, Colo., Post Office reported funds of \$9,444. The Brooklyn, N.Y., Post Office Welfare Fund reported receipts of \$16,222.17.

As Mr. Silvergleid stated, the income of the blind operator of the stand in the lobby is augmented by a share of the receipts from those machines in the workroom area that vend a product that he sells. In fact, in the cafeteria, during the hours his stand is open, the cigarette machine is locked so that nobody can purchase cigarettes from that machine while the blind operator is selling cigarettes in the lobby.

Taking that \$16,222 from the employees' welfare fund, as S.2461 in its present form contemplates, would not provide additional employment opportunities for additional blind people, because of the size of the stand and the volume of business.

To assign that sum of money to the already comfortable income of the blind operator would put his earnings at close to those of the postmaster in that city.

The welfare fund in Washington, D.C., Post Office reports vending income of \$17,198.80. Currently, the operation of the lobby stand and the snack bar are supervised by three blind managers at salaries of \$14,000 a year.

In addition, some \$20,000 or \$25,000 from this operation goes to the District Association for the Blind for administrative purposes. Assigning the \$17,198 to the three blind managers would further increase the disparity between their income and the average income of the postal employees in that installation.

Now while commenting on the snack bar operation, this legislation would also take cafeterias and put it under the operation of the blind. In Brooklyn, N.Y., Post Office, there is, in full-scale operation, a cafeteria which conceivably could be affected by this legislation. Its gross receipts for the year 1969 were \$451,725. It employs 25 full-time employees, and its management fees were \$14,600. That is one manager at \$14,600. The net profit was \$1,762; actually, a profit of about one-quarter of 1 percent.

As Mr. Nilan indicated, the purpose of the committees operating these cafeterias is to provide food, and wholesome food, for the employees at the lowest possible price. Now conceivably, if the operation Brooklyn was similar to that in the Washington, D.C., Post Office, to support three full-time managers at salaries of \$14,000 the price of the product that is vended there would have to increase, and we doubt seriously that they could provide the same efficiency that is currently provided by the cafeteria association in the Brooklyn, N.Y., Post Office.

Some of the witnesses have testified about the loose handling of funds. Mr. Nilan, we think, has adequately responded to that particular phase of it. There is accounting for all funds received by the welfare funds. The Post Office Department and the regional offices of the Post Office Department do have the regulations that provide for proper accounting.

One witness testified that the employees do nothing for the money that reverts to the welfare funds. May I point out that this money comes directly from the pockets of the employees in the price that they pay for the vended merchandise. Many of these committees have the option of determining with the vending company at what price the product will vend. In other words, instead of selling a bottle of Coca-Cola for 15 cents, if that's the price, they would arrange for fit to vend at 12 cents, which would be absolutely a break-even point.

Instead, they elect to take the 3-cent profit and put it into welfare fund purposes, and as Mr. Nilan said, it helps in some instances to subsidize the cafeteria operation in the post office.

Another witness testified that the average earnings of the blind operator was \$6,300. This undoubtedly referred to the operators of all blind stands, including those in State and municipal buildings. These operators would not, per se, be affected by the enactment of S. 2461.

While I do not have access to the figures, it is my opinion that the 979 blind operators in the 856 stands operated in the Federal buildings earn substantially more than the \$6,300 average quoted. In giving the \$6,300 quoted figure, they mentioned there were some 3,000 or more blind operators. They obviously didn't refer only to the operators in the Federal buildings.

In many installations, because of the size and lack of volume, it would not be practical to have a blind operator on the premises. To assign the proceeds from these operations to a blind operator who did nothing to earn them would not accomplish the purpose of the original act; that is, to give these handicapped people a sense of self-reliance and to give them the opportunity to be gainfully employed.

Even were it possible, as one witness estimated, to double the number of blind people made self-supporting through this operation, this would mean depriving hundreds of thousands of Federal and postal employees of the many morale-building benefits and services that they now enjoy, to provide for less than a thousand beneficiaries of S. 2461.

We subscribe fully to the amendments that were proposed by, Mr. Nilan. We think it is absolutely necessary that cafeteria operations be divorced completely from any operation that is supervised by the blind. We think it would only be to the detriment of the employees who have to use these facilities.

I appreciate the opportunity to present these views of our association, and if there are any questions, we will be glad to respond to them.

(Mr. Cullen's full statement follows:)

STATEMENT OF MICHAEL J. CULLEN, PRESIDENT NATIONAL ASSOCIATION OF SPECIAL DELIVERY MESSENGERS, AFL-CIO

Mr. Chairman and Members of the Committee, by way of identification, I am Michael J. Cullen, President of the National Association of Special Delivery Messengers, AFL-CIO. This union, organized in 1932, holds Exclusive Recognition for the Special Delivery Messenger craft in the United States Postal Service. Our membership is concentrated in the larger Post Offices throughout the country and thus would be affected by S. 2461, the legislation currently before this Committee. So that there is no misunderstanding in this matter, I wish to state for the record that neither I nor the Members of this union are opposed to any program that is designed to improve the conditions of the blind. However, I am opposed to S. 2461 in its present form. After listening to the testimony of proponents of this legislation on Monday, Nov. 30, 1970, I can appreciate the difficulty that the Members of this Committee will have in coming to a decision on it. Some of the witnesses seemed to be speaking of apples while others spoke of oranges. In the end, it seemed like they had concocted a fruit salad. While I do not believe that it was the intent of these witnesses to mislead the Members of the Committee, I am sure that some of the testimony would do that. In response to a question as to how much money was involved in the vending operations that this legislation would turn over to the blind, Mr. Hoehne estimated that in the State of Texas it would amount to about \$5,000. The report of the Welfare Fund of the Dallas Post Office furnished to the Regional Office as required by Postal regulations indicate that \$25,933.15 was realized from the vending operation. Obviously, the receipts from the Post Offices in the rest of the state would be substantially higher.

The report of the Detroit, Michigan Post Office Welfare Fund indicates that of \$20,461.72 realized from the vending operation in the non-public areas of the installation, \$4,920.15 was given as a Blind Stand Subsidy.

The Denver, Colo. Post Office Welfare Fund reported income from the vending operation at \$9,444.09.

The Brooklyn, N.Y. Post Office Welfare Fund reported receipts of \$16,222.17. The income of the blind operator of the stand in the lobby is augmented by a share of the receipts of those machines in the work room area that vend a product that he sells. Taking that \$16,222.17 from the Employees Welfare Fund as S.2461, in its present form contemplates, would not provide additional employment opportunities for additional blind people because of the size of the stand and the volume of business. To assign that sum of money to the already comfortable income of the blind operator would put his earnings close to those of the Postmaster in that city.

The Welfare Fund of the Washington, D.C. Post Office reports vending income of \$17,198.80. Currently, the operation of the lobby stand and the snack bar are supervised by three blind managers at salaries of \$14,000 a year. In addition, some \$20,000 or \$25,000 from this operation goes to the District Association for the Blind for administrative purposes. Assigning the \$17,198.80 to the three blind managers would further increase the disparity between their income and the average income of the postal employees in that installation. Some of those who testified in favor of this legislation raised questions as to the use of these funds by the Employee Welfare Funds. Expenditures are subject to the approval of $\frac{3}{4}$ of the Members of the Committee and must be for the benefit of all employees. Activities that meet this criteria are: sponsorship of programs to provide flu shots, chest x-rays, electro-cardiograms and glaucoma testing; providing Muzak, radios and public address systems; support of sports activities; furnishing coffee urns to branch stations that do not have eating facilities; providing ambulance service and emergency transportation for sick employees; in Washington, D.C. these funds were used to refurbish the Snack Bar that is operated under the auspices of the Society for the Blind.

One witness testified that the "employees do nothing for the money" that reverts to the Welfare Funds. May I point out that this money comes directly from the pockets of the employees in the price that they pay for the vended merchandise.

Another witness testified that the average earnings of the blind operators was \$6,300. This undoubtedly referred to the operators of all blind stands including those in state and municipal buildings. These operators would not, per se, be affected by enactment of S. 2461. While I do not have access to the figures it is my opinion that the 979 blind operators in the 856 stands operated in federal buildings earn substantially more than the \$6,300 average quoted.

In many installations, because of the size and the lack of volume, it would not be practical to have a blind operator on the premises. To assign the proceeds from these operations to a blind operator who did nothing to earn them would not accomplish the purpose of the original act i.e. to give these handicapped people a sense of self reliance and to give them the opportunity to be gainfully employed. Even were it possible, as one witness estimated, to double the number of blind people made self supporting through this operation, this would mean depriving hundreds of thousands of federal and postal employees of the many morale building benefits and services that they now enjoy to provide for less than a thousand beneficiaries of S. 2461.

The last point that I would like to clarify is that the Employee Welfare Funds do not operate without supervision. Rules for their operation are contained in the Postal Manual as well as explicit regulations for rendering financial accounting of their activities.

In closing, I would recommend the following amendments to this Committee:

1. In Section 2, strike out the word "exclusive."
2. If the word "exclusive" is *not* deleted, we would like to have language added which would exclude from the Bill such vending machines and other eating facilities that are on workroom floors and in swing rooms and other areas where the general public is not admitted, and which are restricted solely for the use of postal employees.
3. In Sections 10, and 11, we would like the employee representatives to enjoy the same provisions for arbitration and judicial review which the employing agency enjoys.
4. Section 7, (d) We would like to have the right of being consulted before management installs vending facilities in our work and rest areas.

5. In Section 6, we would very much like to retain the language of the original Randolph-Sheppard Act appearing in the final sentence of Section 2, Subsection 5 (b), as follows: "but are able in spite of such infirmity, to operate such stands."

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you to present the views of the National Association of Special Delivery Messengers on this matter.

Mr. BRADEMAS. Thank you, Mr. Cullen.

Mr. JOHNSON?

Mr. JOHNSON. Mr. Chairman, for the lack of time, I would like to submit my testimony for the record, and I support my other colleagues in the testimony that they have made, and I wouldn't want to repeat this by going over the same testimony.

(Statements referred to follow:)

STATEMENT OF LONNIE L. JOHNSON, DIRECTOR, MAIL HANDLERS DIVISION,
LIUNA, AFL-CIO

My name is Lonnie L. Johnson, and our organization has National Exclusive Recognition for approximately 50,000 mail handlers employed in the Postal Service. We are one of the seven signatories to the National Agreement with the Post Office Department covering some 500,000 postal employees. This Agreement covers the personnel, policies, practices and working conditions of these employees.

First, I would like to state for the record, unequivocally, that my remarks concerning the testimony I present here in opposition to S. 2461 is not in any way fashioned or to be construed as opposition to the noble and beneficial programs designed to aid and assist the blind.

In order not to be repetitive, and unduly take up the time of this distinguished committee, I will keep my presentation brief and to the point.

Our organization is in support of the following amendments:

(1) Strike the word "exclusive" from Section 2 of the bill.
(2) Add the following language: "Exclude vending machines and other eating facilities in work rooms, swing rooms, and other strictly postal space not available to the public."

(3) Amend *Arbitration and Judicial Review—Sections 10 and 11 of the bill*. The same provisions for arbitration and judicial review shall be provided for employee representatives and the employing agency.

(4) Amend *Section 7(d)*. Amend Section 7 to provide that employee representatives and the employing agency, such as the U.S. Postal Service shall be consulted in advance of any decision to install a vending facility.

(5) Amend Section 6 of the bill which proposes to amend Section 2(b) of the original Act by *retaining* the following language, "but are able, in spite of such infirmity, to operate such stands." which is presently included in the final sentence of Section 2, Subsection (5)(b) of the original Act.

At this point, for the record, before I present our organization's points as to why we feel the legislation as presently proposed should be amended, I want to attempt to correct what I feel is a confusing statement in the written and oral testimony given before this Committee on Monday.

Several references Monday were made to unions. I want to point out that while Article XXI in the Postal Labor Agreement outlines the structure of Postal Employee Welfare Committees, the agreement does not and neither as a result of that agreement do the unions control the Employee Welfare Committee or their expenditure of funds. A copy of Article XXI is attached as an exhibit to this testimony; and a reading of that Article will establish the factuality of my statement.

I offer this information as an attempt to make it perfectly clear, as I repeated earlier, that our union is not in opposition to programs for the blind, and that our union—indeed, any of the postal unions—is not involved here in an attempt to exercise or indulge in any greedy-like grab of the funds of a program belonging to some one else.

I want to point out to the distinguished gentlemen on this committee that the monies that are raised by the sale of products from these vending machines are monies from the pockets of postal employees. These employees spend this money out of pocket, and then through the device of their Employee Welfare Committee, a certain portion of the profit realized from these monies is turned back to the same employees, who then determine through a democratic procedure how this

money can be expended for the recreation, welfare and benefit of all of their fellow employees in that postal or federal installation.

I would like to point out to the distinguished members of the Committee that if the legislation passes without amendments that the legislation *will in reality expropriate the personal monies* of these employees and direct it for the exclusive use of the program set forth in the legislation.

We support the amendments outlined above because it would prevent this total expropriation of these employees' monies. If the amendments are adopted, the legislation then would provide for a fair and just way to continue the beneficial program for the blind and set up machinery through arbitration and judicial review for the settlement of any impasses or disputes that might arise in the application and implementation of the provisions of the legislation.

Finally, in closing, I would like to point out to the Committee the difficulty that our union, and I presume the other unions, have had in trying to secure financial and other data which we could have presented to the Committee in support of our amendments.

I strongly urge the Committee to get information which would give them an opportunity to make reasoned and objective decisions about this legislation. I urge them to compare salaries of vending stand operators with those of postal employees. I urge them to scrutinize closely what portion of the monies would now go into administrative costs. I would ask them to compare and to assure that training outlays are not dwarfed by administrative and salary outlays. I would ask them to get information as to how many non-blind personnel would be placed in administrative positions or in a bureaucratic structure set up to administer this new law.

On behalf of my organization and its members, I want to close my testimony by once again thanking the Committee and respectfully request, to the extent that it is possible, that this not become an emotional issue; and we pledge our efforts in arriving at a fair and just resolution of the matters in controversy in certain sections of the proposed legislation.

STATEMENT OF JOHN F. GRINER, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

The American Federation of Government Employees, in whose behalf I am appearing before your Select Subcommittee this morning, has consistently sought to provide equitable opportunities for employment and access to income to all human beings, including the handicapped. As the representative of more than 650,000 Federal employees organized into exclusive recognition units, I have repeatedly pleaded for the elimination of all barriers which produce discrimination, whether those barriers be based on prejudice or on physical disability.

Our organization has been actively engaged in the past and I pledge you it will continue to be so engaged in the future in all programs to assist the handicapped to gainful employment. For example, we are currently intensifying our undertakings to rehabilitate Federal employees who are the victims of the diseases of alcoholism and drug abuse.

The blind have been and shall always be in the front ranks of those people whom we want to assist.

When I was thirty-four years younger, I was deeply impressed by what I heard about Jennings Randolph, who was then a member of this House, in connection with the passage of the Randolph-Sheppard Act of 1936 to assist the blind. Since that time, I have repeatedly had my high estimation of Mr. Jennings Randolph, now in the Senate, confirmed. I have come to know his dedication to providing justice to all human beings and my admiration for him has grown each time I have seen him introduce or support legislation to remember the forgotten man.

Because of my own long involvement in legislation for the handicapped, I was greatly concerned therefore when, beginning about four years ago, I became aware of the great erosion which was taking place in the levels of income which the blind should have been enjoying under the Randolph-Sheppard Act. It shouldn't have happened, yet it did. I believe I now know the main causes of why this has happened and I hope that my testimony today will contribute a little to your re-writing this Bill to prevent a similar erosion in the future.

The principal reason for this erosion, I believe, is the absence of a structured machinery to assure that the blind will benefit not just from the operation of vending stands and machines but also from other programs for the handicapped.

It may seem ironic but I have ascertained that because of the existence of the Randolph-Sheppard Act, many organizations have erroneously concluded that the "blind have a law for themselves" which is sufficient for their needs. I believe that to prevent a recurrence of this attitude, it would be of great benefit if this Bill, S. 2461, were amended to provide for regular and structured consultations between organizations of the blind and such other groups as veterans' organizations, welfare organizations and labor unions of Federal employees. This kind of machinery would provide the blind and their friends with a flexible mechanism and a sympathetic constituency which would prevent the repetition of the unfortunate history of erosion of benefits which we have seen take place in the last four years.

The second reason for the erosion of benefits, I believe, is that even among the blind there has not been established any comprehensive set of standards as to which blinded persons should receive the first priorities. For example, there is no assurance that blinded veterans, including veterans of the Vietnam War, of whom there are at least five hundred today, will be given any kind of special assistance to overcome their handicaps. Nor is there any provision that blinded and retired Federal employees will have certain recognized rights in operating the stands and vending machines.

If this Bill, S. 2461, were amended along these lines, I am sure that the total financial support to the blind from the American people, not just from the veterans' and Federal employees' groups, would so greatly increase that the total income to the blind would be much greater than the present Bill, S. 2461, can assure.

SUGGESTED PERFECTING AMENDMENTS

With these purposes in mind, I should like to recommend to this Select Subcommittee that it consider adding amendments to S. 2461 which would accomplish the following purposes:

1. Establish a set of standards assuring that blinded veterans, especially recently blinded veterans of the Vietnam War, be given equitable access to employment and income;
2. Establish further standards that blinded and retired Federal employees receive equitable treatment which takes into account their years of service with the Federal government;
3. Establish a requirement that, when issuing implementing regulations under this Act, the Secretary of Health, Education and Welfare consult with the Administrator of Veterans' Affairs and the Bureau of Retirement of the Civil Service Commission to assure the additions of suitable provisions to effect standards protecting the interests of blinded veterans and blinded retired Federal employees;
4. In order not to preclude the issuance of equitable regulations, it will be necessary to remove the "exclusive" assignment of vending machine income as it appears in Section 2 of S. 2461;
5. For the same reason, it will be necessary to exclude from the provisions of this Bill vending machine income in Federal government space not available to the public;
6. To integrate the programs for the blind with programs for the employment and rehabilitation of other handicapped persons, the Act should provide that where a union has a collective bargaining status with a Federal agency that union should be consulted prior to the installation of a vending facility; and
7. To assure equity to all parties, Section 10 (Arbitration Between Agencies) and Section 11 (Judicial Review) of S. 2461 should be amended to assure that all employees financially affected should have some status through their unions in the arbitral and judicial processes which are invoked.

THE NEED TO ACT URGENTLY

I should like your Select Subcommittee to understand that it was only after sober deliberation that I decided we had no choice but to request these amendments to perfect this Bill.

I know that the sponsors of this Bill and the organizations in support of it are afraid that any amendments which are added may kill the Bill in view of the near end of this session of Congress.

I know how they feel because there are several Bills, including the Wage Board and the Federal Pay Comparability Bills, in which almost three million Federal employees are vitally interested, which may also die if no action is taken soon.

I hope all of them survive and are passed into law. And I shall assure you and the representatives of the blind that, if your Select Subcommittee can persuade the House to pass S. 2461 with the amendments I suggested, my staff and I shall devote every effort we can muster to intercede with the Senate and the President to enact the amended S. 2461 into law.

