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HEARING

BEFORE THE

COMMITTEE ON

LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

CHARLES W. ERVIN, OF CALIFORNIA, TO BE AN ASSOCIATE
DIRECTOR OF ACTION FOR OFFICE OF POLICY AND
PROGRAM DEVELOPMENT

OCTOBER 12, 1972

Printed for the use of the Committee on Labor and Public Welfare



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LABOR AND PUBLIC WELFARE
UNITED STATES SENATE

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NOMINATION

THURSDAY, OCTOBER 12, 1972

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The committee met at 10 a.m., in room 4232, New Senate Office Building, Senator Alan Cranston presiding pro tempore.

Present: Senator Cranston.

Committee staff members present: Stewart E. McClure, staff director; Robert E. Nagle, general counsel; and Eugene Mittelman, minority counsel.

Senator CRANSTON. The committee will come to order. This is a meeting of the full committee.

As chairman of the Special Subcommittee on Human Resources, I am delighted to chair this nomination hearing this morning on behalf of the distinguished chairman of the committee, Senator Williams.

Our nominee this morning is Mr. Charles W. Ervin, for the position as an Associate Director, Office of Policy and Program Development of ACTION.

At this point we will enter in the record the authority for creation of the agency and other pertinent material dealing with the position.

(The information referred to follows:)

REORGANIZATION PLAN No. 1 OF 1971, TO CONSOLIDATE VARIOUS VOLUNTARY ACTION PROGRAMS

REORGANIZATION OF CERTAIN VOLUNTER PROGRAMS

SECTION 1. *Establishment of agency.* (a) There is hereby established in the executive branch of the Government an agency to be known as "Action".

(b) There shall be at the head of Action the Director of Action. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

(c) There shall be in Action a Deputy Director of Action who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315). The Deputy Director shall perform such functions as the Director of Action shall from time to time assign or delegate, and shall act as Director of Action during the absence or disability of the latter or in the event of a vacancy in the office of Director of Action.

(d) There shall be in Action not to exceed four Associate Directors who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level V of the Executive Schedule Pay Rates (5 U.S.C. 5316). Each Associate Director shall perform such functions as the Director of Action shall from time to time assign or delegate.

SEC. 2. *Transfer of functions.* (a) The following described functions are hereby transferred to the Director of Action:

(1) The functions of the Director of the Office of Economic Opportunity under Title VIII of the Economic Opportunity Act of 1964, as amended, 42 U.S.C. 2991-2994d (relating to Volunteers in Service to America and Auxiliary and Special Volunteer Programs, including the National Student Volunteer Program).

(2) The functions of the Secretary of Health, Education, and Welfare under Title VI of the Older Americans Act of 1965, as amended, 42 U.S.C. 3044-3044e (relating to the Retired Senior Volunteer Program and the Foster Grandparent Program).

(3) The functions of the Small Business Administration under section 8(b) of the Small Business Act, as amended (15 U.S.C. 637(b)), insofar as they relate to individuals or groups of persons cooperating with it in the furtherance of the purposes of that section: *Provided*, That such individuals or groups of persons, in providing technical and managerial aids to small business concerns, shall remain subject to the direction of the Administration.

(4) So much of other functions or parts of functions of the transferor officers and agencies affected by the foregoing provisions of this section as is incidental to or necessary for the performance by Action or by the Director of Action of the functions transferred by those provisions, respectively, including, to the same extent, the functions conferred upon the Director of the Office of Economic Opportunity by section 602 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2942).

(b) The function conferred upon the Director of the Peace Corps by section 4(c) (4) of the Peace Corps Act, as amended (22 U.S.C. 2503(c) (4)), is hereby transferred to the President of the United States.

SEC. 3. *Performance of transferred functions.* The Director of Action may from time to time make such provisions as he shall deem appropriate authorizing the performance of any of the functions transferred to him by the provisions of this reorganization plan by any other officer, or by any organizational entity or employee, of Action.

SEC. 4. *Incidental transfers.* (a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Director of Action or to Action by this reorganization plan as the Director of the Office of Management and Budget shall determine shall be transferred to Action at such time or times as the latter Director shall direct.

(b) Such further measures and dispositions as the Director of Office of Management and Budget shall deem to be necessary in order to effectuate the transfers referred to in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

SEC. 5. *Interim officers.* (a) The President may authorize any person who immediately prior to the effective date of this reorganization plan held a position in the executive branch of the Government to act as Director of Action until the office of Director is for the first time filled pursuant to the provisions of this reorganization plan or by recess appointment, as the case may be.