In conclusion, I wish to reiterate in the name of the American Federation of Government Employees our appreciation for the opportunity to appear before you and to promise you again that we will provide your Select Subcommittee and the representatives of the blind with full support to enact into law a revised S. 2461.

STATEMENT OF THE GOVERNMENT EMPLOYEES COUNCIL, AFL-CIO

Mr. Chairman and members of the Subcommittee, with utmost reluctance, we must advise the Subcommittee of our reservations about S. 2461 in its present form.

The Government Employees Council and the 34 AFL-CIO unions associated with it represent in excess of one million Federal workers. These unions reflect the three segments of Federal civilian employment—postal, classified, and wage board.

At the outset, we emphasize that the Council has no objection whatsoever to blind persons operating vending stands in Federal buildings, as they do now. They are as entitled as any other American citizen to engage in gainful employment to earn a decent livelihood for themselves and their dependents.

We are not unmindful of the useful contribution made by the handicapped to the economy of our country, including Federal Service. Some years ago, the Federal Government as an employer embarked on a campaign to hire physically and mentally handicapped persons. Many have performed their assigned functions in an outstanding fashion. Nothing is more inspiring than to participate in a ceremony recognizing the superior accomplishment of a handicapped employee to the mission of a Federal agency.

And many of the blind Federal workers are members of unions affiliated with the Government Employees Council.

So, we are anxious that these men and women be able to participate fully in the social and economic progress of our country.

The problem with the pending bill, as we see it, is that it will not fully accomplish the purpose for which it was intended.

Under the present collective bargaining policy of the Federal Government in dealing with its employes, the general subject of employee participation in the administration of welfare funds—those derived from the operation of cafeterias and vending machines, for example—is a matter for negotiations.

In the Post Office Department, Article XXI of the national agreement dated February 9, 1968, describes the appointment and activities of welfare committees in connection with proceeds from vending machines.

It should be clearly understood, Mr. Chairman, that under the terms of this agreement none of the profits from these operations can inure "to the benefit of a single group, organization or individual" (Article XXI, Section D4).

Elsewhere in Federal Service, the subject is a bargainable item.

We are confident that Congress does not desire to nullify such arrangements. On the other hand, it is the Council's view that enactment of S. 2461 in its present form would have that result.

One of the problems involved in the pending bill is that it will assist a group of handicapped citizens who certainly merit all encouragement possible in achieving economic independence. But in doing so, the measure will terminate benefits which other workers—Federal and postal—have received from welfare funds whose source of income includes vending machines and cafeterias. And these groups of Federal employes cover a significant number who are handicapped. Among these handicapped individuals are blind employes.

In essence, the problem confronting the blind vendors is a result of technological change. Who could have foreseen when the original Randolph-Shephard statute was enacted in 1936 that vending facilities would expand into such widespread use? Thus, it was impossible to provide for this contingency and its possible effect on the blind. It would be desirable to include in the current legislation some mechanism for review of such developments in the future so that Congress can be aware of future changes and a more timely response can be made to the need.

Is it possible to reconcile the legitimate aspirations of the blind vendors with the equities of employes of the Federal Government? The Council believes so.

We offer for consideration by the Subcommittee several recommendations to accomplish this objective:

1. Remove the exclusive assignment of vending machine income as it appears in Section 2.

2. Exclude vending machine income in Federal Government space not available to the public.

3. Where a union has collective bargaining status with a Federal agency, that union should be consulted prior to the installation of a vending facility.

4. Employees through their representatives should have some status in the arbitration and judicial process, if their interests are involved.

5. The principle of veterans preference, which is traditional in Federal Service, should be applied in assigning space to blind vendors in Federal facilities.

6. Those blind Federal employees who lose their jobs through reduction in force should receive preferred consideration for operation of vending facilities in Federal buildings.

Mr. Chairman, we hope sincerely that it will be possible to revise S. 2461 so that the equities of all concerned can be met, while recognizing the justified needs of the blind. The Council will be happy to cooperate in attaining that end.

We are most appreciative of this opportunity to offer our comments on S. 2461.

STATEMENT OF CLAUDE E. OLMSTEAD, PRESIDENT, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

Mr. Chairman and Members of the Committee; I appreciate the opportunity on behalf of our Organization to submit a statement outlining our position concerning S. 2461 which proposes to amend the Randolph-Sheppard Act for the Blind.

The National Rural Letter Carriers' Association represents approximately 62,000 regular, substitute, and retired rural carriers located in every State of the Nation.

While our position is in opposition to S. 2461, it should not be construed in any way that our Organization is not in favor of beneficial programs to aid the Blind.

Any monies derived from the sales from vending machines are funds spent by Postal employees. We believe this is their money to be spent in accordance with the recreation, welfare and needs of the employees involved.

Therefore, may we make known our support of the following amendments to S. 2461.

(1) Strike the word "exclusive" from Section 2 of the bill and add the following language: "Exclude vending machines and other eating facilities in work rooms, swing rooms, and other strictly postal space not available to the public."

(2) Amend Arbitration and Judicial Review—Sections 10 and 11 of the bill. The same provisions for arbitration and judicial review shall be provided for employee representatives and the employing agency.

(3) Amend Section 7(d)—Amend Section 7 to provide that employee representatives and the employing agency, such as the U.S. Postal Service shall be consulted in advance of any decision to install a vending facility.

(4) Amend Section 6 of the bill which proposes to amend Section 2(b) of the original Act by retaining the following language, "but are able, in spite of such infirmity, to operate such stands," which is presently included in the final sentence of Section 2, Subsection (5)(b) of the original Act.

In closing, may I again express our appreciation to your Committee for the opportunity of expressing our views on this legislation.

Mr. BRADEMAS. As I was listening, especially to what Mr. Cullen said, and I think Mr. Nilan in his statement also, with respect to the point that because the moneys going, the revenues deriving from these various operations, are from the employees, that they ought by right to revert to employee-run organizations. I am sure Mr. Daniels will not disagree with me, if I may say that neither of us would insist that any profits made by the House dining room, which is confined to use by Congressmen only, should be earmarked purely for any congressional welfare committees. It is an interesting and novel theory, but if broadly applied could have all kinds of effects in this town.

Mr. CULLEN. Mr. Chairman, if I may, the effect in our situation is just the reverse. We are taking profits from the welfare fund and giving them to the cafeteria organization to keep the profits down.

Mr. BRADEMAS. Where are you getting those profits in the welfare fund?

Mr. CULLEN. From the vending machines.

Mr. BRADEMAS. That's my point.

Mr. CULLEN. If I understand you correctly, you said the profits of the House cafeteria.

Mr. BRADEMAS. Yes, which is analogous to the vending machine.

Mr. NILAN. Mr. Chairman, may I just mention this, too, that we encourage that in all of the post office cafeteria operations, that all of the employees belong to the appropriate union which may be servicing the employees, and pay the standard union wage for that particular installation.

Mr. BRADEMAS. Although I think you said earlier that membership in a union had nothing to do with whether or not a welfare committee received these funds.

Mr. NILAN. No, I am talking about the employees working in a cafeteria. These are non-Federal.

Mr. BRADEMAS. Yes.

Mr. FILBEY. He is putting in a plug for the hotel and restaurant workers.

Mr. BRADEMAS. I understand. That is permitted here, too.

Well, gentlemen, your testimony has been very helpful to all of us on the subcommittee, I am sure, to Mr. Daniels and to Mr. Bell and to Mr. Landgrebe and to me. I hope you will appreciate that at least the Chair has tried to be fair in putting questions both to you and to the representatives of the blind.

I reiterate that I am not satisfied that we have all of the information that we require, at least for myself, to understand what is the right thing to do. All I am concerned about is doing the right, fair thing here, both by the blind and by the people whom you as employee representatives speak for, as well as for the taxpayers generally.

So I feel certain that we are going to have to have some more suggestions in our subcommittee on this matter before we can resolve the dispute honorably and fairly. And speaking for myself, I think your testimony has been extremely helpful to us in understanding this problem, and I hope you will allow us to come back to you subsequently with any further questions we may have, to get your position more clearly in our minds or for any further information.

Mr. DANIELS.

Mr. DANIELS. Mr. Chairman, I won't delay this hearing much longer, but I want to clarify something.

In some of the large cities where you have an extremely large postal operation, I have observed that a cafeteria is operated, and I was under the impression that the Post Office Department rented or leased out that cafeteria to independent private individuals. Am I wrong?

Mr. FILBEY. No; you are right.

Mr. NILAN. This may happen in some places.

Mr. CULLEN. This is a possibility.

Mr. DANIELS. And so whatever profits are received from that cafeteria are retained by the lessee, a private individual.

Now from your testimony, you conveyed the impression that all of these cafeterias, where vending machines are also located, in addition to which food is dispensed, both hot and cold, were operated by a committee.

Mr. CULLEN. I made specific reference to the Brooklyn, N.Y., cafeteria, the Post Office cafeteria in Brooklyn, N.Y., which is entirely supervised by an employee committee, and they hire a manager who runs it; and I mentioned his fee as \$17,600—which for the size of the operation is not an extravagant fee. And the only profit that he had was \$1,700—after a year's operation, where they did a gross business of \$403,000.

Mr. DANIELS. You also mentioned another operation where three managers were employed.

Mr. CULLEN. This is an operation supervised by the Society for the Blind in the Washington, D.C., Post Office. They have a snack bar operation, where they have three blind managers who work around the clock.

In the Brooklyn Post Office they only have one manager, who is there during the day, and the judgment of the committee up there being they don't need this extra supervision during these other hours.

Mr. DANIELS. Well, Mr. Chairman, what I would like to point out is that if we have cafeterias operated by private individuals, and some of these are Federal operations or Federal facilities, then if the definition as contained of a vending facility is made so broad as to encompass a cafeteria, it raises a problem.

Mr. NILAN. Mr. Chairman, may I also respond on that to Congressman Daniels? The exception, in my knowledge of it, the exception where a cafeteria is operated by an outside agency, leased out, would be the exception to the rule.

But even in those instances, it is my understanding that an employee cafeteria committee and/or the Postmaster still have the responsibility for supervising the operation. So the exception would be if it is outside of the Postal Service, but again—

Mr. DANIELS. Let me ask one further question, then.

Where it is operated by a private individual under a lease, say, from the Post Office Department, is that operator or lessee under any obligation to turn over any part of his profits to a welfare committee?

Mr. NILAN. I regret I am not knowledgeable in that area, and I can't respond.

Mr. FILBEY. Mr. Daniels, I would think the response to that would be that if you can get the information from the Post Office Department, you will probably find that even where there is a contractor handling the proposition, that at the end of the year they need funds from the vending machine committee to make up his deficit, rather than get any profits out of it.

Mr. DANIELS. Well, that was not my question. I was wondering if that lessee or contractor, as you refer to him, would be under any obligation to turn over any part of his receipts, whether it be a profit or a loss, to a welfare committee.

Mr. FILBEY. Not to my knowledge. There may be, but not to my knowledge.

Mr. BRADEMAS. Well, I think the gentleman from New Jersey has raised another very important point on which we need more information; namely, the extent to which the kinds of operations

for which vending facilities could be used are being operated by agreement with a private contractor.

Mr. FILBEY. Well, Mr. Chairman, the vending machine committees, or the welfare committees we are talking about in the Postal Service do not have access to any profits from cafeterias. The only profits that they have access to are those that come from vending machine operations.

The contract or the agreement with the Post Office Department which establishes these committees spells out vending machines. If you have a cafeteria, it is a separate operation entirely. Other than the fact that you draw on the profits from vending, you have to lose some money over there.

Mr. BRADEMAS. But I think the point Mr. Daniels is making is that if you broaden the definition of vending machines to make it read "vending facilities," and if a cafeteria is included within the definition of "vending facilities," you have got a new ballgame.

Mr. DANIELS. That is correct.

Mr. CULLEN. In further response to Mr. Daniels' question, it is my opinion that where an outside contractor runs the cafeteria in the post office, he does it on a management-fee basis, and he in conjunction with the committee sets the prices; so there is no profit per se.

He gets a fee for his services, and the committee in conjunction with the contractor sets the prices that they want charged. And as Mr. Filbey indicated, if there is a deficit at the end of the year, this in many instances is made up from the welfare fund.

To my personal knowledge, there is no cafeteria operated in the postal service where there is an outside lessor who operates it and walks off with whatever profits he makes.

Now, there may be some, but frankly, I am not familiar with any.

Mr. DANIELS. Well, I purposely asked that question because I am acquainted with a particular facility where I believe there was a direct lease for a certain stipulated sum of money with the Post Office Department.

Now if that is true, then that lessee has the right to all the profits of that operation, and it prompted me to ask my second question, whether he was under any obligation to contribute any part of his profits to a welfare committee or to the blind.

Mr. FILBEY. For welfare committees in the postal service, revenue comes mostly from vending machines, not from live cafeterias.

Mr. DANIELS. Thank you.

I have no further questions, Mr. Chairman.

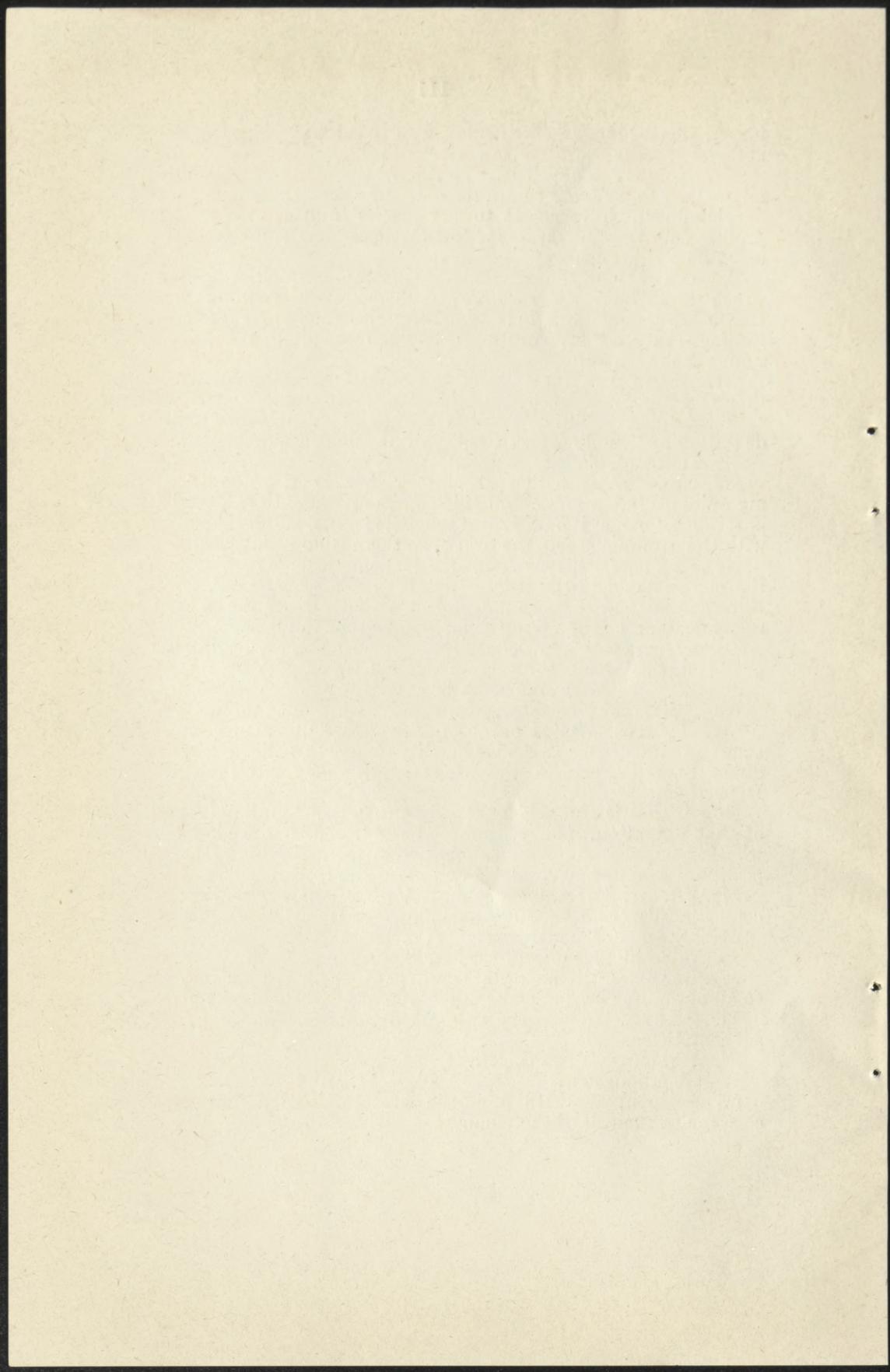
Mr. BRADEMAS. Thank you again, gentlemen, We are very grateful to all of you for having come and given us the benefit of your views.

Mr. FILBEY. We are very grateful to you, Mr. Chairman, and your subcommittee.

Mr. BRADEMAS. Thank you.

We are adjourned.

(Whereupon, at 12:16 p.m. the subcommittee adjourned, to reconvene at the call of the Chair.)



APPENDIX

PHILADELPHIA, PA.

CARL PERKINS,
House Office Building,
Washington, D.C.:

Strongly urge you support bill S. 2461.

RICHARD WEIDOW,
Blind Merchants Guild.

MINNEAPOLIS, MINN.

Congressman JOHN BRADEMAS:

Postal employees are distressed over possibility of passage of S. 2461. Vending machines in MPLS postoffice are the sole source revenue for our welfare fund which provides among other things scholarships, flowers, and visitation for sick lounge facilities, sports programs, recreational equipment, social events such as the postoffice picnic and employee recognition. We do not deny the blind are a worthy group but believe it grossly unfair to rob one group of their rights to benefit another.

H. Steinbring, S. Keeler, George Freeman, Lester Walstad, Frank Maahs, R. Sorenson, P. Pederstuen.

TAMPA, FLA.

Congressman JOHN BRADEMAS,
Chairman, Select Committee on Education,
House Office Building, Washington, D.C.

DEAR SIR: We urgently request your committee strongly oppose Senate bill S. 2461. This bill if passed would be very detrimental to all postal employees.

Sincerely yours,

HARRY L. SMITH,
Vice President, Local 259, UFPC, Tampa Fla.

WASHINGTON, D.C.

Representative JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

Have learned S. 2461 contains language unfavorable for postal workers. Respectfully request we be given opportunity to testify before subcommittee action taken to express our view.

JAMES H. RADEMACHER,
President, National Association of Letter Carriers.

DAVENPORT, IOWA.

Congressman JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

Davenport, Iowa, Local 91, United Federation of Postal Clerks, urges your support to stop in committee proposed Senate bill S. 2461. Loss of these funds which provide vital employee benefits not now provided by the postal service will necessitate unrelenting combined efforts of all postal unions to require the postal service to assume this financial burden.

FLOYD TOLAHIN,
Secretary, Local 91 UNPC.

DENVER, COLO.

Congressman CARL PERKINS,
Washington, D.C.

HON. CARL PERKINS: I am a member of an organization that will be affected by Senate bill S. 2461 to amend the Randolph Shepherd Act. Please advise as soon as possible its current status; will it be considered by our committee or reported out for House action this current session; if new session in January 1971 advise new chairman.

NICK ORTIZ.

WASHINGTON, D.C.

HONORABLE JOHN BRADEMAS: The United Federation of Postal Clerks as the exclusive collective-bargaining representative for the Nation's 310,000 postal clerks in labor-management relations with the Post Office Department is opposed to the enactment of S. 2461. This legislation which proposes to amend the Randolph-Sheppard Act, would in effect, destroy existing postal employee and other Federal employee welfare committees. No longer would such committees be able to finance and administer very important employee welfare, recreational, and athletic programs through income presently being received from vending machines and facilities located within employees' workroom and locker room areas.

We are requesting you as a member of the Committee on Education and Labor to defer any action on S. 2461 at least until such time as our labor organization and other postal and Federal employee labor organizations are permitted an opportunity to appear before the committee and testify in opposition to S. 2461. We have appreciated your friendly consideration of our legislative programs and hope you will be able to respond favorably to this request.

PATRICK J. NILAN,
Legislative Director, United Federation of Postal Clerks.

UPPER DARBY, PA.

JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

Blind vendor for your vote Randolph Sheppard amendments S. 2461.

R. MARKLEY GROFF.

PHILADELPHIA, PA.

JOHN BRADEMAS,
House of Representatives,
Washington, D.C.:

Blind vendor requests your vote on the Randolph Sheppard amendments S. 2461.

ARTHUR SEGAL.

ERDEHEIM, PA.

JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

Blind vendor request passage of bill S. 2461.

V. SEDMAK.

KANSAS CITY, MO.

THE CHAIRMAN,
House Education and Labor Committee,
Washington, D.C.:

Post Office welfare committee must be permitted to continue receiving vending income. This income provides badly needed recreation. Pays off duty policemen to protect female employees who have been robbed, beaten and raped after leaving work going to their auto. Vending is the welfare committee's only source of income. These benefits have been provided for 10 years. Please vote against S. 2461.

VINCENT J. SCIARA,
Recording Secretary, Local 67, United Federation of Postal Clerks.

WASHINGTON, D.C.

Representative JOHN BRADEMAs,
House of Representatives,
Washington, D.C.:

Unions associated with council representing postal and Federal employees concerned about possible effect of S. 2461 of existing arrangements disposing of vending machine proceeds in Federal buildings. Support programs aiding handicapped including blind, but request Select Subcommittee on Education defer action beyond November 24 until full effects of legislation can be explored.

JOHN A. McCART,
Operations Director, Government Employees Council, AFL-CIO.

PHILADELPHIA, PA.

Honorable JOHN BRADEMAs,
House Office Building,
Washington, D.C.:

I am a blind snack bar operator. Would you please vote for Randolph Sheppard S. 2461.

RICHARD KREAMER,
Upper Darby, Pa.

UPPER DARBY, PA.

Representative JOHN BRADEMAs,
House Office Building,
Washington, D.C.:

I am a blind snack bar operator. Would you please vote for Randolph Sheppard amendment S. 2461.

L. E. CAVNA, Jr.

EVERETT, WASH.

Honorable JOHN BRADEMAs,
Rayburn House Office Building,
Washington, D.C.:

We urge you to vote against S. 2461 because the only source of moneys available to us is realized through our vending machines. These funds are used to pay for sick and death remembrances as well as improvements to working conditions, such as lunchroom facilities, etc.

ART CROUCH, Treasurer,
Local 484, United Federation of Postal Clerks.
LEONARD DOLMAN, President,
Branch 791, National Association of Letter Carriers.

DAVENPORT, IOWA.

Congressman JOHN BRADEMAs,
House Office Building,
Washington, D.C.:

Davenport, Iowa, local 91, United Federation of Postal Clerks, urges your support to stop in committee proposed Senate bill S. 2461. Loss of these funds which provide vital employee benefits not now provided by the postal service will necessitate unrelenting combined efforts of all postal unions to require the postal service to assume this financial burden.

FLOYD ALLCHIN,
Secretary, Local 91, UNPC.

BRISTOL, TENN.

Chairman JOHN BRADEMAs,
Select Committee on Education, Committee on Education and Labor, House of Representatives, Washington, D.C.:

Urge you and your committee to oppose S. 2461. This bill would not provide additional revenue for the blind associations or concessioners. It would eliminate all vending machines from the post office building, including cafeteria run by employees.

ELMER R. SHEETS,
Secretary, Virginia Federation of Postal Clerks.

FRANKFORT, KY.

CARL D. PERKINS,
House of Representatives,
Washington, D.C.:

We as an organization ask most urgently that S. 2461 be defeated in committee. I am sending letter today, to state our reasons. Thank you.

GAYLE D. SMITH,
President, Local 3944, United Federation Postal Clerks.

ERIE, PA.

Hon. JOHN BRADEMAS,
Chairman, Committee on Education and Labor, Select Committee on Education,
U.S. House of Representatives, Washington, D.C.:

I would like to ask your support for opposition to S. 2461. My company presently has the vending machines located in the Post Office in Erie Pa. We have negotiated for this account on numerous occasions and well served the account for 15 years. I am in full support of the blind. However employee morale would be in shambles. There would be no flowers for the deceased or bed-ridden employees. No recreation facilities, etc. These employees support the machines with their money and it would be a terrible mistake to take this welfare fund away from them after all these years. Your opposition to S. 2461 will be appreciated.

DENNIS R. MOSER,
President, Moser Vending Co.

BRISTOL, VA.

Chairman JOHN BRADEMAS,
Select Committee on Education, Committee on Education and Labor, House of
Representatives, Washington, D.C.:

Urge you and your committee to oppose S. 2461. This bill would not provide additional revenue for the blind associations or concessioners. It would eliminate all vending machines from the post office building, including cafeteria run by employees.

R. B. McCULLOCH,
President, Local 219, United Federation of Postal Clerks.

PHILADELPHIA, PA.

JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

Urge your support bill S. 2461.

Mr. and Mrs. MORRIS ROUNSAVILLE.

MANCHESTER, CONN.

JOHN BRADEMAS,
Rayburn House Office Building,
Washington, D.C.:

Enactment of S. 2461 would eliminate our only source of welfare funds for postal workers use. Postal clerks and other employees (only) purchase vending products and should be entitled to use profits from such sales for employee programs. Benefits provided for employees to welfare funds as: Sick, death, and retirement remembrances would be finished. Please oppose this bill in all fairness to postal workers.

JOHN J. HANNON,
President, Local 147, UFPC.

ELKHART, IND.

Congressman JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

John, we are opposed to section of S. 2461 which turns over all vending machines to the blind. The bill must be amended or killed completely as it will destroy our employee welfare program.

CURTIS T. HILL, Sr.,
President, Branch 547, NACL.

ST. PAUL, MINN.

Congressman JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

We are opposed to S. 2461 as written vending revenue for years has been the only source of income for welfare programs for post offices. It pays for the sick and death remembrances, retirement awards, recreational, athletics, and general good programs which could not be carried out without these funds. This money comes from the postal employees themselves for they are the only ones who use the machines. We urge you and your committee to defeat S. 2461 and retain the provisions of the original Randolph-Sheppard Act for the blind.

JIM BRYAN,
President, *Minnesota Postal Clerks, AFL/CIO.*

CHAMPAIGN, ILL.

Representative JOHN BRADEMAS,
Washington, D.C.:

Urge you to vote against bill S. 2461. This bill will completely eliminate all source of money for programs sponsored by our post office employee welfare committee. All and only postal employees purchase vending products and all and only postal employees benefit by the small profit we realize. The morale of each postal employee will suffer greatly.

PERRY McCLELLAN, President, *UFPC Local 692.*

FRAMINGHAM, MASS.

JOHN BRADEMAS,
Rayburn House Office Building,
Washington, D.C.:

Would appreciate your support in defeating bill S. 2461 to be brought to committee December 3, 1970. This bill would deny letter carriers of all incomes for welfare purposes that they themselves pay for through vending machines. This is our only source of income and must not be denied us. Bill S. 2461 must be defeated.

NATIONAL ASSOCIATION OF LETTER CARRIERS, BRANCH 334.
RICHARD J. MABIE, *Secretary.*

LEXINGTON, N.C., *December 2, 1970.*

Congressman JOHN BRADEMAS,
Chairman of Subcommittee on Education, Rayburn House Office Building, Washington, D.C.:

Local 1562 clerks wish to oppose S. 2461 amending the Randolph Sheppard Act.

LOCAL 1562, UNITED FEDERATION OF POSTAL CLERKS.

FRAMINGHAM MASS., *December 2, 1970.*

JOHN BRADEMAS,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: We wish to implore you to defeat bill S. 2461 which comes before committee Dec. 3, 1970. Our employees derive many benefits from the proceeds of vending machines, such as sick, retirement, death, Christmas party and dance. This is our sole means of raising money for these benefits. However, the blind people do have other means. This bill leaves us a very limited choice of vendors. Please defeat this bill. Vote nay to S. 2461.

EDWARD T. LEVAY,
Representative of Postal Clerks.

LEXINGTON, N.C., December 2, 1970.

Congressman JOHN BRADEMÁS,
Rayburn House Building,
Washington, D.C.:

We are strongly opposed to S. 2461, to amend Randolph Sheppard Act.

C. H. DAVIS,
President, Rural Letter Carriers.

LEXINGTON, N.C.

Congressman JOHN BRADEMÁS,
Rayburn Building,
Washington, D.C.

SIR: North Carolina Federation of Postal Clerks wish to go on record opposing S. 2461 to amend the Randolph Sheppard Act. Vending income only source of revenue for welfare, sickness, death, concerning clerks families.

EDELL BURKHART,
Legislative Director, North Carolina Federation of Postal Clerks.

LEXINGTON, N.C.

Congressman JOHN BRADEMÁS,
Rayburn House Office Building,
Washington, D.C.:

We are strongly opposed to S. 2461 to amend Randolph Sheppard Act.

BRANCH 1807, NALC.

PHILADELPHIA, PA.

Congressman JOHN BRADEMÁS,
House Office Building,
Washington, D.C.:

Give more working opportunities to the blind. Please support bill S. 2461.

RICHARD WEIDOW.

NEW BRUNSWICK, N.J.

Hon. JOHN BRADEMÁS,
Longworth Building,
Washington, D.C.

SIR: NALC Branch 444, New Brunswick, N.J., strongly expresses opposition and complete disagreement to S. 2461. We urge your committee to vote against this legislation.

ARTHUR ESPOSITO,
Vice President.

STOCKTON, CALIF.

Hon. JOHN BRADEMÁS,
Chairman of Select Subcommittee on Education, House [of Representatives, Rayburn
House Office Building, Washington, D.C.:

Urge you oppose. S. 2461, Randolph Shepard Act amendment for the blind. In subcommittee or out. Employees have right to profits from vending machines they use. They support needed programs such as welfare, athletics, sick and death remembrances. If not on Housing, Education and Labor Committee, influence others to oppose.

LEONARD E. FILVA,
President, United Federation of Postal Clerks,
Local 320, Stockton, Calif.

MINNEAPOLIS, MINN.

Congressman JOHN BRADEMAS,
Chairman,
House of Representatives, Washington, D.C.:

We postal employees are disturbed that the effort being made by S. 2461 to bankrupt our employee welfare program by taking away our vending machine profits and turning them over to the blind. We have feelings toward the blind also but this method we feel would be unjust and unwise. All our morale building employee activities are financed through these profits and taking from one group to give to another would be wrong. We urge you to stop this bill in committee.

Ben Erdmann, E. Fredrickson, L. Saefke, M. Rico, D. Hiben, R. C. Harriott, E. Warpeha, H. Richardson, L. Geldert, Lois L. Pinkonin, Marilyn Kjos, B. Fosland, M. Pomplun, R. Coleman, D. K. Miller.

 SAN JOSE, CALIF.

Congressman JOHN BRADEMAS,
Chairman, Select Subcommittee on Education, Rayburn House Office Building,
Washington, D.C.:

United Federation of Postal Clerks, Local 73, representing in excess of 700 postal clerks, wishes to inform that we are totally opposed to S. 2461. This bill would deprive this office of 1,700 plus employees of its only source of revenue for the employees welfare fund. For many years this fund has supported employee recreation and athletic programs, sickness and death remembrances, financed flu shots for employees and even purchased artificial limbs and other aids to hardship cases. We unalterably oppose passage of W. 2461.

HARVEY CONWAY,
Executive Secretary, Local 73.

 EVANSVILLE, IND.

Hon. JOHN BRADEMAS,
Chairman, Committee on Education and Labor, Select Subcommittee on Education,
Rayburn House Building, Washington, D.C.:

The blind deserve consideration but not total exclusive consideration. Vote no on S. 2461.

JOHN HARKINS,
President, Local 208.

 ROCHESTER, N. Y.

Hon. JOHN BRADEMAS,
Chairman, Select Subcommittee on Education, Rayburn Office Building,
Washington, D.C.:

Postal clerks of Rochester Post Office feel coke and cigarette machines amply support the blind. Do not feel S. 2461 totally justified to those using vending machines. Urge your opposition of S. 2461 this session.

HYMAN GOLDMAN,
Legislative Director, UFPC, Local 215.

 SPOKANE, WASH., December 2, 1970.

JOHN BRADEMAS,
House Office Building,
Washington, D.C.:

We urge you to vote against S. 2461. We are completely and totally opposed to this legislation. Vending machine funds are the only source of income for employee welfare committee and provide many worthwhile programs for postal workers. This is a discriminating act and will affect morale of thousands of workers. Vending machines income provides badly needed welfare recreational, athletic, and other programs for postal workers. There is no other source for these funds. We urge you and your committee to vote against this legislation.

PAUL O. KRUPA,
Vice President, United Federation of Postal Clerks, Local 338.

WASHINGTON, D.C.

Hon. JOHN BRADEMAS,
Rayburn House Office Building,
Washington, D.C.:

The undersigned labor organizations representing more than 1 million postal and Federal employees are advising you of your opposition to S. 2461 as presently written. We urge your favorable consideration and support of amendments to this legislation which will be offered to your Select Subcommittee on Education (No. 6) by our organizations during the hearing on Thursday morning, December 3.

Francis S. Filbey president, United Federation of Postal Clerks (AFL-CIO); James H. Rademacher, president, National Association of Letter Carriers (AFL-CIO); Monroe Crable, president, National Association of Post Office and General Services Maintenance Employees (AFL-CIO); Lonnie L. Johnson, president, National Association of Post Office Mail Handlers, Watchmen and Messengers, and group leaders affiliated with the Laborers International Union (AFL-CIO); Michael J. Cullen, president, National Association Special Delivery Messengers (AFL-CIO); Chester W. Parrish, president, National Federation of Post Office Motor Vehicle Employees (AFL-CIO); Claude E. Olmstead, president, National Rural Letter Carriers Association; John Griner, president, American Federation of Government Employees (AFL-CIO); John McCart, operations director, Government Employees Council (AFL-CIO).

JEFFERSONVILLE, IND.

JOHN BRADEMAN,
Rayburn House Office Building, Washington, D.C.:

We urge you to act against S. 2461. This bill would present needed funds for the welfare of all postal employees.

LOCAL 753, UNITED FEDERATION OF POSTAL CLERKS.

PHILADELPHIA, PA.

Hon. JOHN BRADEMAS,
House Office Building, Washington, D.C.:

Give us more spand. Please support bill S. 2461.

SHIRLEY PAVLOCK.

PHILADELPHIA, PA.

Hon. JOHN BRADEMAS,
House Office Building, Washington, D.C.:

Blind people wish to be self supporting. Please support bill S. 2461.

ANNA D'AMBROSIO.

OTTUMWA, IOWA.

Hon. JOHN BRADEMAS,
Chairman of Education and Labor Committee,
Washington, D.C.:

Please support United Federation Postal Clerks in opposition of S. 2461.

Mrs. JOLEEN STEVENSON,
President, Local 881, Ladies Auxiliary, UFPC.

RENO, NEV.

Senator HOWARD CANNON,
Senate Office Building, Washington, D.C.

DEAR SENATOR: The bill S. 2461, is against the best interests of postal employees. Income from the subject machines that at present provides several benefits to postal workers. We pay slightly more than normal prices in order to support this welfare fund. We also believe in charity and contribute liberally to the combined funds as individuals. We have no other source of income for welfare purposes. Please oppose this bill in every way.

WILLIAM R. SPAHR,
President, USPC, Local 936.

STATEMENT OF HAROLD RUSSELL, CHAIRMAN, IN BEHALF OF THE PRESIDENT'S
COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

The President's Committee on Employment of the Handicapped is happy to support S. 2461 to amend the Randolph-Sheppard Act so that greater employment opportunities can be brought to the blind.

According to the National Society for the Prevention of Blindness, there are 435,200 completely blind individuals in this country, plus 648,000 severely visually handicapped people. Many are above or below working age and 108,000 are now in gainful employment. But, it has been estimated there are approximately 26,000 visually handicapped people who are presently employable and unable to find a job.

In the course of my many trips for the President's Committee, I have visited government buildings all over the country. Each time, I've wondered why there aren't more vending stands operated by the blind in government as well as non-government office buildings. Surely, the blind have proved themselves in this field—surely this field can and should be expanded to provide greater employment opportunities for the blind.

This amendment is particularly timely because it is not an additional welfare program. In time, the amendment would represent a tremendous savings in welfare costs, an increase in the number of taxpayers, and pride and satisfaction for countless visually handicapped people now on welfare or working well below their capacities.

I believe the example I gave in my testimony before the Special Subcommittee on the Handicapped, Senate Committee on Labor and Public Welfare, for this amendment, most graphically describes the benefits S. 2461 can provide: A blind person I know, supported himself as a carpenter until his early thirties. But gradually his vision grew less and less until he no longer could see well enough to work. Because of his lost sight, he became so depressed he had to be treated for mental illness. During this period he bounced from one rehabilitation program to another; at one point he was judged a total failure for the vending stand program.

By the time his mental illness was so severe he wouldn't even talk, he reached the Columbia Lighthouse for the Blind, where he was trained as a brushmaker. No one knows for sure what finally drew him back to reality, but experts mention the pressures of an industrial shop, the pride in production, teamwork. He made such a comeback, he jumped into one of the hardest jobs of the vending stand program: reliefman. This meant he'd work for a day or a week at different stands, whenever and for as long as he was needed during staff illnesses or vacations. Today, he operates a large vending stand near here, he no longer lives with his brother, he's self-supporting, and has bought his own house. His counselor says of him, "I have trouble believing this is the same person who came to the Lighthouse seven years ago."

I strongly support the measure under consideration by this Committee and hope the House will approve this amendment so that the employable blind can improve the quality of their lives.

UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO,
Washington, D.C., December 3, 1970.

To: Chairman John Brademas and Members of the Select Subcommittee on Education (No. 6) of the Committee on Labor and Education, U.S. House of Representatives.