(b) The President may similarly authorize any such person to act as Deputy Director, authorize any such person to act as Associate Director, and authorize any such person to act as the head of any principal constituent organizational entity of Action.

(c) The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office in respect of which he so serves. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

SEC. 6. *Effective date.* The provisions of this reorganization plan shall take effect as provided by section 906(a) of title 5 of the United States Code, or on July 1, 1971, whichever is later.

Senator CRANSTON. Mr. Ervin, would you please come forward.

Mr. Ervin, we welcome you to this hearing. I understand you have a brief introductory statement.

STATEMENT OF CHARLES W. ERVIN, NOMINATED TO BE AN ASSOCIATE DIRECTOR, OFFICE OF POLICY AND PROGRAM DEVELOPMENT OF ACTION

Mr. ERVIN. Mr. Chairman, it is a pleasure to reintroduce myself to the committee. As you know, I have had the privilege of testifying several times before your Subcommittee on Human Resources, and other subcommittees of this committee since my recess appointment on January 4, 1972.

I began my association with Peace Corps, now part of ACTION, as an unpaid adviser to the Peace Corps Planning Office, flying to Washington two or three weekends a year beginning in 1969. Out of these studies came the new emphasis on skills recruiting and skilled job placement—which we believe has been the cause of the current popularity of Peace Corps missions and effectiveness of the Peace Corps overseas.

Late in 1970, we studied other Federal volunteer programs, concluded they had common recruiting and programing features, and that a new agency containing them could be more cost effective in recruiting and training and possibly in the role of central advocate for volunteer service.

After the President announced the formation of ACTION and Congress approved of it as Reorganization Plan No. 1, I felt naturally I had a stake in the idea, and when given the chance, wanted to do my part to prove that there are ways to use the great vigor and inherent honesty of the volunteer in new and exciting ways.

Our first experiment, the University Year for ACTION, has now over 1,000 volunteers at work in projects in 25 universities. The program was given a rigorous examination by the Subcommittee on Human Resources in 4 days of hearings, after which it became an approved item in the OEO budget authorization.

Mr. Chairman, I look forward to the future dialog between your committee and ACTION.

Americans everywhere are questioning the ability of our Government to do for them what it says it should or could do. The volunteer tradition of self-help is being rediscovered. It has depth, strength, and high purpose, and I hope we, the Congress and the Executive, can find the ways to match this resource to national needs.

Senator CRANSTON. Thank you very much. As you will recall, during the May 12 hearing of the Special Subcommittee on Human Resources, I asked you with regard to the so-called cost-sharing programs, where these programs were located, how much money was to be allocated, how many volunteers had been or would be fielded in each program, and under what statutory authority ACTION conducted the program.

In response to my question, you later submitted a chart stating ACTION's expectations that by June of 1972, 72 volunteers would be committed to cost-sharing programs in education and child development, and that an additional 468 were expected by December of 1972.

I wonder if you would comment briefly now and more extensively for the record, please, on the present status of this program, the number of volunteers committed to it, and so forth.

Mr. ERVIN. We did not make our goal, Mr. Chairman. We currently have 16 volunteers placed. We have signed agreements between other agencies and ourselves for the placement of, I believe, 34, but we believe we will have by the end of the quarter approximately 100 in position.

I will submit for the record detailed information on the status of each one of those programs.

(The information subsequently supplied follows:)

STATUS OF VOLUNTEER PROGRAMS

Q. I wonder if you would comment briefly now and more extensively for the record, please, on the present status of this program ("cost-sharing program"), the number of volunteers committed to it, and so forth.

A. Cooperative (Cost-Sharing) Programs operate under the statutory authority of Title VIII of the Economic Opportunity Act of 1964, As Amended. Current status is as follows:

	Number of volunteers on site	Number of volunteers requested
Projects with signed agreements:		
Minneapolis Public Schools.....	6	9
Parent Tape Training Program, Ladson, S.C.....	1	1
Portland Public Schools.....	1	7
Information Service for Disadvantaged Inner City Residents, Milwaukee, Wis.....	1	4
New Mexico Program for Services to Deaf-Blind Children, Albuquerque.....	1	1
Environmental Action Coalition, New York City, N.Y.....	2	5
Project PUSH: (Parents Understanding Student Handicaps), Keyser, W. Va.....	0	1
Health, Education and Welfare, Early Childhood.....	0	1
Morrisania West, Inc.—Postal Street Academy, San Francisco, Calif.....	0	3
Subtotal.....	12	31
Projects in advanced stages of negotiations: ¹		
New Jersey Adult Basic Education.....	0	23
Nebraska Adult Basic Education.....	0	20
Ohio Adult Basic Education.....	0	17
Early Childhood Infant Deaf Project, Speech Department, University of Alabama, Tuscaloosa.....	0	1
Rural Economic Development (Uplands, Inc.) Durango, Colo.....	0	3
Anchorage Multihandicapped Children.....	0	5
Sacramento Library Program.....	0	4
Bilingual Broadcasting Foundation, Healdsburg, Calif.....	0	1
Evergreen State College, Olympia, Wash.....	0	20
Subtotal.....	0	94
Grand total.....	12	125

¹ Figures represent expected numbers of volunteers.

Senator CRANSTON. Could you inform me regarding the 100 volunteers committed to the HEW-ACTION lead-based paint project and the expected 25 individuals to be assigned to the Environmental Protection Agency, and the amount of money presently expended or allocated by ACTION for each project.

Mr. ERVIN. We are awaiting authorization and appropriations from the Congress to determine whether we can proceed on the lead-based paint program.

As I recall the legislative status, the funding for the lead-based paint program was contained in the HEW Omnibus Appropriation which was vetoed by the President, and is now about to be reported out again by the Senate. I may be incorrect, but that is my understanding of its status.

If we are forced to operate under a continuing resolution, then we will be unable to have a lead-based volunteer project because we are

relying on HEW funds. ACTION is only going to provide volunteers and a minimum of technical supervision. ACTION is not planning to provide the fulltime ACTION supported volunteer positions.

I believe you had a second question, Mr. Chairman, and, frankly, I have forgotten it. Lead-based paint was the first one.

Senator CRANSTON. I asked about the individuals to be assigned to the EPA program.

Mr. ERVIN. Oh, yes. In EPA we have one cost-sharing agreement at this time in New York City. There are two individuals who are assigned to it. We provide the technical assistance to a project in Seattle in which junior college students are working with EPA offices to develop environmental programs for that reason.

They are not, however, enrolled in the ACTION program, although it is called the ACTION volunteer program because of the technical assistance that we provided in establishing it.

Senator CRANSTON. Under the continuing resolution, would you be able to begin the cost-sharing program?

Mr. ERVIN. Under the authorization which has passed both houses of Congress now, and has been signed by the President, I believe that we could. We are waiting upon not the authorization but an appropriation.

Senator CRANSTON. If you get a continuing resolution appropriation, can you then begin?

Mr. ERVIN. A very modest program. We would be extremely restricted in what we could accomplish.

Senator CRANSTON. At the May 12 hearings of the Special Subcommittee on Human Resources, you mentioned that there were only four individuals in the Office of Policy and Program Development who were hired after the merger with the personnel classification FSR or FSS. To your present knowledge, was that correct?

Mr. ERVIN. I cannot answer. I would have to go back and check.

Senator CRANSTON. Would you check that and submit in writing your answer.

Mr. ERVIN. Yes. I think we did submit a detailed history on each individual employed in the office, so you have that information already, but we will be glad to supply it.

Senator CRANSTON. I believe in the detailed history you indicated there were six rather than four that fit into those categories, if you would check that point, please.

Mr. ERVIN. I will, sir.

(The information subsequently supplied follows:)

PERSONNEL HIRED IN THE OFFICE OF POLICY AND PROGRAM DEVELOPMENT EITHER AS FSR OR FSS AFTER MERGER

Q. At the May 12 hearings of the Special Subcommittee you mentioned that there were only four individuals in the Office of Policy and Program Development who were hired after the merger as either FSR or FSS. To your present knowledge, was that incorrect? (Page 14-15, October 12, 1972 testimony.)