We have received inquiries from this Committee and the staff as to the reasons our postal labor organizations did not become involved with the pending legislation, S. 2461, when considered by the United States Senate and only recently, before this Committee. We have prepared this explanation separately from our prepared statement for your information and in order that our main statement can be directly concerned with S. 2461 in a more concise and exclusive manner.

As you know, a Special Subcommittee on Handicapped Workers, under the Chairmanship of Senator Jennings Randolph, was appointed by the Senate Labor and Public Welfare Committee to hold hearings on S. 2461 in the other Body. Senator Randolph is the principal sponsor of the legislation. Two days of hearings were held on July 9th and 10th and reported to the Senate on September 24th. A few days later on September 28th, the bill, S. 2461, was approved by the Senate without objection or debate.

We mention the consideration of S. 2461 by the Senate, including the related action dates, to explain why we and the other postal labor organizations did not appear in opposition to the pending legislation on the Senate side.

Unfortunately, since late March, when work stoppages occurred in many post offices throughout the country and a negotiated agreement between the postal employee organizations and the Post Office Department resolving the work stoppages was reached in mid-April which, then, resulted in a postal reorganization bill being sent to Congress and subsequently enacted on August 12, 1970, we have been so deeply and completely involved in all facets of these events that we had no knowledge of, or ability, to concentrate on other legislation, such as, S. 2461.

From April 16th until August 12th (almost four months), our labor organizations necessarily had to concentrate all of our time, efforts, and resources on the postal reorganization bill, H.R. 17070, because employee salary increases, recognition of our unions, and a total revamping of the entire postal service was involved in this legislative struggle. Also, we have not until today, appeared before a Subcommittee of the Labor and Education Committee or the Senate Labor and Public Welfare Committee. As a result, even our staff missed action notices in the "RECORD" concerning these Committees and S. 2461. Our previous appearances before Committees of Congress have primarily been before the Committees on Post Office & Civil Service of the Senate and House and not the Labor Committees.

In September, when the Senate approved S. 2461, our union was totally involved in preparing and participating in the first negotiations ever to take place, under law, with the Post Office Department as a direct result of the "Postal Reorganization Act of 1970," Public Law 91-375. These negotiations included the very important compression of postal employee pay steps from a waiting period of 21 years to reach the top pay step in each salary level to a new 8 year, in-waiting period.

These negotiations were finally completed on November 19th; and really, for the first time in seven months or since the March postal work stoppages, our postal unions were able to review other legislative and organizational matters of interest to our collective membership. It was at this point that we suddenly and painfully became aware for the first time of the unexpected progress made by S. 2461 through the Senate and of the hearings being scheduled by this Committee.

We hope this statement explains the reasons for our delayed involvement in this controversial legislation which is of direct and considerable interest to all postal workers.

FRANCIS S. FILBEY,
President,
PATRICK J. NILAN,
Legislative Director.

STATEMENT OF HON. ROBERT V. DENNEY, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEBRASKA

Mr. Chairman and members of the committee, I am grateful for this opportunity to testify on S. 2461. While its apparent objectives appear worthwhile and beyond reproach, I am concerned with its inevitable detrimental effects on postal and Federal employees generally.

Certainly, no one can quarrel with the original Randolph-Sheppard Act of 1936. Its intent was to provide employment and reasonable income for individuals who were handicapped by blindness.

However, I am in disagreement with the basic objective of S. 2461. I oppose the exclusive assignment of vending machine income to the blind.

Merely turning over all the revenues of vending machines to the blind would in no way expand employment of additional blind individuals.

In most post offices where there are vending facilities, employee welfare funds have been established and maintained solely through the income of revenues from vending machines. These funds are used for many purposes, such as gifts to retired employees; flowers for deceased employees and immediate members of their families; recreational activities, including golf tournaments, soft ball, bowling, etc. In some cities portions of the funds are allocated to annual picnics and

other functions to promote employee morale. Still other cities utilize such funds partly for mass inoculations against influenza, mass chest X-rays, mass glaucoma tests, etc. etc.

To the best of my knowledge—although procedures vary from post office to post office—there is no intent to in any way harm the blind person or reduce his income.

While it is a common practice in the private sector for employers to furnish many of the activities, equipment and facilities provided by present employee welfare funds in post offices, the U.S. Government makes neither provision nor appropriation for such purposes. The only method by which postal employees may establish such welfare funds and receive the limited benefits described herein is through the use of at least a portion of the income of vending machines.

While we are all for the objectives of the sponsors of S. 2461 to provide greater employment opportunities and reasonable income to the blind, I do not believe this should be accomplished solely at the expense of postal and Federal employees generally. I feel that a specific formula such as provided in S. 2461 leaves absolutely no leeway for the continuation of employee welfare funds in the postal service. I urge that the provision for exclusive assignment of vending machine income to the blind be deleted from this bill.

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SUPPLEMENTARY STATEMENT OF JOHN F. NAGLE, NATIONAL FEDERATION OF THE BLIND

Income from vending machines located on Federal property—should it be an illegal benefit to Federal employees to be used for recreation and welfare purposes, or should it be available under the Randolph-Sheppard Vending Stand Act to provide increased employment opportunities for blind persons under the act?

At the present time, in many federal buildings, management of the building permit vending machine companies to locate their machines throughout the premises.

Income from such machines, sometimes, is shared with a blind vending stand operator situated in the building; oftentimes, all of the vending machine income goes to associations of the employees who work in the building, to be used by them for recreation, welfare or benevolent activities.

The blind vending stand operator (or the state vending stand licensing agency in his behalf) can hardly insist that all vending machine income be available to him to supplement his earnings from the vending stand since to do so would be to antagonize the customers of his stand who are also members of the employee association which receives the vending machine income.

We believe that federal employees should be paid well for the work they do for their agencies, but we also believe that it is neither necessary, desirable, nor lawful, for such federal workers to conduct business operations for private or group profit on federal property—

Federal employees have no more right to vending machine income derived from the location of vending machines on federal property than do any other workers in privately owned buildings to use corridors, lobbies, or any other area of the building for their own individual or group purposes.

Particularly, this is so in view of the fact that by granting blind persons a preference in the location of vending stands on federal property and by specifying that vending machines in competition with such stands are to be included within the preference, Congress made it emphatically clear that blind persons should be assured the opportunity to earn a living in businesses operated on federal property.

This preference (within which is included vending machines), is based upon the Randolph-Sheppard Federal Vending Stand Law.

The claim of federal employee associations to income from vending machines located on federal property is based upon permission granted by building managers who have no authority to grant such permission in diminution or contravention of the Randolph-Sheppard Law.

Section II of S. 2461 which would provide for exclusive assignment of vending machine income to blind vending machine income with the blind person invariably getting short shrift from such negotiations.

This provision would make absolutely clear that vending machines are an inseparable part of the Randolph-Sheppard Vending Stand Preference.

In the past several years, demonstrations have been conducted which conclusively prove that blind persons can successfully service all aspects of vending machine operations.

Section II of S. 2461 will make vending machines unquestionably and unalterably available for the Randolph-Sheppard Program and subject to this program—and this will make possible the employment of thousands of additional qualified blind persons who will manage and operate, not vending machines, with the usual across-the-counter sale, but who will operate and manage automated vending facilities, i.e., groupings of vending machines which the blind person will manage as a complete business operation.

This provision will also serve to open up a great number of new locations for vending stands—presently undesirable because of limited counter business, but fruitful earnings situations when counter sales of the stand are combined with income from vending machines scattered about the building or area where the stand is located.

SPOKANE, WASH., July 2, 1970.

DEAR SIR: Would you please use your influence against S. 2461?

Sincerely,

FRANCIS WEEKS.

PEORIA, ILL., December 3, 1970.

MR. JOHN BRADEMAS,
*Chairman, Committee on Education and Labor,
U.S. House of Representatives.*

DEAR SIR: As president of our local union, and for the benefit of all postal employees, I am writing to you in regards to the Randolph-Sheppard Act, S. 2461.

I think the money the postal affairs committee receives from the vending machines should be used to benefit the postal employees. This money is used to buy flowers in case of a death in a postal employees family, or as a gift to a retiring employee.

The Blind Centers are treated as well as all the other agencies and we already help to support them. The money that goes into these vending machines is the postal employees money.

I feel this is not a just bill and I know all postal employees will appreciate it if you see that it is not made a law.

Sincerely yours,

JAMES W. HUBERT,
President, Local 223, N.A.P.O. & G.S.M.E.

GEM STATE BLIND, Inc.,
Boise, Idaho, October 2, 1970.

HON. CARL PERKINS,
*Chairman, House Committee on Education and Labor,
House Office Building, Washington, D.C.*

DEAR CONGRESSMAN PERKINS: This letter is with regard to S-2461, known as the Randolph-Sheppard Vending Stand Amendments. It is my understanding that this bill passed the Senate Monday, September 28, and that it has been referred to your committee for consideration.

At our annual convention this year, passage of this piece of legislation was given as one of the top priorities by the convention. The amendments were thoroughly discussed and had the complete support of the entire membership. This was also the case at the national level earlier this summer.

It is fully realized by us that it is now late in the session, however, I would urge you to do all in your power to secure the passage of this legislation in this 91st Congress. I speak not only for myself, but for the entire membership of the Gem State Blind when requesting prompt and favorable action.

Sincerely,

JAN OMVIG, *Secretary.*

PHILADELPHIA BLIND MERCHANT'S GUILD,
Philadelphia, Pa., November 9, 1970.

HON. JOHN BRADEMÁS,
Subcommittee Chairman, House Office Building,
Washington, D.C.

DEAR MR. BRADEMÁS: We, the officers and members of the Blind Merchant's Guild, strongly urge your consideration and support for passage of the Randolph Sheppard amendments. Passing these amendments will be a big step in creating and securing better vocational opportunities for the Blind all over the country.

Thank you for your prompt attention to this matter.

Yours truly,

JOHN WALDIS, *President.*

NATIONAL FEDERATION OF THE BLIND,
Washington, D.C., November 16, 1970.

HON. JOHN BRADEMÁS,
Chairman, Select Subcommittee on Education,
House Office Building, Washington, D.C.

DEAR CHAIRMAN BRADEMÁS: I am writing to express the very strong hope of the National Federation of the Blind that the Select Subcommittee on Education and the Committee on Education and Labor act favorably and promptly on S. 2461, a bill to amend the Randolph-Sheppard Vending Stand Act, which passed the United States Senate on September 28 without a dissenting vote.

S. 2461 was developed by representatives of all organizations of and for the blind in the country including the National Federation of the Blind and it had the firm and complete support of the entire organization and agency field of the blind including the National Federation of the Blind when hearings were held on it on July 9 and 10 by a special subcommittee.

In view of the totality of the support for S. 2461, and the thorough consideration given to this measure in Senate public hearings, we believe public hearings in the House of Representatives would serve no useful purpose and might delay the progress of this bill that its approval by this Congress might well be jeopardized and the greatly needed changes and improvements proposed by this bill would be lost to the blind of the nation.

Again, we urge quick executive subcommittee and full committee approval of S. 2461 that this landmark legislation for the blind of the country may be assured of enactment by the 91st Congress.

Sincerely yours,

JOHN F. NAGLE, *Chief.*

AMERICAN FOUNDATION FOR THE BLIND, INC.,
Washington, D.C., November 17, 1970.

HON. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

DEAR MR. PERKINS: I am writing to request your help in assuring favorable action by the Committee on Education and Labor on S. 2461, a bill to expand and improve the Randolph-Sheppard Vending Stand Act for the Blind.

This bill was unanimously passed by the Senate on September 28 after hearings by a special subcommittee of the Committee on Labor and Public Welfare. All of the major national organizations of and for the blind, as well as other national organizations interested in the rehabilitation of the disabled, testified in support of this legislation. It will substantially expand employment opportunities for blind persons and result in a further reduction in the number of blind welfare recipients of employable age.

Since the bill has the unanimous support of the national voluntary organizations concerned about this program, we believe that hearings by your Committee

would only be repetitive of the Senate hearings and might make it difficult for Congressional action to be completed before adjournment. Consequently, we sincerely hope that the Committee on Education and Labor will act favorably without additional hearings.

We have always been grateful for your interest in programs to assist the blind and other severely handicapped and are indeed pleased to have the assurance of your continued leadership in the House of Representatives.

Respectfully yours,

IRVIN P. SCHLOSS, *Legislative Analyst.*

ATLANTA, GA., *November 20, 1970.*

HON. JOHN BRADEMAS,
*Chairman, Select Subcommittee on Education,
House Office Building, Washington, D.C.*

HONORABLE BRADEMAS: I would like to urge you to support Senate Bill No. 2461, Randolph Sheppard Amendments of 1970 in behalf of the blind citizens of America.

I am a blind vending stand operator, and I believe that the vending stand program is the very best way for a blind person to make a living for himself and his family.

Your support of this bill will be greatly appreciated by all blind people in this Country.

Sincerely,

LUTHER PHILLIPS.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., November 24, 1970.

HON. JOHN BRADEMAS,
*Chairman, Select Subcommittee on Education,
House Education and Labor Committee, Washington, D.C.*

DEAR MR. CHAIRMAN: Thank you for the opportunity to present this statement before your Committee. I respectfully request that it be included in the record of your hearings.

It is particularly fitting, I think, that this bill should round out your labors in the 92nd Congress. This Congress has set an enviable record in providing opportunities for the disadvantaged. Those of our good citizens handicapped by physical or mental deficiencies have been offered treatment and training that will enable them to take an active part in society.

The blind constitute a special class of the disadvantaged. They are denied only one of the five senses with which most of their fellows are equipped. It is properly considered the most precious of all the senses, the one which enables the possessor to move about freely and handle the tools by which one may make a living. In partial compensation for this formidable disadvantage, the blind often possess other faculties in greater degree. Especially are they eager to be self-supporting and to be useful citizens. It is astonishing to note the number of men and women in all time who attained outstanding prominence in various walks of life, even though deficient in sight.

Furthermore, blindness elicits remarkable sympathy from almost the whole of humanity. In going about the city, in public conveyances, in places of danger, no sooner is a blind man sighted than someone at hand stops whatever he or she is doing, and offers assistance. In this age when most people hesitate to become involved in the misfortunes of others, there is no such mental block in the case of the blind. The blind will never return evil for good. They are always appreciative. They need and can use a certain amount of help, and then they are capable of fending for themselves.

When individuals are so ready to help the blind, surely our great Government can be no less sympathetic. We have provided generously for our citizens afflicted with mental impairments, with killer diseases such as tuberculosis, cancer, heart disease, for those lacking arms or legs. Let us not overlook a group at least equally deserving.

H.R. 13661 offers opportunities for self-support which the blind have already proved themselves fully able to use. It will cost the Government little or nothing.

This is not one of those experimental gestures. It will work. I sincerely hope that your Committee will deem it in the public interest to bring this bill to the Floor of the House, where I am confident it will receive hearty support.

Again thanking you for your consideration, and with kind personal regards to you and your members, I am

Sincerely yours,

HARLEY O. STAGGERS.

UNITED FEDERATION OF POSTAL CLERKS,
Columbia, Mo., November 27, 1970.

Hon. JOHN BRADEMAs,
Chairman, Select Subcommittee on Education and Labor,
Washington, D.C.

DEAR SIR: We the undersigned Postal Clerks, being members of the Local No. 136 of the United Federation of Postal Clerks, AFL-CIO, wish to go on record as opposing passage of Senate Bill S. 2461 as passed by the Senate and now scheduled for hearings and consideration by your House Select Subcommittee on Labor and Education. We respectfully ask your support in opposing this bill. We respectfully state that the funds derived from the sales to postal clerks or postal employees only through the vending machines located in our facility are the only source of welfare that we receive to care for the following cases. We send flowers to our sick and the families of the deceased postal employees. We also provide a gift to our retirees on their retirement from the postal service after the many years of faithful service and do further provide the postal employee with yearly influenza shots to keep employees from being sick. Also the funds are used for recreation and welfare for postal employees only. It would be a bitter disappointment to our employees to lose this source of funds. We have no other source of welfare to cover these items. Please consider our request. Thank you again for your support.

R. PALMER
(And 44 others).

Congressman JOHN BRADEMAs.

DEAR SIR: I am writing you in behalf of the Bill No. 2469, R.S. I would appreciate it if you would take it into sincere interest. I am a member of the Randolph-Sheppard Act. I also operate a vending stand in the State Office Bldg. in Atlanta, Georgia. I sure would appreciate it if you will help us get this bill passed.

Sincerely,

GADSON C. FLOYD.

COLLEGE PARK, GA.

REPRESENTATIVE BRADEMAs: My name is Michael C. Lee. I am a blind vending stand operator from Atlanta, Georgia.

I am writing to urge you to support "Senate Bill 2461" amendments to the Randolph-Sheppard Act which will soon be in your sub-committee for examination.

The United States has progressed extremely well in this area in the last ten years but we do need new legislation to keep up to date.

Your support would be greatly appreciated in order that this bill may pass in this section of Congress.

Sincerely yours,

MICHAEL C. LEE,
President, Georgia Chapter of Randolph-Sheppard Vendors of America.

COLORADO FEDERATION OF POSTAL CLERKS,
Pueblo, Colo., November 28, 1970.

Hon. JOHN BRADEMAs,
Chairman, House Select Committee on Education,
Washington, D.C.

DEAR CONGRESSMAN BRADEMAs: In behalf of the postal clerks of Colorado, I urge you and your Committee to give careful consideration to S. 4261 before any action is taken.

During the scheduled hearing on this bill many things will be brought forward to explain the feelings of most all postal employees. The welfare committees in many post offices throughout the nation perform very worthwhile programs that benefit all employees.

The monies going into these vending machines came from all the employees in each installation and it is only fair that they reap the benefits from said machines in the form of sick and death remembrances—retirement gifts—financial help when needed and many other projects approved by the local welfare committees.

Yours very truly,

FRED BEEMAN,
President, Colorado Federation of Postal Clerks.

ILLINOIS STATE BRANCH,
NATIONAL ASSOCIATION OF POSTAL SUPERVISORS,
Carbondale, Ill., November 29, 1970.

HON. ROMAN C. PUCINSKI,
*Rayburn House Office Building,
Washington, D.C.*

DEAR CONGRESSMAN PUCINSKI: As a member of the House Education and Labor Committee, would you please contact Congressman John Brademas, Chairman of Select Subcommittee on Education; asking him, on our behalf, to oppose S2461 which is due for special hearing December 3, 1970.

If S2461 passes it would exclude current vending machine income from the control of the welfare committees of each individual post office.

This income from the vending machines in postal swing rooms is wholly contributed by postal personnel. (We are not speaking of lobby machines.) The income from these machines is the only income most welfare committees have. If it is lost, the services performed by the welfare committees will be abolished.

We as postal supervisors cannot agree that it is fair to our craft organizations to deprive them of benefits of the projects of the welfare committee.

Please ask all members of the Committee on Education and Labor as well as the Select Subcommittee to oppose S2461.

Sincerely yours,

JAMES T. MONTGOMERY, *Legislative Director.*

LOCAL 679, UFPC,
Eugene, Oreg., November 29, 1970.

Representative JOHN DELLENBACK,
*Committee on Education and Labor,
House of Representatives, Washington, D.C.*

DEAR SIR: On November 28th Local 679 received a memorandum from the national office of the United Federation of Postal Clerks, to the effect that a bill has been given the green light for hearings of a select committee from the Education and Labor Committee in the House. This bill is S. 2461 as already passed by the Senate in late September. It deals with the granting of all vending machines and profits thereof to Blind persons, or Blind person Organizations.

Local 679 will be, and is very much opposed to this bill and its purposes. It is indeed a giant give-away of the hard earned money of all Postal and Federal employees. In our Office all the money derived from vending operations located on the premises is from employees. It is handled by a special vending Fund Committee in our Office. The money is used for the welfare of all of our local employees. We do not think it is fair for any other group to gain what is used for good purposes in this way.

There are several uses in our Office. First, each year there is the annual Summer Picnic, at employee retirement times there is a party given in their honor, at this time a \$75 Savings Bond is given to the RETIREE, at other times its funds are used to provide a free dinner to all employees and their wives. These and other uses are to become wiped out by the pending legislation.

Local 679, UFPC, AFL-CIO, urges you in your capacity on the Committee on Education and Labor to do all that is in your power to kill this bill in the Committee. We also ask that you influence the other members of the Committee to oppose this bill as it now stands.

Yours respectfully,

CHARLES L. BERG, *Legislative Chairman.*

LOCAL 679, U.F.P.C.,
Eugene, Oreg., December 2, 1970.

Congressman JOHN R. DELLENBACK,
Education and Labor Committee,
House of Representatives, Washington, D.C.

DEAR SIR: Tomorrow, Thursday, December 3, at 10 AM, there has been scheduled a hearing for Postal and Federal employee Unions to testify before the Select Subcommittee (No. 6) headed by Mr. John Brademas, D-Ind., on the effects of S. 2461 on employee Vending Funds, and facilities.

Local 679, UFPC, AFL-CIO, will be very much opposed to this give-away through this legislative method of useful monies for the welfare of employees in our Office. If it were in the case of being used by the public, possibly we could go along, but not when all profits derived come from the pockets of the employees themselves.

It will likely evolve that any other use, or obligation of these profits will become very meager to those scheduled to obtain them under S. 2461; Blind persons, or said Organizations. Feelings run high when it is mentioned of what Congress is going to do in the name of charitable relief. This is especially true because of the behind the back way in which this legislation has come this far without notice given to us. I will be most willing to join any and all of my fellow workers in a Vending Machine Boycott in our Office, without any feelings of guilt.

Local 679, and its entire membership urge you to do your best in not allowing this bill to reach the House floor. It will be watched for any further progress in the Education & Labor Committee. Our monies are open to direct contributions to any and all charitable organizations, but this would be carrying the thought too far, at least by this method.

Thank you for your efforts in our behalf on this measure.

Respectfully yours,

CHARLES L. BERG, *Legislative Chairman.*

WISCONSIN FEDERATION OF POSTAL CLERKS,
November 28, 1970.

HON. JOHN BRADEMAS,
Chairman, Select Subcommittee on Education,
Washington, D.C.

DEAR SIR: As the Legislative Representative for the Wisconsin Federation of Postal Clerks and President of Local 778 of the U.F.P.C., Racine, Wisconsin, I wish to register strong opposition and disapproval of Senate Bill #2461 which is before your committee.

For many reasons, we postal employees believe that money derived from vending machine sales should be retained by the local post office unit welfare committee, and not donated to any outside organization, however worthy. The Racine post office employees contribute generously to the United Fund as I am sure postal employees throughout the United States do also. In addition, we each of us as individuals contribute to other causes.

The small funds which our Canteen Fund accrues to us provide flowers when there is a death in the immediate family of an employee or when one is ill and hospitalized; it also helps to defray the costs of a family picnic in the summer and a Christmas party for the children as well as the adults—the balances of these affairs being paid by those attending. These are benefits which are usually given by management to the employees in private industry. Postal workers are only now beginning to catch up to private industry in many respects and still lag far behind in many fields, such as health benefits.

It certainly seems unusual and unfair that the small profit which is obtained from vending operation, patronized exclusively by postal employees should be forcibly taken from us by an act of Congress.

Therefore, I strongly urge that your committee reject this bill in its entirety leaving us our sole source of Welfare Committee income. Thank you for your kind consideration.

Yours truly,

FRANK J. RIZZO, *Vice President.*

UNITED FEDERATION OF POSTAL CLERKS,
LOCAL NO. 277,
Asheville, N.C., November 29, 1970.

HON. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

SIR: I am writing this letter to strongly urge you to vote against S. 2461 which is now being considered by your committee. As this bill is now written, it would completely destroy programs and benefits that postal employees have worked for and received for as long as twenty years.

I am speaking of Employee Welfare Committees which are set up at Post Offices throughout the country to operate and receive profits from vending operations. In most cases, there is no other source of monies with which the nations postal employees can be provided badly needed recreational, welfare, athletic and other programs.

As I stated before, some of these committees have been operational for as long as twenty years. In our own post office, we are just getting ours off the ground and if S. 2461 becomes law, it would mean that the many months of hard work under taken not only by myself, but by a number of other employees also, would be for nothing.

These committees are operated under stringent accounting and auditing procedures and all welfare funds and programs must be approved by the Post Office Department.

I would also like to state that postal clerks and other postal employees are the *ONLY* ones who purchase vending products. This is one of the strongest reasons that I feel the postal employee should not be denied the use of these funds from vending operations for employee programs. These funds provide many programs for the postal employee and his family which they could not get from any other source. Some of these programs include sick and death remembrances, retirement awards for many years faithful service to their country, scholarship funds set up for the children of postal employees, and safety awards for the careful employee. These are just a few of the many programs whose survival is threatened by this bill.

Sir, I do not want you to think that I am completely opposed to all blind persons receiving an income. On the contrary, I feel they should have an adequate income the same as everyone else. However, I also feel that they can be provided income from other sources instead of taking these funds away from me, the nation's postal employees.

Again, I strongly urge you to vote against this bill, S. 2461, which would deny the nations postal employees funds which are rightfully theirs.

Sincerely yours,

MARVIN BALDWIN.

UNITED FEDERATION OF POSTAL CLERKS,
LOCAL UNION NO. 269,
Erie, Pa., November 30, 1970.

HON. JOHN BRADEMAS,
Chairman, Committee on Education and Labor,
U.S. House of Representatives, Washington, D.C.

HONORABLE CONGRESSMAN BRADEMAS: Here in Erie, Pa., we have had our welfare committee since 1952. This committee is represented by every organization run by the rules set up by Philadelphia region and our own bylaws seeing that every employee is treated alike.

We have two big events a year, one is an annual picnic for all employees and their families. Over 1,000 attend every year. We have an annual retirement program to honor our retirees. Over 300 attend. We have recreational programs, flowers in case of death, flu shots to protect our health. This is a great program and should be retained as is. We oppose S. 2641 as proposed.

Sincerely,

FRANK PRUEADENTI, *President.*

INDIANA FEDERATION OF POSTAL CLERKS,
Evansville, Ind., November 30, 1970.

Hon. JOHN BRADEMAs,
*Chairman, Committee on Education and Labor,
 Select Subcommittee on Education, Washington, D.C.*

DEAR CONGRESSMAN BRADEMAs: I'm sure you are aware of the unexpected development on S-2461, (the abolishing of Post Office Employees Welfare committees) in test it states "Wherever they exist by requiring that all income from all vending machines or facilities shall revert to blind vendors and blind person associations in the various cities and States throughout the Country.

This legislation was approved by the Senate late in September, but we understood that it would be impossible for the House to Act on S-2461 prior to adjournment.

We as postal employees are of complete and total opposition to S-2461—we urge you and your committee to help toward other members of the House to vote against this bill.

We are not against the blind vendors to receive compensation toward a livelihood, however, this is spelled out in the Postal Manual, that blind vendors shall receive pay equal to employees, even if it does come from the vending machines, but to be able to completely take all the monies of the employees, isn't fair.

Our shares of the vending monies is returned to the employee, in forms of Family picnics, sick and death remembrances to immediate families, this money also helps our employees to join all workers in recreational, welfare, athletics and other programs for the benefits of all Postal Employees and their families.

These machines are used only by the Postal Employees and only these employees purchase vending products and should be entitled to use profits from such sales for the benefits of our members.

If this legislation is enacted—some cities the blind vendors will make up to \$20,000.00 a year, is this fair?

We appreciate your help in defeating this bill.

Thanks.

Sincerely yours,

CLIFTON L. BASS, *State Vice President.*

FRANKFORT, KY., *November 30, 1970.*

Hon. CARL PERKINS,
*U.S. House of Representatives,
 Washington, D.C.*

DEAR CONGRESSMAN PERKINS: The telegram I sent you earlier today asked for the defeat of Senate Bill 2461. It is our understanding that this bill would do away with welfare committees in local post offices and that all money received from our vending machines would be turned over to the blind organizations.

We would like to see this bill defeated because we feel it is unfair. We use the money from these machines to pay for retirement gifts, flowers for close relatives of employees who have died, and gifts for the employees who are hospitalized for sickness or operations. We also use it for a picnic that we have once a year. This is the one and only one recreational program we have at the Post Office.

Since these machines are used only by postal employees, we cannot see why the profits from such should be given to the blind. We are called upon to donate money to many charitable organizations. We usually have fine participation in these programs. We as an organization make up food and gift baskets to be given to the poor by the Salvation Army at Christmas time. We therefore feel we do our part in giving to the poor and handicapped.

We as an organization also feel that if there is such a need for helping the blind, then why can't some of the billions and billions of dollars being spent on foreign aid and a never-ending political war in Vietnam be diverted to this need.

We close in saying that if this bill passes, we feel it could cause some ill-fated after effects.

Your kindest considerations, please.

GAYLE D. SMITH,
President, Local 3944, United Federation of Postal Clerks.

QUINCY, ILL., November 30, 1970.

Representative JOHN BRADEMAs,
Committee on Education and Labor,
Rayburn House Office Building, Washington, D.C.

DEAR MR. BRADEMAs: It has just been brought to my attention that a bill S. 2461 is considered being passed to give all income from all vending machines to blind vendors and blind person associations.

For many years vending revenues have been paid to the local Post Office Employee Welfare Fund for useful purposes. The employees purchase the vending products and are entitled to use the revenue from vending machines for employee programs

I hope you will consider the needs of the local Post Office Welfare Committees and work toward defeating this proposed bill—S. 2461.

Sincerely yours,

MAYNARD BRANCH,
Branch-Hess Vending Service.

AMERICAN OPTOMETRIC ASSOCIATION,
Washington, D.C., November 30, 1970.

HON. JOHN BRADEMAs,
Chairman, Select Subcommittee on Education, House Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN BRADEMAs: The American Optometric Association supports the enactment of S. 2461, as passed by the U.S. Senate, to amend the Randolph-Sheppard Act for the Blind.

In our statement before the Special Subcommittee on Handicapped Workers, Committee on Labor and Public Welfare, chaired by Senator Randolph (D-W. Va.) of July 10, 1970, we stated that "optometrists, whose lives are devoted to the preservation and enhancement of the visual function, are keenly aware of the problems faced by individuals whose vision is seriously impaired or lost. It is with a great sense of compassion that this organization offers its support for legislation of the type you are considering."

We join in our support with the many groups representing the various associations for the blind in urging your committee to favorably pass upon these worthwhile amendments contained in the bill.

Additionally, we would like to urge the committee to accept S. 2461, as passed including section 9(b) thereof indicating the definition of blindness and that language added by the Senate committee stating: "In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or an optometrist, whichever the individual shall select."

The above-quoted language was added to S. 2461 in Executive Session after the committee received testimony indicating the need for making the definition of blindness and certification thereof consistent with other Federal legislation on this subject.

Your consideration of this matter will be greatly appreciated, and passage of this legislation will serve to provide for some necessary improvements in the worthwhile legislation.

Additionally, attached is a copy of the statement filed by the American Optometric Association before the Senate committee.

Thank you for your time.

Cordially,

DONALD F. LAVANTY,
Director, Department of Federal Legislation.

STATEMENT OF THE AMERICAN OPTOMETRIC ASSOCIATION

The American Optometric Association, a federation of State optometric associations and societies with membership totalling some 15,000 practicing optometrists, supports enactment of S. 2461 which would be highly beneficial to blind persons.

Optometrists, whose lives are devoted to the preservation and enhancement of the visual function, are keenly aware of the problems faced by individuals whose vision is seriously impaired or lost. It is with a great sense of compassion that this organization offers its support for legislation of the type you are considering here today.

In the interests of conserving Committee time, we defer to the joint statement presented July 9, 1970 by the American Association of Workers for the Blind, Inc., the American Foundation for the Blind and the Blinded Veterans Association endorsing this legislation.

The American Optometric Association believes it is essential to retain and, if possible, extend to more individuals the benefits provided by the Randolph-Sheppard Vending Stand Act, as well as those Public Laws dealing with Vocational Rehabilitation, and several Titles of the Social Security Act.

The health profession of optometry has played a major role in the preservation and enhancement of the residual vision of the partially sighted who are classified as legally blind. Our profession is working constantly to create more sophisticated low-vision aids to assist the partially sighted. The American Optometric Association, now 73 years old, has had a standing committee for the purpose of aid to the partially sighted since 1958. We assure you that optometry will continue to work diligently to make low vision aids better, and to make such aids more generally available for those who so desperately need them.

We are especially pleased to note that the legislation before you would provide new discretionary authority for the States to license as blind vending stand facility operators those men and women under age 21 whose visual impairment has come about at such an early point in their lives. They deserve the same type of economic opportunity afforded those who are over 21 years of age. Many of these young people have, through the assistance of special educational and vocational programs, received excellent education which prepares them very well for the responsibilities and self-sufficiency that this legislation would allow.

Because the major impetus for this legislation stems from need to up-date the existing law, we recommend that the Randolph-Sheppard Act be made consistent with other Federal legislation with respect to the definition of blindness and who may make the determination of that condition.

All Federal programs dealing with blindness recognize the capability of State-licensed optometrists to determine and attest to the presence of blindness. Notable among these are the Vocational Rehabilitation Act as amended in 1968 as well as Titles X, XVI and XIX of the Social Security Act. The latter two deal with Aid to the Blind and Grants to States for Aid to the Aged, Blind, or Disabled.

To the extent that blind persons are covered under Title II of the Social Security Act, authorizing the Old Age Survivors Disability Insurance Program, certification of blindness by optometrists is allowed by administrative regulation.

The American Optometric Association supports adoption of the definition of blindness, as proposed in S. 2461. We would also like to suggest a further amendment.

The American Optometric Association recommends that Section 9(a) Section 6(b) of the bill be amended as follows: by deleting the closing quotation marks at the end of the Section and adding the following: "In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist, whichever the individual shall select."

The language recommended is identical to that included in Title X, Section 1002(a)(10) of the Social Security Act and that of Title XIX, Section 1902(a)(12) of the Social Security Act, and also Title XVI, Section 1602(a)(12) of the Social Security Act.

The American Optometric Association commends the Committee for its continuing efforts to improve this worthwhile legislation and urges passage of S. 2461 with the further amendment outlined herein.

Thank you for your consideration.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C., December 1, 1970.

MR. GAYLE D. SMITH,
*President, Local 3944, United Federation of Postal Clerks,
Frankfort, Ky.*

DEAR MR. SMITH: I appreciate very much your wire of November 30 expressing your opposition and that of your organization to the provisions of Senate-passed S 2461 which has been referred in the U.S. House of Representatives to the Education and Labor Committee.

Presently this legislation is being studied by the Select Subcommittee on Education. Hearings were held yesterday and are rescheduled for Thursday of this week. I will most certainly see that your objections to the legislation are brought to the attention of that subcommittee to be included in the record of their proceedings.

With best wishes.

Sincerely,

CARL D. PERKINS,
Member of Congress.

LOCAL 4545, UNITED FEDERATION OF POSTAL CLERKS,
Arlington Heights, Ill., December 2, 1970.

MR. JOHN BRADEMÁS,
Chairman, Committee on Education and Labor,
Washington, D.C.:

We, the undersigned, members of Local #4545 at the Arlington Heights Post Office, of the United Federation of Postal Clerks and Local 2810 of the National Association of Letter Carriers, wish to state we are in complete and total opposition to S. 2461 and we request additional hearings to permit all in opposition to testify:

JOHN E. MASUNG
(And 53 others).

LOCAL No. 252, UNITED FEDERATION OF POSTAL CLERKS,
Dayton, Ohio, December 2, 1970.

DEAR SIR: The postal employees of this installation most urgently request that you vote in opposition to S. 2461. Removing this source of income from our Welfare Committee would be the end of the many services that this Committee has provided us through the years; particularly the annual picnics which have given us a chance to have one memorable day a year to meet together as friends, away from the tensions of the job. We have used these monies to provide the community with a Post Office band that has given much joy to the area and has built much good will for our Office.

These are only two of the many benefits which would be lost to postal employees if S. 2461 is passed into law.

Please give the utmost consideration for our welfare in this most important matter.

Sincerely,

MARGARET MEYER, *Secretary.*

SPOKANE, WASH., *December 2, 1970.*

HON. JOHN BRADEMÁS,
House Office Building,
Washington, D.C.

DEAR SIR: I urge you to vote against S. 2461. Vending machines in post offices are patronized by postal employees only, and are the only source of income for employee welfare committees, which provide many worthwhile programs for postal workers.

The income provides badly needed welfare, recreational, athletic and other programs for the postal worker. There is no other source for these funds.

Thank you for your consideration.

Sincerely,

Mrs. LOUIS R. WALKER.

ST. CLOUD, MINN., *December 1, 1970.*

HON. JOHN BRADEMÁS,
Representative, State of Indiana, U.S. Congress,
Washington, D.C.

DEAR SIR: I understand that your Committee, the Sub-Committee on Education, will be holding hearings on a proposal to have all dispensing machines, etc. in Federal Institutions turned over to 'Concessions for the Blind'. Such a law would be a severe blow to many employees of agencies, large and small, who have built up during the years Welfare Councils and Service Councils to benefit all employees.

I have been Postmaster in Saint Cloud, Minnesota, for 16 years and can verify the morale value of the Service Council to the employees at times when difficulties arise. I can speak for the Management and employees of this office when I indicate that the best relationship exists between them and the concessionaire for the blind at this building, however, they do not feel they should lose the little income available to them from the pop machine and commission on vending machines with able to them from the pop machine and commission on vending machines with the consequent elimination of the local Service Council.

Sincerely,

LIONEL J. SPANIOL, *Postmaster.*

METUCHEN, N.J., *December 1, 1970.*

HON. DOMINICK DANIELS,
*Congressman, New Jersey,
Washington, D.C.*

DEAR CONGRESSMAN: I write to you today on a very urgent matter i.e., S 2461 a bill which would abolish the Welfare Council in every Post Office in America. It is the intention of this bill to divert Welfare funds, which are solely obtained from the Postal employees themselves. These monies are to be turned over to the blind. Our New Brunswick Welfare Council this year has started a Scholarship and it would be of extreme benefit to some son or daughter of a Postal Employee. My daughter Nancy is eligible for this scholarship and I would like you to tell her how it is.