A. The following FSR/FSS personnel were hired by the Office of Policy and Program Development following my recess appointment effective January 4, 1972:

	Entered on duty	GS requested	Conversion date	Terminated
Patrick Loughney	Mar. 6, 1972			Sept. 29, 1972
James Mayer	May 8, 1972	June 8, 1972	Sept. 3, 1972	
Others transferred to the Department during that time period but were in the Foreign Service at the time of hiring which preceded my appointment of Jan. 4, 1972:				
Putnam Barber	Jan. 9, 1972	do		
Kathleen Culhane	Jan. 25, 1972	do		
Glenn Randall	Apr. 9, 1972			Sept. 20, 1972

Senator CRANSTON. At those hearings it was stated there were only four OPPD staff members who were GS graded, and that in a few weeks ACTION's conversion to the 2-to-1 FS-GS system would be completed.

Mr. Blatchford also testified to that effect. Could you then explain the present personnel system situation for each of the following OPPD employees: Randall, Fleming, Mayer, Sommer, Culhane, and Lawton.

Mr. ERVIN. Mr. Randall has left the agency to join Mr. Kennedy in the Joseph P. Kennedy, Jr. Foundation. He is now the executive director of the Joseph P. Kennedy, Jr. Foundation. I believe Mr. Lawton has left the agency.

What was the next name?

Senator CRANSTON. Fleming.

Mr. ERVIN. Mr. Fleming I know we put in for a civil service conversion. I believe that it has taken place. I can submit for the record an answer to that.

Senator CRANSTON. You believe that the conversion has taken place?

Mr. ERVIN. I believe that it has; yes.

Senator CRANSTON. Mayer.

Mr. ERVIN. I believe that has also taken place. We have submitted one.

Senator CRANSTON. Then Sommer.

Mr. ERVIN. She was never hired on either foreign service or civil service. She has been in the position of consultant, and is now being employed under civil service, and I believe that to have taken place, or if it has not, will be momentarily.

Senator CRANSTON. Culhane.

Mr. ERVIN. Miss Culhane is employed under foreign service, and we made a request for conversion on June 8. We have not received it.

Senator CRANSTON. The question on these individuals is whether they were hired after the merger and all were hired in FS or FR appointments?

Mr. ERVIN. Randall was hired approximately 3 years ago under foreign service, and joined my office in March or April of this year.

Culhane was hired prior to the time that I entered my office. She was hired I believe on June 18, 1971, and my appointment was effected essentially 6 months later.

Miss Sommer was neither foreign service nor civil service, but was hired as a consultant to the office. Lawton was hired during my period of management.

Senator CRANSTON. I realize it is stretching your memory to try to give each one, so I would ask that you submit that information for the record.

(The information subsequently supplied follows:)

EXPLANATION OF PERSONNEL SYSTEM

Q. Could you then explain the present personnel system situation for each of the following OPPD employees: Randall, Fleming, Mayer, Sommer, Culhane, Lawton. (Page 16, restated page 17, October 12, 1972 testimony.)

A. Glenn Randall terminated from ACTION September 20, 1972. He is presently employed by the Joseph P. Kennedy, Jr. Foundation as its Executive Director.

Quentin Fleming is Chief, Finance, Procurement, Management Information, University Year for ACTION. His conversion to General Schedule ("GS") was requested June 8, 1972, and became effective September 3, 1972.

Francine Sommer is currently on temporary appointment until November 14, 1972, awaiting Notice of Rating from the Civil Service Commission before conversion to GS-7 as a permanent employee under Civil Service.

Kathleen Culhane is a Program Assistant. Conversion to GS-7 was requested approximately June 8, 1972. We are awaiting certification from the Civil Service Commission.

Erma Lawton is a Program Assistant, University Year for ACTION. Conversion to GS was requested June 8, 1972 and notification was received by ACTION October 15, 1972.

James Mayer is manager, Region IX, X Schools, University Year for ACTION. His conversion to GS was requested June 8, 1972. His conversion became effective September 3, 1972.

Senator CRANSTON. As Director designate of the Office of Policy and Program Development, you are a member of the senior staff, are you not?

Mr. ERVIN. Yes, sir.

Senator CRANSTON. As a member of the senior staff you participate in policy decisions and influence the direction of the ACTION agency, is that not so?

Mr. ERVIN. Yes, sir.

Senator CRANSTON. I would like to ask you now with regard to your position on the senior staff, if you are confirmed, what is your intention with respect to your personal participation in partisan political activities?

Mr. ERVIN. To follow the law, which I assume is that we are not to engage in partisan activities, although as a Presidential appointee I am not exactly sure where I can seek guidance except through the General Counsel when instructed to do so.

If you will check my career, you will see that I have not been aggressively partisan in anything I have done to date.

Senator CRANSTON. You are exempted from the Hatch Act.