If you people in Washington want money for the blind or some other diversion of Postal Welfare Money I strongly suggest that you chop off some of this ridiculous excessive giving away of our money under FOREIGN AID. I do not want this bill and I am sure every member of every Postal Welfare Council wants to see how our Congressman will do on this one.

Sincerely yours,

I. W. MOLNAR.

SPOKANE, WASH., *December 1, 1970.*

Dear JOHN BRADEMAs: I urge you to vote against S. 2461. I am completely and totally opposed to this legislation. The vending machine funds are the only source of income for postal workers. This is a discriminating act and will affect the morale of thousands of workers. Vending machine income provides badly needed welfare, recreational, athletic, and other programs for postal workers. There is no other source for these funds. I urge you and your committee to vote against this legislation.

JAMES SMITH.

GREENACRES, WASH.,
December 1, 1970.

HON. JOHN BRADEMAs,
*U.S. House of Representatives,
Washington, D.C.*

DEAR SIR: Please vote against bill S-2461. Thank you.

STEPHEN G. PETTIBONE,
A postal clerk.

SPOKANE, WASH.

My DEAR CONGRESSMAN JOHN BRADEMAs: I urge you to please vote against S. 2461 I am completely and totally opposed to this legislation.

Yours,

JOSEPH M. ZIEGHLE.

WOMAN'S AUXILIARY TO CALIFORNIA FEDERATION OF POSTAL CLERKS,
Mountain View, Calif., December 1, 1970.

HON. JOHN BRADEMAs,
Rayburn House Office Building, Washington, D.C.

DEAR MR. BRADEMAs: I am writing you on behalf of all Postal Employee Welfare Committees. As the wife of a Postal Clerk and State President of the Woman's Auxiliary to the California Federation of Postal Clerks, I am concerned, with Bill S. 2461.

I am requesting you to hold additional hearings so that all Postal Unions are able to testify in opposition to this bill.

I urge you as Committee Chairman to vote against this legislation for the following reason:

1. No other income of welfare money.
2. Have been providing welfare services for twenty years or more.
3. Postal employees only buy vending machine products and should be able to use the profits for employee welfare programs.

Please give this your close attention.

Sincerely,

MILDRED T. BOYES.

NATIONAL COUNCIL OF STATE AGENCIES FOR THE BLIND,
Austin, Tex., December 1, 1970.

HON. JOHN BRADEMAS,
Chairman of the Select Subcommittee on Education,
Washington, D.C.

DEAR CONGRESSMAN BRADEMAS: On behalf of the National Council, I wish to express my very real appreciation for the opportunity to present our organization's position with respect to S. 2461, and we particularly appreciate your personal interest in the objectives our organization is attempting to accomplish. We do regret that comprehensive and accurate data is not readily available to us in order to provide specific and precise responses to certain of the extremely pertinent questions you raised at the hearings on November 30, 1970.

One of these questions, you will recall, related to the amount of income blind vending facility operators might anticipate from vending machines in competition with blind-operated vending facilities, in the event that S. 2461 is enacted. I am not at all sure that my response to your question was adequate and, therefore, for purposes of supplementing the record of the hearing, I wish by means of this letter to restate and elaborate upon the remarks I made at the hearing.

Inquiry into the amount of money presently accruing to federal employee groups through the operation of vending machines is highly germane. Federal employee groups would seem to be in the best position for providing and documenting this information, and hopefully the federal employee groups will satisfactorily respond to your Subcommittee's inquiry on this point. Reliable information on this, however, is something the member agencies of the National Council have found rather elusive. In any event, I would hope that this will not be regarded as the controlling question. In supporting the enactment of S. 2641, the objective of the National Council of State Agencies for the Blind is not to divert vast sums of vending machine profit to blind persons, but rather to create additional employment opportunities.

I have been involved with the Randolph-Sheppard program in Texas in one capacity or another for approximately eleven years. During that period, the Texas State Commission for the Blind has found it necessary, in order to conscientiously acquit itself of its basic responsibilities as a state licensing agency, to become involved in a number of disputes with federal agencies. Vending machines invariably have been the subject matter of such disputes.

Vending machines present two basic types of problems, and I think it necessary to distinguish between these two. First, there is the situation in which vending machines compete, directly or indirectly with blind-operated vending facilities; there does not now exist an effective mechanism for dealing with this situation. The second situation, however, is even more shocking; I refer here to the increasingly common practice of using vending machines to prevent the installation of blind-operated vending facilities in the first instance and thereby to avoid completely the intent and purpose of Congress in its enactment of the Randolph-Sheppard Act.

In my judgment, S. 2461 would not result in substantial amounts of income from competing vending machines being assigned to blind vending facility operators. At Pages 12 and 13 of the prepared statement submitted to your Subcommittee, I describe the experience of the Texas State Commission for the Blind with regard to a dispute over vending machine utilization at the new federal building in Fort Worth, Texas. That experience, I think, may shed some light upon the practical program results we may anticipate if S. 2461 is enacted.

When the new federal office building opened in Fort Worth, arrangements were made, without the consent of the state licensing agency in Texas, to install large numbers of vending machines on every floor in the building. Inadequate space was

provided for *one* blind-operated vending facility on an upper floor of the building; space was made available in an unattractive, inaccessible service area on the first floor for *one* blind-operated automated location.

Two blind persons were licensed to operate the vending facility on the upper floor. Negotiations, conferences and eventually appeals were initiated regarding the heavy concentration of vending machines throughout the building. The state licensing agency's position was that the machines were unnecessary, installed only for purposes of generating profits for employee welfare groups, in direct competition with the blind-operated facility, and that most of the banks of vending machines should be removed. The federal agencies, on the other hand, stoutly maintained that the machines were absolutely "essential for the adequate service and convenience of federal workers" and that profits to welfare groups did not represent a major consideration.

Eventually, after extended and administratively expensive negotiations, the number of vending machines was somewhat reduced, and additional space was allocated to the blind-operated facility on the upper floor of the building. Once adequate space was made available to the blind-operated vending facility, the vending machines became somewhat less essential for the adequate service and convenience of federal workers. Federal workers, in fact, made sparing use of the vending machines, and only a few machines are now in the building. The profits of these machines are not significant, and these profits are shared equally by the employee welfare union and by the blind person operating the obscure, first-floor location. *Five* blind persons now earn their livelihood by working in the vending facilities in this building.

Examples of vending machines being used to preclude the installation of blind-operated vending facilities are becoming more numerous. This ploy is most often used by the Post Office Department, but other federal departments also have attempted this. In this situation, of course, large amounts of vending machine income do accrue, but I know of no accounting rendered on this—which is hardly surprising, considering that the federal employee welfare unions are without legal authority to receive this money in the first place. Upon enactment of S. 2461, however, most of this income would *not* be expected to continue accruing. Rather, blind-operated vending facilities would be installed, with vending machines *supplementing* rather than supplanting the blind-operated vending facilities.

At the hearing on November 30, one of the questions posed, as I understand it, was the amount of income blind vending facility operators might anticipate from *competing vending machines* if Congress enacts S. 2461. My rather hastily formulated estimate for Texas, you will recall, was that ultimately I could foresee blind vending facility operators in Texas receiving perhaps \$5,000.00 annually in such income, this amount being for the entire state. *This estimate, of course, does not imply that only \$5,000.00 per year is now accruing as profits from vending machines operated on federal property in Texas.* To the contrary, \$5,000.00 would represent only a fraction of the total accruing in Texas at this time.

The point I was trying to make was that, as the result of S. 2461, we may anticipate that direct competition from vending machines in federal buildings will be considerably reduced. Where the intent of the Randolph-Sheppard Act is fully met, so that adequate and appropriate arrangements are made for blind-operated vending facilities, the justification for installing competing vending machines is substantially minimized. The results are that federal employees receive better service and more blind persons are afforded employment opportunities. S. 2461 would require blind-operated facilities to be installed wherever feasible and the use of vending machines would be restricted to those situations wherein machines are legitimately required for bona fide service reasons. In consequence, not as many vending machines would be installed in competition with blind-operated vending facilities and the situation wherein the machines are used to keep the blind-operated vending facilities out of federal buildings would be entirely eliminated by this legislation. It was with these thoughts in mind that I formulated the \$5,000.00 estimate in response to your question and while that estimate is admittedly rough, I do feel, based upon the experiences we have had in Texas to this date, that this estimate is essentially within a reasonable range of what we may expect if S. 2461 passes in its present form.

Excluded from the estimate are all profits accruing to blind persons who operate automated vending facilities since, under existing practices, such profits generally are categorized as income from the operation of a Randolph-Sheppard location. At this point, it seem appropriate to stress that, from the viewpoint of the vending machine industry, this legislation will probably be beneficial. There are, after all certain locations in which completely automated facilities might be installed and

operated by blind persons and there are other situations in which the blind-operated vending facility could be a combination of vending machines and manual service. The legislation clearly would allow either type of facility to be categorized as a Randolph-Sheppard location and the blind operator would have the responsibility for making change, keeping machines filled, keeping service areas clean, etc. Where such vending facilities might be established, however, profits would be treated as part of an operator's income under the Randolph-Sheppard program and it might be expected that this would encourage state licensing agencies to utilize vending machines more readily.

I do hope that the foregoing explanation will clarify the matter more adequately and, again, our organization is indebted to you for the opportunity to appear in behalf of S. 2461. We sincerely appreciate your interest in this legislation, and if we may provide further information which might be of use to your Subcommittee, please let me know.

Sincerely,

CHARLES W. HOEHNE, *General Counsel.*

POSTAL WELFARE COUNCIL,
New Brunswick, N.J., December 1, 1970.

DEAR CONGRESSMAN: Please accept this letter as a very strong protest against S2461 which would totally destroy the New Brunswick New Jersey Post Office Welfare Council. I speak for approximately 650 employees of the Post Office in New Brunswick.

Our Welfare Council has existed for a good many years, at least 20 to my knowledge, perhaps more. During that time we have given many thousands of dollars, in amounts up to \$150, to our employees who, through a series of misfortunes have suffered financial hardships. These people are working and are therefore unable to turn to State or local charity organizations or Welfare Boards for assistance.

Our Welfare Board performs many other functions also. We send flowers or masses to the funeral of a member of an employee's family. This expresses the sympathy from the entire office.

The Board has recently established a College Scholarship for the son or a daughter of an employee. This is for \$250.00 a year for 4 years, meaning that we will be obligated for \$1000 a year when we have four students in the program.

We also support a Christmas Party, and a Summer Picnic or Bus Trip each year. These events are important in a Post Office the size of New Brunswick. We are in 4 buildings and have a 24 hour operation so these events are the only time many employees meet each other. This has a definite bearing on the Morale of the employees and the cohesiveness of the operation.

We strongly feel that the New Brunswick Welfare Council is entitled to disburse its funds which accrue from the Vending machines. These machines are inside the work area, not accessible to the public, so that every cent put into them comes from the employees and the profits should benefit the employees.

It is not the intention of our Welfare Council to deny the fact that Blind persons need assistance and that they should be encouraged and assisted in self help. However, we do not feel that other worthy projects should be denied their funds in order to support them.

I trust you will give this letter careful attention and relate it in your mind to probably several thousand Welfare Councils representing many, many Thousand employees of the Postal Service. If you do, I am sure you will vote against S2461.

Sincerely yours,

WILLIS P. BREWER, *Secretary.*

LOCAL 130, UNITED FEDERATION OF POSTAL CLERKS,
Indianapolis, Ind.

DEAR CONGRESSMAN BRADEMAS: I am contacting you on the Senate Bill 2461 in the hopes that you will help defeat it. This is the only source of monies to provide recreational, athletic, and sick, and death benefits. We have been doing this for 15 years or more. Since Postal Clerks purchase all of the vending products we feel we should be allowed the profits for employee programs.

Since you are chairman of the Sub-committee I hope you can see our side of the story. Thank you in advance for any help you may render.

Respectfully,

ROBERT D. MCKIM, *First Vice President.*

DECEMBER 1, 1970.

HONORABLE REPRESENTATIVE: This is to express our *opposition to S. 2461*.

The passage of this bill would eliminate all sources of monies for the benefit of postal employees at this office.

The welfare committee has been in existence for approximately at this office for 20 years, and has made tremendous strides. In the past two years we have purchased our own vending machines, thus eliminating any private profiteering whatsoever, and all profits are put to useful enterprises.

These monies are used for an annual picnic for all employees, entries of ball teams in tournament play. This Thanksgiving four baskets were distributed through the Salvation Army to needy families. A float was entered in the annual Thanksgiving day parade, with decoration provided by funds from the committee. During the Christmas season tapes are purchased to provide music in the lobby for patrons.

All the above, in addition to other projects are essential and integral to community relations, and is a definite morale factor to employees, and helps instill a matter of pride when the evidence of the monies are recognized.

We are in sympathy with the plight of the blind, but feel this bill is discriminatory to postal employees, as it is the employees *only* who make the purchases, it seems only fair that the profits should be for the express use of the employees.

The above decision was reached by a meeting of the committee, fully attended, and was unanimous.

Again we say, *we oppose S. 2461*.

WELFARE COMMITTEE,
New Rochelle, N.Y., Post Office,
ROBERT CERRATA, *President*,
WILLIAM COWAN, *Treasurer*.

MINNEAPOLIS, MINN., December 1, 1970.

Congressman JOHN BRADEMAS,
United States House of Representatives,
Washington, D.C.

DEAR SIR: Employees in the Minneapolis Post office are most distressed over possible passage of S 2461. This unfair legislation would rob Postal employees of their source of Welfare funds. Not only do we feel that it is totally unjust to forcibly remove that which belongs to one group, and arbitrarily give it to another, but this legislation would be contrary to ART XXI Appendix A, Chapter 7, Title 7 Personnel the agreement of the Postal Manual. To pass this bill would place the Post office Department and the Labor negotiators in a position of being unable to bargain in good faith on benefits belonging to employees under existing agreements.

We, the undersigned plead with you to prevent this bill from reaching the House floor.

Respectfully,

FRAN LARSON,
JOAN FAY,
PAT MARREN,
PAM HALEK,
PAUL D. HANSEL,
ALLEN E. LINDQUIST,
ANITA HALVOLESON,

Postal Employees, Minneapolis Post Office.

LOCAL 756, UNITED FEDERATION OF POSTAL CLERKS,
Framingham, Mass.

DEAR CONGRESSMAN BRADEMAS: I am asking you to vote negative on Bill S. 2461. We in the Postal Service have no other source of raising money for our welfare programs which are a benefit to all at our office regardless of craft or position. Here at this office these benefits have been provided for the past seven years.

We have strict control on the money. There is a meeting of the welfare committee prior to spending of any money on any of the programs. There is an auditing committee plus our books are checked by the Regional Office of the Dept.

The employees of all crafts purchase products from these vendings and should be entitled to the commissions that are forth coming from these machines.

There are death benefits for all employees and immediate members of their families (flowers) Fruit baskets for sick employees, cash benefit to those that retire from the Postal Service at our Office, Xmas party and a Spring dance.

I sincerely hope that you'll consider the benefits that all the employees derive from this source of income and vote Nay on S-2461.

Respectfully yours,

EDWARD LEVAY, *Secretary.*

SALEM, OREG., *December 1, 1970.*

DEAR CONGRESSMAN BRADEMAS: We the undersigned employees of the Salem Oregon Post Office respectfully request your opposition to the legislation that will take away our Employee Welfare Fund, namely S-2461.

Our Employee Welfare Fund has been in existence for about 16 years. The money in our treasury comes directly from the profits on our vending machines located in the Post Office Lunch Rooms. Only employees make use of these machines.

As stated in the Postal Manual, Chapter 4, part 492, these funds are audited and accounted for to the Post Office Department. The monies in our fund are used for gifts for retirees, funeral sprays or donations in memory of postal employees or their immediate families who have died, and to pay for our annual Post Office Employee picnic, and for Christmas decorations and for sound systems (radios) for our Main Office and our Stations. These monies, by law, cannot be used to benefit a particular employee or group of employees, and can be spent only for specified items.

If this money is taken from us, it would mean taking a collection on the work room floor every time the need arises, and needless to say, people *do* get tired of continually making donations.

We hope this letter gives you our views on S-2461 and that you will use your influence to defeat it in the congress.

Sincerely yours,

WELFARE COMMITTEE,
U.S. Postal Service
(70 signatures).

U.S. POST OFFICE, *Frankfort Ky.*

HON. CARL PERKINS,
Member of Congress,
Washington, D.C.

SIR: Please do not support S. 2461.

B. W. PENN.

Lakeland, Fla., *December 1, 1970.*

Congressman JOHN BRADEMAs,
Chairman, Subcommittee on Education,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BRADEMAs: We would like to ask your support on defeating Bill S. 2461.

Our Lakeland, Florida Post Office has had a Welfare Committee for around 20 years. Our office only receives the revenue from one coke machine in our swing room. This machine is owned and operated by the Welfare Committee. We have three other vending machines in our swing room, and all the revenue from these machines go to the Florida Blind Council. The Blind also run a vending stand in the lobby of the Post Office from which they receive all the revenue. We believe we have been more than fair in our support of the Blind. Some of the reasons we feel the present law on welfare committee should stand are:

- (1) Welfare committee will lose all vending income to the blind, although we only receive the revenue from the coke machine in the employes swing room.
- (2) We have no other source of welfare money.
- (3) Postal employes only purchase vending products and should be entitled to use profits from such sales for employe programs.
- (4) Provide for \$50.00 retirement gift to postal employes with 10 or more years service.
- (5) Provides flowers for postal employes and the families in case of death.
- (6) Since the Postal service is supposed to start operating like private

industry. Why should Congress have the right to tell us how to use revenue from purchases in our swing rooms.

We the undersigned sincerely hope your committee will give our opinions your full considerations.

Sincerely yours,

KENNETH LEE,
President, Local 142, NAPOMH.
(And 76 others).

SPokane, Wash., December 2, 1970.

Representative JOHN BRADEMAS,
Chairman, Subcommittee on Education.

DEAR REPRESENTATIVE BRADEMAS: I urge your vote against S. 2461 a bill to amend the Randolph-Sheppard Act.

These funds are provided from purchases made by the employees and it is my opinion that the employees welfare committees should be allowed to handle the income as they see fit.

I urge your vote against S. 2461.

Sincerely,

MAHLON J. HARTER.

SPokane, Wash., December 2, 1970.

HON. JOHN BRADEMAS,
House Office Building,
Washington, D.C.

DEAR SIR: I urge your vote against S. 2461, a bill to amend the Randolph-Sheppard Act. This act is detrimental to the many thousands of Postal and Governmental employees who put vending machine income to good use through employee welfare committees.

Sincerely yours,

WAYNE J. GARRITY.

GREENACRES, WASH., December 2, 1970.

HON. CARL D. PERKINS,
Chairman, Committee on Education,
Washington, D.C.

DEAR MR. PERKINS: I am writing to express my opinion in regard to S. 2461 Randolph-Sheppard Act for the Blind Amendments of 1969.