Mr. ERVIN. I understand that is correct, sir.

Senator CRANSTON. So it is in good part a matter of judgment.

Mr. ERVIN. Yes.

Senator CRANSTON. What is your judgment as to what you should and should not be doing?

Mr. ERVIN. As a general statement, sir, we are dealing with volunteers, and I believe the introduction of partisan politics into volunteer activities is extremely injurious, for the simple reason that it tends to heighten passion, and in many respects confuse the intent and objectives of everyone.

It is my hope that we can keep the ACTION agency as nonpartisan as possible, and concentrate its activities on accomplishing work, and not development of partisan rhetoric.

Senator CRANSTON. Would that be your own guide if you are confirmed for a high position in an agency that is basically a volunteer agency?

Mr. ERVIN. It is my guide, sir.

Senator CRANSTON. What do you believe ought to be the policy of the ACTION agency generally in terms of partisan activities by the Director and the senior staff?

Mr. ERVIN. I cannot comment on every member of the senior staff. I can only comment on my own possible participation in partisan activities, and have done so.

Senator CRANSTON. I presume from what you have said that you do feel that the Director and senior members should not be engaged in partisan political activities.

Mr. ERVIN. Sir, I commented only on my own position, which I thought was the subject you were considering.

Senator CRANSTON. We are talking about the general tone of the agency, because you did indicate that as a member of the senior staff you would be participating in decisions that influence the general course of action and the general impression that the agency gives to the public and to the volunteers within it.

Your responsibilities in this post go beyond personal behavior.

Mr. ERVIN. It does not.

Senator CRANSTON. It does not?

Mr. ERVIN. I think you must be aiming at an assertion that the President is using Mr. Blatchford as one of his surrogates, and I imagine what you are asking me to comment is regarding the appropriateness of that decision, and obviously I cannot do so. It is a matter between the Director and the President.

Senator CRANSTON. I did take your earlier responses to mean that you did feel that partisan political activity, in view of the voluntary nature of the agency, would be harmful.

Mr. ERVIN. As a general statement, that is correct. I do not anticipate being used in a partisan role, Mr. Chairman, and would discourage any attempt made to use me in such a role, because I am very conscious of the desirability of keeping politics and partisan rhetoric at as low a level as possible.

Senator CRANSTON. Have there been any suggestions that you do engage in political activity?

Mr. ERVIN. Yes, and I have so far managed to reject them.

Senator CRANSTON. I know that you are aware from my questions and from the previous interest of the Special Subcommittee on Human Resources that I have been very concerned about this question of partisan political activities in the policymaking and personnel decisions of ACTION. My concern in that regard has been heightened further by an article in the October 18, 1972 edition of the Federal Times, "Use of ACTION Employees Alleged in Nixon Camp," and an editorial in the same issue regarding such activities headed, "Inexcusable Conduct."

Are you familiar with these articles? I will just read the first two paragraphs of the first article:

A top office within ACTION—the Federal Volunteer Agency—reportedly is functioning as a political unit for President Nixon's reelection campaign.

The Office of Research and Writing, which employees at least three Foreign Service Reserve employees, has been reportedly assigned by ACTION Director Joe Blatchford on a full-time basis to produce campaign speeches and keep abreast of Republican Party election affairs.

It seems to me that is a very serious matter. If these allegations are correct—I do not know whether they are or not—that would indicate to me the ACTION agency is pursuing a policy which could well have the effect of destroying the credibility of all the programs under its jurisdiction, and that the leadership of the agency is insensitive to the need for a strong nonpartisan public image for such an agency.

I intend to refer this article to the Civil Service Commission and the Attorney General to be made a part of the present investigation being conducted into the proposed transfer of ACTION agency region IX employees last spring for allegedly partisan political reasons.

I hope these allegations are not true. I hope that we all agree that VISTA, the Peace Corps, Foster Grandparents, R.S.V.P., and other volunteer programs should be kept totally apart from partisan political activities.

At the same time it is clear from your response that you have been asked to engage in activities which were of a partisan nature, and I am glad that your response was not to do so.

We will set forth in the Record at this point the full text of the articles in question:

(The material referred to follows:)

[Editorial from the Federal Times, Oct. 18, 1972]

INEXCUSABLE CONDUCT

Numerous articles recently, including one about ACTION in this issue, indicate this administration is using various agencies for partisan political benefit.