Vending Facilities should remain as the law now stands. A good share of the profits deriving from the operation are now going to the blind and they receive a good portion of the income. The remaining amount is then used to the betterment of the agency involved to the welfare of their employees such as bonds for the retiring and sick and death remembrance of their fellow employees. This is the only source that money can be raised for this purpose as Federal laws prohibit soliciting money on the premises.

I have nothing against the blind association and organizations have supported them in the past, but to amend this law give complete control over all government canteens or vending service to their organization, will cut participation by all employees not to patronize this service if it is made exclusive. Therefore, my wishes are you vote against this amendment.

Sincerely yours,

LOUIS FRANKS.

OREGON FEDERATION OF POSTAL CLERKS,
Springfield, Oreg., December 2, 1970.

Congressman JOHN BRADEMAS,
Rayburn House Office Building,
Washington, D.C.:

The Oregon Federation of Postal Clerks wish to go on record as opposing present legislation (S. 2461, to amend the Randolph-Sheppard Act for the blind) which threatens the present existence of employee welfare programs in Postal facilities.

The members of the Oregon Federation of Postal Clerks urge that you express our opposition to your colleagues on your Subcommittee and that you vote against S. 2461.

Respectfully,

DAVID A. STANFORD, Legislative Vice President.

UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO,
Indianapolis, Ind., December 2, 1970.

Hon. JOHN BRADEMAS,
U.S. House of Representatives,
Rayburn Office Building, Washington, D.C.

DEAR SIR: We understand that your Select Subcommittee on Education is holding hearings on proposed amendments to the Randolph-Sheppard Act for the Blind. If these proposed amendments were to be adopted, it would seriously affect our Welfare Committee funds now enjoyed by Postal employees throughout the Great State of Indiana.

The profits from our vending machines on the workroom floor are the only source of income providing our employees with badly needed recreational, athletic and other programs. In many instances, the funds are used as sickness and death remembrances. In addition, many post offices purchase and present U.S. Savings Bonds to each retiring employee. The funds, of course, are provided from the welfare profits received from vending machines on the workroom floors.

Under present regulations, postmasters are required to set up welfare committees, which are required to meet and approve all Welfare Fund expenditures. In addition, the funds are subject to stringent accounting and auditing by proper post office officials.

If the proposed amendments in S. 2461 were to be adopted, postal employees would be denied all profits from vending machine operations, even though postal clerks and other postal employees are the only persons purchasing the vending products.

We believe that the present provisions of the Randolph-Sheppard Act protect the blind operators. Under present regulations, when machines are being operated by an employee committee in the proximity of a stand, or machines operated by a blind person and are in competition therewith, and a blind operator is not receiving an adequate income, consideration must be given to assigning the blind person all, or part of the profits from other vending machines in the same building, regardless of location. Adequate income is construed as being the equivalent of the average income of the average employee at the particular postal installation where the machines are in competition with a vending stand operated by a licensed blind operator.

We believe that the present regulations issued by the Post Office Department regarding the assignment of profits to blind, licensed operators where vending machines on the workroom floor are in direct competition with the income received by the blind operator are fair and adequate. Therefore, we are opposed to the provisions of S. 2461, which would require that all income from all vending machines, or facilities, shall revert to blind vendors and blind person associations in the various cities and states throughout the country. We ask that you vote "No" on the proposed amendments to the Randolph-Sheppard Act.

Sincerely,

JAMES P. WILLIAMS, *Vice President.*

MILWAUKEE POST OFFICE CLERKS' UNION,
Milwaukee, Wis., December 2, 1970.

Hon. CLEMENT J. ZABLOCKI,
House Office Building,
Washington, D.C.

DEAR SIR: I am writing to you, concerning S. 2461 which would permit all revenues of vending machines to revert to blind persons or blind associations. While our organizations and employees have a sympathetic concern for the blind, we feel that this legislation is directly detrimental to our employees. It is only directed towards federal employees.

These revenues are controlled by the establishment of employe welfare committees, under direct control of the local postmasters. This year our welfare committee was able to sponsor picnics, golf outings, baseball, dartball, bowling and such similar activities for all employees equally. We urge you seriously to consider this legislation and defeat any attempt to change the present policy which would only be detrimental to our employees.

Sincerely yours,

BURT SARNOWSKI, *President, Local 3 UFPC.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 3, 1970.

HON. JOHN BRADEMAs,
Education and Labor Committee,
Washington, D.C.

DEAR Mr. CHAIRMAN: I have learned that your committee is now considering legislation that will restrict vending concession profits to the blind, S. 2461.

This strikes me as being grossly unfair to those non-blind persons now in possession of such concessions and dependent on the income so derived. I do, however, fully sympathize with the needs of our blind citizens and can understand the need for some sort of remedial legislation. To my mind, an equitable solution to this dilemma would be the inclusion of a clause in the subject bill which would guarantee continued rights to such profits for those now holding concessions but would restrict the granting of new concessions to the blind.

I hope you will be able to consider this proposal when your Committee resumes hearings on December 8.

With warm regards,
Sincerely yours,

RICHARD T. HANNA,
Member of Congress.

POSTAL EMPLOYEES WELFARE FUND,
Huntsville, Ala.

Chairman JOHN BRADEMAs,
U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN: I would like to invite your attention to S. 2461 that is scheduled for a one day hearing on Monday, November 30, 1970, and urge you to please vote against this bill.

I am presently secretary-treasurer of the Employees Welfare Fund in our office and I know we must be permitted to continue receiving vending income to provide badly needed recreational, athletic, and other welfare programs for postal workers.

We have no other source of welfare income except the vending machines. Our program has been in effect providing welfare services for the last 15 or 20 years and we have invested several hundred dollars in purchasing drink boxes, candy and cigarette machines. If this bill goes into effect on January 1, 1971, we will have to sell our equipment and suffer a loss.

The profits from our vending machines provides flowers during sickness and/or death of all postal employees and their families. Also we have an annual Fall picnic and provide background music at all the stations from the fund.

The Postal Department requires stringent accounting, auditing, and approval of all welfare funds and programs and since only postal employees purchase these products it would seem that we should be entitled to use the profits from such sales for our own employee programs.

I feel after reading the foregoing facts that you will be more aware of the need to vote against S. 2461.

Sincerely,

WAYNE RAY, *Secretary-Treasurer.*

GENERAL COUNSEL,
POST OFFICE DEPARTMENT,
Washington, D.C., December 2, 1970.

HON. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

DEAR Mr. CHAIRMAN: S. 2461, a bill to "amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes" is of substantial interest to the Postal Service.

The Randolph-Sheppard Act (20 USC 107-107f), among other things, provides (1) for the operation of vending stands on Federal property by licensed blind persons; and (2) requires agency heads to prescribe regulations to assure preference

to the blind, including assignment of vending machine income to achieve such preference, without unduly inconveniencing agencies or adversely affecting the interest of the United States.

S. 2461 would amend the present law to extend the variety of concessions operated by the blind to include all vending facilities, and to provide for exclusive assignment of vending machine income.

The Postal Service endorses the report of the General Services Administration on the provisions of this bill. However, because of the special and peculiar application of certain provisions to the Postal Service we make the following additional comments on specific sections:

Section 2 would provide for the exclusive assignment of vending machine income to blind operators.

The enactment of this section would deprive postal employees of the benefits they now receive from the operation of vending machines in areas closed to the public and used exclusively by employees.

The Post Office Department gives preference to the blind as to vending stands and vending machines in post office lobbies or other public areas. However, in areas not open to the public where our employees are the sole purchasers from vending machines, we believe it is only fair that Postal Employee Welfare Committees share in the profits derived from machines installed for their use. The mandate of Section 2 of this bill would terminate this policy, and would also run counter to Article XXI of our National Agreement with employee organizations, which establishes that employee welfare committees shall receive income from vending machines.

Postal regulations (Section 743.541, Postal Manual) provide that profits from all vending machines presently operated by a licensed blind operator of a lobby stand, either in conjunction with his stand or in other areas of the same building under control of the Post Office Department, shall be assigned to the blind operator. When machines are being operated by an employees' committee in proximity to a stand or machines operated by a blind person and are in competition therewith, and a blind operator is not receiving an adequate income, consideration shall be given to assigning him all or part of the profits from other vending machines in the same building, regardless of location.

There are about 347 blind-operated vending stands at postal installations throughout the country; of these 193 receive part of the vending machine profits accruing to employee welfare committees. Eight-five of the stands receive all of the vending machine income at their respective postal installations.

We are convinced that our policy and procedures in this area are sound, just and equitable; and that the interests of both the blind and the employees are adequately served thereby. The Department, therefore, would be opposed to enactment of Section 2 of the bill.

Section 7 provides that the agency head shall make provision in the design, construction, alteration or renovation of a building for vending stand sites to be operated by the blind and consult with the appropriate State licensing agency and HEW as to whether vending stands on such sites could be operated properly and satisfactorily by the blind.

It also specifically requires that all space rented, leased or otherwise acquired for use by a Federal agency to include space and utility outlets suitable for the operation of a vending machine facility or facilities by blind persons. The only exceptions available are "(1) when the Secretary (or his designee) and the State Licensing Agency determine that the number of people using the property is insufficient to support a vending facility or (2) to the rental of space by the Government in a building wherein the lessor retains space for a restaurant or other establishment which would be in competition with a blind operator of a vending facility purveying food and other articles."

The Postal Service rents or leases space at more than 27,000 different locations. Many leased or rented postal facilities are quite small and obviously could not economically support a vending facility. For example, the Postal Service rents or leases quarters for more than 12,000 third-class post offices. A third-class post office typically is operated by a postmaster with the assistance of a part time or full time clerk although in a few instances postmasters have a complement of four clerks. It is clear that none of these facilities could support a vending facility. Yet the bill would require the Postal Service to obtain a determination from the State Licensing Agency and the Secretary of Health, Education and Welfare before we could rent or lease quarters without provision for a vending facility. Such a requirement would place an unnecessary burden on the State agency, the Department of Health, Education and Welfare and the Postal Service without contributing to the program of the Randolph-Sheppard Act. Third class post offices of course are not

the only postal facilities which would be too small to support a vending facility. They are cited merely as an example of the problems raised by section 7 of the bill.

The Postal Service is opposed to section 7 as it is written in view of the undue burden placed on all parties. Present criteria contained in POD Publication 37, Postal Space Standards and Equipments Layouts, require that 100 square feet of space be provided in the lobby as a public service area in all facilities whose basic requirement is over 15,000 square feet of building interior. This space may be used for a stand to be operated by the blind. We suggest that the language in the proposed amendment be revised to require only the provisions with respect to the setting aside of sites for all facilities over 50,000 square feet net interior, and for the Department to give notice to the State licensing agency of projects between 15,000 and 50,000 square feet and for the inclusion of appropriate space in facilities of this size upon application of the state licensing agency and approval by the Department.

Section 12 makes the Randolph-Sheppard Act applicable to any agency, establishment, or other entity created within the Government or any department or agency of the United States. It should be noted that section 410(b)(3) of title 39, United States Code, as enacted by section 2 of the Postal Reorganization Act, makes the Randolph-Sheppard Act specifically applicable to the United States Postal Service.

Section 13 establishes an effective date of January 1, 1971 for the amendments made by S. 2461. We assume that prior to enactment a new effective date will be stated to allow a reasonable time to adjust to the new requirements of this measure.

In summary, the Department, by its past and present policies, has demonstrated that it is not insensitive to the needs of the handicapped. We firmly believe that we have a responsibility to our employees, and that the ultimate control of a postal facility must remain with the Department's representative, subject to previously agreed on arbitration procedures. The amendments proposed in the bill do not provide adequate workable safeguards for the Department or our employees and therefore we believe that the bill should be amended to take into account the views expressed herein as well as those in the report of the General Services Administration.

The Office of Management and Budget has advised that there is no objection to the submission of this report to the Committee from the standpoint of the Administration's program.

Sincerely,

LOUIS A. COX, *Deputy General Counsel.*

CALIFORNIA FEDERATION OF POSTAL CLERKS,
Van Nuys, Calif.

HON. JOHN BRADEMAS,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN BRADEMAS: I am Legislative Director of the California Federation, and have the honor of representing about 12,000 members who are affiliated with the U.F.P.C.

I am writing you in opposition to S. 2461 which I understand will come before your Subcommittee this Thursday, Dec. 3d.

In my own Local (#1159) I am also the Federation representative on the Welfare Committee so have more than a passing interest in this bill. Our Committee spends about \$9,000.00 each year for the benefits of all postal Employees in the Van Nuys Office. We sponsor not less than four activities each year usually consisting of: one baseball game, two Christmas parties (one for the children only and the other for all employees), we also have a provision whereupon the death of an employee the spouse or oldest dependent receives a check for \$250.00 immediately. Though the amount is not much it does help in such a trying time.

Since the whole state is my charge I am also knowledgeable of the activities in Los Angeles where they were able to give a check in the amount of \$5.05 to each and every employee just before Thanksgiving last week. That would buy a turkey for the Holiday.

Much more is accomplished for our many Postal Employees and I hope you will enable this to continue in the future.

Sincerely,

RUSSELL BODINE,
Legislative Director.

ERIE POST OFFICE MAILHANDLERS,
LOCAL No. 239,
Erie, Pa., December 3, 1970.

HON. JOHN BRADEMAS,
House of Representatives,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN: We, the Mail Handlers of Local #239, NAPOMH, are opposed to S. 2461.

We feel that the Welfare Committee has done a great service to the Postal Employees and their families in the past 10, 15 or 20 years. The General Fund has provided a picnic each year for at least 900 to 1,000 men, women and children in the Erie area.

It has also provided for the retirement dinners every year for its employees, flowers for the deceased and their families and other necessities. This money was always handled wisely by the Welfare Committee. It is sinful to deprive the employees and their families the funds which have provided for their activities in the past.

We feel that the General Fund should continue in behalf of the Postal Employees who make every effort to help it build up by patronizing the canteen service.

It is, with frankness, the change from the employees' pockets which make the General Fund possible for its existence.

Respectfully,

EDWARD F. CASSANO,
President.

B'NAI B'RITH,
Washington, D.C., December 4, 1970.

CONGRESSMAN CHARLES D. PERKINS,
Chairman of the House Committee on Education and Labor,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PERKINS: We, in B'nai B'rith as all Americans interested in the welfare of the handicapped, have pointed with great pride to the provisions of the Randolph-Shepard Act in opening the federal buildings to vending stands to be operated by the blind. This humanitarian and far-reaching move gave dignity and new purpose of life to many of our fellow citizens whose world would otherwise be completely black and useless.

We therefore urge the members of your Committee to report the Senate Bill #2461 as passed by the Senate to the House in the same identical form in which it passed the Senate. Any tinkering with its provisions would, in our opinion, work an undue hardship on our fellow handicapped Americans, the very people it is intended to help.

We urge, therefore, that not only should your Committee report Senate Bill #2461 to the entire House in the same form as passed by the Senate, but should also urge all Representatives of both parties to vote for it without amendments.

Sincerely,

RAYNARD I. JAMESON,
Director.

DEPARTMENT OF THE ARMY,
Washington, D.C., December 4, 1970.

HON. JOHN BRADEMAS,
Chairman, Select Subcommittee on Education,
Committee on Education and Labor, House of Representatives.

DEAR MR. CHAIRMAN: This letter expresses the views of the Department of Defense on S. 2461, 91st Congress, an Act "To amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes." The Department of the Army has been assigned the responsibility for expressing the views of the Department of Defense on this report.

The purpose of the Act is to enlarge the present provisions of the so-called Randolph-Sheppard vending stand for the blind law (Act of June 20, 1936, ch. 638, as amended (20 U.S.C. 107)).

The Department of the Army, on behalf of the Department of Defense, concurs in principal with the purpose of the bill subject to the inclusion of certain modifications as set forth below.

The exclusive assignment of income from vending machines to the blind operators of vending facilities would result in losses to both civilian and military nonappropriated funds utilized for welfare and recreation purposes. The existing provisions of law are adequate to permit an equitable distribution of income from vending machines to both blind operators and employee welfare and recreation organizations. Accordingly, the Department of Defense recommends against enactment of Section 2 of S. 2461.

The inclusion of "cafeterias" in the definition of "vending facility" does not appear to be warranted. However, since any food handling facility must be operated in accordance with modern sanitary procedures, it should not be argued that the blind are not capable of managing such operations. The Senate-passed version of the Act restricts the applicability of the inclusion of cafeterias to those cases in which the State licensing agency has demonstrated the feasibility of the inclusion. It is considered that this restriction adequately protects the rights of the patron and the responsibilities of those in charge of Government installations.

The language of Section 7 of the Act appears to be unnecessarily broad. It is believed that the purpose of the Act could be accomplished if a definition of "public building" and "(public) space" were provided in Section 9. These phrases could be defined so as to prevent the applicability of the Act to barracks, mess halls and other purely military structures.

For the foregoing reasons, the Department of the Army on behalf of the Department of Defense recommends that the Act be favorably considered subject to the inclusion of the foregoing changes.

The fiscal effects of this legislation are not known to the Department of Defense. This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration program, there is no objection to the presentation of this report for the consideration of the Subcommittee.

Sincerely,

STANLEY R. RESOR,
Secretary of the Army.

SPOKANE, WASH., *December 5, 1970.*

Mr. JOHN BRADEMAS,
*Chairman, Select Subcommittee on Education, Committee on Education and Labor,
U.S. House of Representatives, Washington, D.C.*

DEAR SIR: On Bill S-2461 on Welfare Funds, I would like to urge you to vote no on this bill. As a wife of a Postal Employee, I feel if this bill passes it would be detrimental for our men. I know there are many other wives that feel this way. The money from the vending machines is for recreation & welfare. Since the men themselves pay this money, we all feel that it should go for their benefit.

Again I would like to urge you to vote against this bill.

Sincerely,

Mrs. JOYCE CAFARO.

JEFFERSONVILLE, IND., *December 5, 1970.*

Mr. JOHN BRADEMAS,
*Rayburn House Office Building,
Washington, D.C.*

DEAR MR. BRADEMAS: I am writing to you in regard to Bill No. S. 2461, and in behalf of all members of local Union No. 753 of the United Federation of Postal Clerks of Jeffersonville, Indiana.

We are solidly against passage of this bill which would kill free enterprise and completely stop our welfare funds. The profit made from our coffee machine, etc., goes for flowers to sick employees in the hospital or flowers in case of a death of employee or a member of his immediate family. Our welfare committee also gives \$50 to each employee on retirement from the postal service.

All employees get to benefit from the profit made on these machines during the year.

We are able to have an annual picnic and a occasional dinner dance or a retirement dinner from these funds which is so good for the *morale* of all the workers.

If this bill is passed *all* of this will stop. Just how do you think that will affect morale?

I hope this bill will be defeated. If not, I will personally lead a boycott against buying anything from these machines.

This bill must be defeated.

Sincerely yours,

RUSS FISCHER,
Vice President, Local 753, U.F.P.C.

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS,
Washington, D.C., December 8, 1970.

TO THE CHAIRMAN AND MEMBERS OF THE SELECT SUBCOMMITTEE ON EDUCATION,
House of Representatives:

My name is Daniel Jaspán. I am the Legislative Representative of the National Association of Postal Supervisors, composed of more than 34,000 postal supervisors with members in all 50 states, and in Guam, Puerto Rico and the Virgin Islands. Our members are employed in post offices, branches, stations, motor vehicle facilities, maintenance units, air mail facilities, and mobile units.

We appreciate the opportunity of presenting testimony on a subject of much interest to all postal employees. We respectfully request that serious consideration be given to the full implications of the passage of S. 2461 without amendments.

We cannot stress too strongly that we favor programs that will benefit the blind or any other physically handicapped people. We have no quarrel with the basic aims of S 2461 and are in full agreement with the provisions of the Randolph-Sheppard Act, which provided that cigar stands in post offices be operated by the blind. We think that this is a very commendable and worthwhile law. The general public and many postal employees make their purchases from the blind operators of these stands. Most of the operators make a good living.

In our opinion, the profits realized from the vending machines inside the post office on the work room floors, which are available to employees only, are also used for many good purposes. There is a built-in profit in the vending machines which has been used for the benefit of all employees. The profits have been used for such purposes as chest x-rays, glaucoma tests, electrocardiograms, etc. This has helped tremendously in health benefits for employees. A side benefit, of course, is better production.

The money has been put to many other good uses, such as safety awards, athletic programs, recreation equipment, and even for purchase of ambulances in some of the largest post offices.

Contrary to what has been said, the disposition of these profits in post offices is not under the control of postal unions, but representatives of all segments of the postal family, including postal supervisors, with the postmaster assuming responsibility. It is necessary to have a 75% vote for any expenditures.

We are particularly interested in amending Section 2 of the bill by striking "exclusive" and adding "exclude vending machines and other eating facilities in work rooms, swing rooms, and other strictly postal space not available to public."

By adding the above language, blind operators would still be afforded the opportunity for a good income and the profits from vending machines inside postal premises could continue to be put to good use.

Other postal organizations will suggest other amendments which we fully support. The importance of these amendments cannot be overstressed.

We hope that this Subcommittee and the full Committee will agree to make the suggested language changes. The enactment of S 2461 without amendments would be most damaging to employee morale.

We appreciate the opportunity of presenting the view of the National Association of Postal Supervisors.

Respectfully submitted.

DANIEL JASPÁN,
Legislative Representative.

POST OFFICE DEPARTMENT,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., December 8, 1970.

Dr. MARTIN L. LAVOR,
*Committee on Education and Labor,
House of Representatives, Washington, D.C.*

DEAR DR. LAVOR: This is in response to your request to Congressional Liaison Officer Jerry L. Reynolds for the views of the Post Office Department on the matters discussed below for use in connection with the Committee's consideration of S. 2461.

The first question raises the legal basis for postal employees participating in revenue from the vending machines in postal buildings through employee welfare funds.

The second question presented raises the legal basis for the Post Office Department to promulgate regulations to authorize the vending machine revenues to be retained by employees' welfare funds. In this connection reference has been made to the possibility of a conflict of interest under 18 USC 209 and to the decisions of the Comptroller General at 32 Comp. Gen. 124 and Comp. Gen. 282.

Postal employees do not participate in revenues from vending machines through any kind of profit-sharing or other direct division of surplus funds. Authorized uses of the funds are those that may normally be considered as philanthropic uses and morale-building activities. Expenditures for these uses are ordinary and usual expenditures of the organizations operating the vending machines. Where commercial enterprises and others supply vending machines and retain the profits, they clearly have the right to dispose of any resulting profits as they find appropriate. So it is when the vending machine operation which is conducted by an employees' welfare committee organization applies the funds to a use within the purpose of the organization.

18 USC 209 provides in pertinent part "Whoever receives any salary or contributions to or supplementation of salary, as compensation for his services as an officer or employee" of the United States shall be subject to fine and imprisonment. Benefits received by an employee from an employees' welfare committee are neither salary, contributions to salary, nor supplementation of salary and are not received as compensation for services. These benefits are received upon the happening of an event not necessarily related to employment and not as additional compensation. To hold otherwise would mean that no funds, regardless of source, coming into the hands of an employee organization of this type could be used for employees' welfare and recreation purposes. As pointed out above, the welfare and recreation benefits received are within the normal purposes for which the welfare committees are created. While the Comptroller General's decision of August 29, 1952, reported at 32 Comp. Gen. 124, stated that receipts from operation of vending machines in facilities of the Federal Bureau of Investigation must be deposited in the Treasury as miscellaneous receipts, his decision of December 10, 1952, reported at 32 Comp. Gen. 282, stated that he would interpose no objection to the revenues from vending machines operated by employees' welfare organizations in postal facilities being used for general welfare activities and he suggested that the Congress consider clarifying the matter.

The years later the Congress did consider the matter in the Vocational Rehabilitation Amendments of 1954. In considering the terms by which the Randolph-Sheppard Act should be amended, Congress considered and rejected amendments that in effect would have given all revenues from vending machines to blind vendors. In lieu of those amendments Congress adopted the provision contained in section 1 of the Randolph-Sheppard Act (20 USC 107) providing for preference in the assignment of vending machine income to licensed blind persons who operate vending stands in federal buildings. In its deliberation on this measure the Senate adopted an amendment to extend the preference of blind stand operators to vending machines located in the same buildings as the blind stands (100 Cong. Rec. 9923). The House, after debate involving its effect on vending machine revenues of postal employees' welfare committees, defeated an amendment that would have directed agency heads to authorize blind persons to operate vending machines on all federal property (100 Cong. Rec. 9958-9960). The present provision was adopted in lieu of the Senate amendment. See the Statement of the Managers on the part of the House accompanying the conference report on S. 2759, 83rd Congress.

In 1956 the Comptroller General followed his December 10, 1952 holding (32 Comp. Gen. 282) in a case involving surplus funds of a maritime ships' shore. See 36 Comp. Gen. 461.

It is clear from the foregoing that both the Congress and the Comptroller General have recognized the authority of the Postmaster General to permit the operation of vending machines in postal buildings by employees' welfare committees who use the profits for the ordinary and usual activities of such committees. The authority stems from 5 USC 301 and 39 USC 501 as well as the authority to manage federal property under the jurisdiction of the Post Office Department under the laws authorizing the acquisition and management of property by the Department.

Sincerely,

DAVID A. NELSON,
General Counsel.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 8, 1970.

Hon. CARL D. PERKINS,
*Chairman, House Education and Labor Committee,
Rayburn House Office Building, Washington, D.C.*

DEAR CARL: Enclosed is a copy of a letter which I have received from Hodgson W. Keim, Legislative Representative of Local 5, U.F.P.C., Nashville, Tennessee, concerning the Local's opposition to S. 2461 and stating its reasons for this opposition therein.

It seems to me that the members of Local 5 have a legitimate concern, and it would be my hope that the Committee will be able to take this into consideration in their deliberations on this controversial legislation.

With warmest regards, I am
Sincerely,

RICHARD FULTON,
Member of Congress.

LOCAL No. 5,
UNITED FEDERATION OF POSTAL CLERKS,
Nashville, Tenn., December 4, 1970.

Hon. RICHARD FULTON,
*House Office Building,
Washington, D.C.*

DEAR CONGRESSMAN FULTON: This letter is written to inform you of our opposition to S. 2461, a bill to amend the Randolph-Sheppard Act for the Blind. Members of Local 5, United Federation of Postal Clerks, and in fact, just about all of the 1,600 employees of the Nashville Post Office, would consider it a tragedy if the welfare funds which we—not the public—have made possible through our use of vending machines, should be given to an outside agency.

The bill, S. 2461, has already been approved by the Senate, and if it gets on the floor of the House it will be hard for any Congressman to vote "against the blind." But, let me tell you how this fund is administered in the Nashville Post Office.

A Welfare Committee, representing all factions in our Post Office, and serving without pay, is constantly checking on the quality of the food (which is not always fresh) in our cafeteria, the service rendered by the company that provides the equipment and food, and the income we derive from such. Take these duties away from them and there would be no justification for a Welfare Committee. Who, then, would check on the condition of our food, drinks, and the service rendered? Would it be someone from the State Organization for the Blind, who has been added to the payrolls with a lucrative salary? How much of this money would actually trickle down to the blind beneficiaries?

As you may know, we do have a blind concessionaire in the lobby of the Nashville Post Office, and he does quite well with his concession stand, *plus* five vending machines in the lobby. It is also our understanding that the Welfare Committee gives him a check in the amount of \$70.00 per month.

What do we do with our share of the funds that result from our (not the public's) purchase of vending products? Here is a list of items under the supervision of our registered nurse in the Nashville Post Office that were purchased by our Welfare Fund: 10 wheel chairs; 3 complete hospital beds; 3 over-bed helpers; 1 lift-out of bed; 3 bedside tables; 4 metal walkers; several crutches and canes.

All of these articles are in constant use by Post Office employees and their families.

Also each year flu vaccine is administered to all Nashville Post Office employees requesting such, at no cost to them. This also include syringes, needles, and doctors' fees. Still another use of the fund is the purchase of recreational and athletic equipment for our softball teams, bowling teams, etc. Also \$1000 was sent to the Postal Employees' Relief Fund at Biloxi, Mississippi, last year to aid the victims of Hurricane Camille.

There is no other source of welfare money, so this would be the end of the Post Office Welfare Committee. Under S. 2461 all vending income will revert to the blind.

The bill is now before the House Education and Labor Committee, and we ask that you please use your influence to prevent it from coming to a vote on the House floor.

Thanking you for your cooperation, I am

Sincerely,

HODGSON W. KEIM,
Legislative Representative, Local 5, U.F.P.C.

SEATTLE POSTAL CLERKS UNION,
LOCAL 28, UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO,
Seattle, Wash., December 7, 1970.

HON. JOHN BRADEMAS,
Chairman, Select Subcommittee on Education, House of Representatives, House Office Building, Washington, D.C.

DEAR MR. BRADEMAS: We respectfully request your interest in gaining amendments to the pending bill, S. 2461, to preserve income from the vending sales in *non-public and restricted postal work and locker room areas* in government postal buildings for continuing in use for the workers health, welfare and recreational benefits as has historically been the case for some 25 years.

Most certainly we are NOT against the blind. We are FOR THEM to have income from vending sales in areas open to the public in government buildings. We are FOR income from vending machines located in areas accessible only to employees (as workrooms, swingrooms, employee cafeterias, etc.) whose money, only, is paid into these machines, to remain for use as employees welfare funding.

Thank you,

EDNA J. DEAN, *President.*

UNITED STATES OF AMERICA,
GENERAL SERVICES ADMINISTRATION,
Washington, D.C., December 7, 1970.

HON. JOHN BRADEMAS,
Chairman, Select Subcommittee on Education, House Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR MR. BRADEMAS: As requested on November 24, 1970, by a member of the staff of your Subcommittee, we express herein the views of the General Services Administration on S. 2461, "To amend the Randolph-Sheppard Act for the blind so as to make certain improvements therein, and for other purposes," as passed by the Senate.

The Randolph-Sheppard Act (20 U.S.C. 107) authorizes blind persons to operate vending stands on Federal property under the circumstances described therein.

Section 2 of the bill would amend Section 1 of the Act, under which preference is granted to blind persons to operate vending facilities on Federal property. It would provide for exclusive assignment of vending machine income to the blind in order to assure, achieve, and protect the preference granted.

We do not favor the addition of the word "exclusive" to the present preference language of the Act. In many buildings operated by GSA there are cafeterias or other basic food service facilities which depend to a degree on income from vending machines to assist them in providing cheaper food to Federal employees. Our current regulations and procedures, issued pursuant to the present Section 1 of the Act, provide that blind operators receive the income from those machines which are in reasonable proximity to a vending stand and would otherwise be in direct competition with such stand. We believe this practice protects the preference to blind persons as intended by the Act, and significantly reduces the overall food costs, thus benefiting all Federal employees in buildings where cafeterias are located.

In many cases vending machines are located in alcoves and hallways remote from the vending stand and have no proximate relationship thereto. The income from such machines and those located in proximity to the cafeteria should go to the cafeteria as a subsidy. In many buildings the commission income from vending machines may be substantial, amounting to thousands of dollars per year. For example, in the Washington, D.C., area, the earnings of cafeteria operators from vending machines amounted to over \$250,000 during the period from January 1 through August 31, 1970. The Government provides no cash subsidy to cafeteria operations. The subsidy from vending machine income serves to lower food costs in the cafeteria. In some cases, where the building population is small and the profit potential may be marginal, the vending machine income subsidy might determine the difference between the provision of an essential service for Federal employees or its elimination.

In view of the foregoing, we do not favor amendment of the present Section 1 of the Act as proposed in Section 2 of S. 2461.

We do not see the need for Section 10 of S. 2461, which would establish an arbitration board to hear and render binding decisions on disputes between a State licensing agency and an agency controlling Federal property. We feel that such a board would tend to dilute our authority in the management of property and the assignment of space. The problems which have arisen in this area have been solved by negotiation between GSA and State licensing agency officials. Under the internal GSA appeals procedure, established June 19, 1965, (41 CFR 101-19.208) only one case has reached the formal appeals stage and that case was settled by negotiation.

Subject to the reservations expressed above, GSA favors enactment of S. 2461.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Subcommittee.

Sincerely,

HAROLD S. TRIMMER, Jr,
Assistant Administrator.

BERKELEY, CALIF., *December 10, 1970.*

HON. JOHN BRADEMAS,
*House of Representatives,
Washington, D.C.*

DEAR MR. BRADEMAS: Your subcommittee on Education is, or will soon be, discussing the amendment of the Randolph-Sheppard Act (S. 2461). I am concerned with the provision of the bill which would turn over vending machine concessions in federal installations to the blind. Part or all of the profits from vending machines in postal installations are the only source of funds for the employee welfare committees of these installations.

I am not against aiding the blind, but I don't feel that aiding the blind by effectively eliminating employee welfare committees within postal installations is a very fair solution. Since I and other employees of the U.S. Postal Service use these vending machines; I believe that it is fair that their profits go to our welfare committees.

I urge you and your subcommittee to find another way of aiding blind persons which would not be at the expense of postal welfare committees.

Sincerely yours,

JAMES D. APPLETON.

NATIONAL AUTOMATIC MERCHANDISING ASSOCIATION,
Chicago, Ill., December 10, 1970.

HON. JOHN BRADEMAS,
*Chairman, Select Subcommittee on Education of the U.S. House of Representatives,
Committee on Education and Labor, Rayburn House Office Building, Wash-
ington, D.C.*

DEAR CONGRESSMAN BRADEMAS: The vending and contract food service industry has a deep interest in the outcome of Senator Randolph's bill, S. 2461, which amends the Randolph-Sheppard Act for the blind. Our industry is presently serving a wide variety of government installations throughout the country by providing vending and food service to employees of the federal government. These contracts are bid upon by a variety of our members and in most instances, commissions paid as part of these contracts are given to the federal authority operating the facilities.

In many cases, this income goes to blind persons licensed by a state agency as part of the over-all program to protect the vending stand preferences for the blind as outlined in the original act.

Under the proposed amendments, it seems to us that by enlarging the definition of vending stands to "vending facilities" and by giving the income from the operation of these facilities exclusively to the blind, there is a probability that when such contracts are bid, the negotiation will be between a blind agency and the vending company directly, thus circumventing the primary federal authority charged with the duties of operating the facility. We should not like to see such government authority, either the GSA or the Post Office Department, eliminated as the primary contractor for these services.

The operation of concessions on government property should be subject to bid and the appropriate government authority operating the facilities should be the one to let the bid and make the award. We feel that this will make for better administration over-all.

On the other hand, we have no objection to the basic tenets of the Randolph-Sheppard Blind Act and would not take a position as to who receives the final income generated by the commissions which we pay under the bid.

It is assumed that the "exclusive assignment of income" refers only to that portion paid by the vending company as its commission, if any. If the intent means *all* income including the vending company's income, then, of course, this would mean the end of vending and food service as provided by private industry to government employees. The effect of this result needs no elaboration.

Our industry has cooperated with efforts made under the authority of the Randolph-Sheppard Act to train blind persons in the operation of the equipment used by the vending and contract food service industry and would certainly continue this cooperative effort in the future.

Cordially,

RICHARD W. FUNK.

Counsel and Director, Department of Government Affairs.

NATIONAL ALLIANCE OF POSTAL EMPLOYEES,
Berkeley, Calif., December 11, 1970.

HON. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

MR. BRADEMAS: I understand that your committee is handling the amendment of the Randolph-Sheppard Act. One of its provisions will turn over vending machine concessions to blind persons. It is the profits from these vending machines which provides the only funds for the postal employee welfare committees. Without these profits, *profits on money spent by postal employees*, our welfare committees will be finished.

Aid for the blind should come from everyone, not from federal employees alone. I urge you and your committee to remove this provision, which indirectly taxes federal employees only, and find an alternative solution to aiding the blind.

Sincerely,

GEORGE BANKS,
President, Berkeley Branch.

INDIANAPOLIS, MARION COUNTY COUNCIL,
December 17, 1970.

HON. JOHN BRADEMAS,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE BRADEMAS: Some of our blind citizens in Indiana have asked me to express their concern and interest in supporting an amendments to the Randolph-Sheppard Act presently before your Senate Committee. The particular amendment would include vending machines as a part of the vending stand operation in which blind persons are to be given first choice of operating as a means of earning their livelihood. Many blind vending stand operators in federal and state buildings have found their business being eroded by the installation of vending machines, which now not only include hot and cold drinks, but soups, sandwiches, stews and a whole gamut of quicky meals. Since the average income of vending stand operators in Indiana is only \$4300 per year, they have a difficult time in earning a livelihood sufficient to support themselves and their families. As you may know, our state unit—the Indiana Agency for the Blind—has a vending stand

program and assists blind individuals from Lake to Vanderburg County in getting into an independent enterprise in a vending stand. If these persons can earn their own living, they become tax producers rather than tax consumers and like other self-sufficient citizens are able to maintain their self-respect and hold their heads high. If the vending machine amendment could be included in the Randolph-Sheppard Act, as I think the original intent of this act of Congress provided, it would be helpful to our Indiana vending stand operators who are finding their incomes eroded by the ever-increasing installation of vending machines. Your help would certainly be appreciated.

Cordially yours,

THOMAS C. HASBROOK,
President, City-County Council.

LIONS OF MICHIGAN,
Lansing, Mich., December 24, 1970.

HOUSE OF REPRESENTATIVES,
*State Capitol,
Lansing, Mich.:*

(Attention: James G. O'Hara, Representative.)

This letter pertains to the subject of the Senate Bill 2461 to amend the Randolph-Sheppard Act. Would you please be so kind as to forward to this office and to men listed on the enclosed sheet this proposed amendment and also any comments you might have.

It is my understanding that the Acting Director for Offices of Services for the Blind, Mr. Harold Payne, strongly supports this legislation and has requested that the Lions of Michigan join in a campaign for the passage of this amendment.

Sincerely,

BUDD R. GOODWIN,
State Secretary.