This information particularly intrigues because Nixon supposedly has the election in the bag, and also because the Republicans reportedly have ample funds to hire all the help they need without using civil servants.

It is not particularly intriguing, or even surprising that these abuses exist. We have all—to some extent—apparently accepted the idea that almost all is fair in politics.

It reminds us of the recent comment of a southern politician when asked about the effect of the Watergate bugging on voters in his area. He said his constituents believed such practices were common to both parties. They were merely fascinated that anyone would be stupid enough to get caught.

Undoubtedly, throughout the nation's history, political parties which controlled the White House have illegally and unethically used federal employees and programs to retain that control.

Probably numerous agencies have used their employees or shaped their programs for other than public benefit during election years.

Nevertheless, it seems an insidious change is occurring. Contrary to past attitudes, it seems now the White House does not care about public reaction to such gambits as using foreign service reserve employees to write campaign speeches.

In other words, it seems violations of ethical and legal standards have become more blatant. It is as if the administration were saying: "We have a right to do this if it helps keep the party in power."

It is not a good trend. What is particularly galling about the practice is the use of those agencies that especially should be free of the taint of partisan politics. These are social-oriented agencies such as ACTION; the Office of Economic

Opportunity; the Small Business Administration and others. These agencies were designed with the noble intent of helping people who needed help the most, not to help a certain political party, and particularly one that has little love for such agencies in the first place.

As for OEO, this paper reported last month that the OEO regional director in Atlanta, acting presumably on orders from headquarters, demanded that his region pick candidates for revenue sharing demonstration grants in areas with at least three top Republican officials.

Even more callous was the situation in Mound Bayou, Mississippi, where the Democratic governor vetoed an OEO grant for a health center serving the poverty population because he wanted to wrest control of the center's board from the blacks. The OEO director long refused to override the veto because the state's Republicans were trying to woo the governor who was angry at his own party for not seating his delegation at their convention.

And last May, in another article about ACTION, the proposed transfer of 19 top regional officials was canceled after memos leaked to the press indicated the transfers were politically motivated.

The average voter or the average civil servant might be inclined for any numbers of reasons to say "so what?" It might be well for the same civil servant to remember that if he were involved in such a maneuver, even one one-hundredth of this magnitude, he would run afoul of the Hatch Act.

[From the Federal Times, Oct. 18, 1972]

USE OF ACTION—EMPLOYEES ALLEGED IN NIXON CAMPAIGN

(By Inderjit Badhwar)

WASHINGTON.—A top office within ACTION—the federal volunteer agency—reportedly is functioning as a political unit for President Nixon's reelection campaign.

The Office of Research and Writing, which employs at least three Foreign Service Reserve employes, has been reportedly assigned by ACTION Director Joe Blatchford on a full-time basis to produce campaign speeches and keep abreast of Republican party election affairs.

A recent assignment for this group, reliable sources report, was to assimilate data from Republican party fact books detailing state-by-state demographic statistics on voter registration.

The employes involved in this operation are believed to be Ron Alvarez, Kitty Kelly and Kay Chernush, all of whom earn between \$18,000 and \$21,000.

Alvarez, the same sources report, was assigned the task of making a thorough search of Democratic vice-presidential candidate Sargent Shriver's papers to unearth possible scandals for use against him by the Republicans, Shriver formerly was head of the Peace Corps.

Reached for comment, Alvarez denied all allegations, saying he was "not involved in this kind of work."

Kay Chernush, sources said, is the author of a recent partisan political speech delivered by Blatchford before a Ukrainian group in Chicago. She did not return this reporter's call to verify this charge.

Lauri Costello, ACTION's deputy director for public affairs, said the Chicago speech was nonpolitical, that it was delivered by Blatchford in "a private capacity" and on the personal invitation of Chicago regional director Myron Kurapas. Blatchford's Chicago trip was not financed by ACTION, Costello said.

He said a copy of the speech was not available but that a press release "for limited circulation" based on the speech could be obtained from ACTION.

He did not explain why ACTION had prepared a news release about the speech, which he said had been delivered on Blatchford's own time.

Federal Times has obtained a copy of the speech which differs vastly from the press release. While the release talks about improving the lives of Americans through volunteerism, the actual speech contains numerous attacks on the Democrats.

Sources say that not only was the speech prepared inside ACTION but that, contrary to what Costello says, Blatchford's trip also was financed by the agency.

This view is borne out by Kurapas who denied that Blatchford had visited Chicago on his invitation. He said ACTION headquarters probably had financed

the trip, because he had "definitely not." Costello had implied that because Kurapas is active in Ukrainian affairs he had helped finance Blatchford's trip through the Ukrainian organization.

In effect, Kurapas pointed out that Blatchford had gone to Chicago on ACTION business to help inaugurate Project Senior Ethnic Find. The purpose of the program is to recruit older Americans from ethnic backgrounds to serve as outreach VISTA volunteers in these communities.

Ukrainian Americans are involved in this effort. Kurapas said he had asked Blatchford to speak at a diner at which members of the Organization for Rebirth of the Ukraine were present.

He also denied there was anything political about the speech. Here are some excerpts from it:

"Today . . . sidewalks have become narrower for protest marchers and welfare lines. The political Bonnie and Clydes, the Weathermen are gone. These days you don't even see much of the Abbie Hoffmans and Jerry Rubins unless you happen to tune in your television sets to the Democratic National Convention."

He called the policies of the past decade "extravagant political rhetoric" rejected by Nixon. Turning to Vietnam he said, "We have not abandoned an ally to aggression, nor consigned them to the bloodbath that would follow Communist conquest . . ."

When Costello was asked if there had been any reference to Vietnam in the speech, he first denied it and later said it was not possible to determine this since he did not have the speech available. He did add at the time that the ACTION press release was based on the speech.

Another speech entitled "Nixon and Youth" is reported to have been prepared by staffer Kitty Kelly for campaign purposes, but she could not be reached for comment.

Alvarez, Kelly and Chernush are reported to take direct orders from Betty Williams who, sources say, operates as Blatchford's political arm on a salary close to \$30,000. Her travel budget for this fiscal year was estimated at nearly \$100,000. She is regarded as a protege of presidential adviser Robert Finch.

Sources say she works closely with John Treanor, Blatchford's advance man. Both are Foreign Service Reserve employees whose political activities are restricted by the Hatch Act.

Also involved in the operation, according to sources, is Barry Berg, speech-writer for Environmental Protection Agency administrator William Ruckelshaus. He has a Schedule C excepted appointment and recently was detailed, according to sources, to ACTION's Office of Research and Writing for purposes of organizing it into a political unit.

In May Blatchford got into trouble with Congress when it was revealed he was seeking the transfer of 19 regional officials to Washington, D.C., on purely partisan political grounds.

ACTION's public affairs office denied at the time that the transfers were political until memoranda obtained by newsmen linked the transfer of the 19 officials to the presidential campaign.

ACTION canceled those transfers, and Alan May, widely regarded as the agency's chief hatchet man, resigned suddenly from his post as director of the Office of Staff Placement.

Senator CRANSTON. One last question. What is the progress of your negotiations with OMB for a budget request to fund fully the authorization of appropriations, which was an amendment I authored, contained in the economic opportunity amendments now signed into law?

Mr. ERVIN. Are you referring to what we call internally the \$16 million supplemental which was authorized for expenditure in 1972?

Senator CRANSTON. Yes. It is authorized to be appropriated.

Mr. ERVIN. For the record, the administration's original request was for a fiscal year 1972 supplemental appropriation for these funds. They were intended largely for new and innovative programs.

The fiscal year 1973 funds requested were originally intended to pay for extensions of these programs.

In the absence of the intended fiscal year 1972 funding, we hope they will be sufficient to initiate these programs, but the administra-

tion's efforts to reduce funding will not permit augmentation of this fiscal year 1973 funds beyond the President's original budget.

We hope we can run an adequate ACTION program on the fiscal year 1973 funding. As you will recall, Mr. Chairman, the final authorization of the OEO bill became law after the end of the fiscal year, so there was no way in which it would have been convenient to spend the money in 1972 since the date had already passed.

Senator CRANSTON. In other words, are you saying that the administration sought these funds, made quite an effort to get support for them—I gave support for them and helped to get as far as we have—and now the administration is not pursuing the matter and doing nothing more about it?

Mr. ERVIN. The pursuit was made for fiscal year 1972. The OEO bill became law in 1973, fiscal year 1973, and even though the law technically would have allowed us to charge money to 1972, in fact, we would have had to spend it in 1973.

With the general posture of the administration taken to hold the budget limits this fiscal year, the decision has been made not to add to this expenditure in this fiscal year.

I especially, Senator, appreciate the work you and your committee have done to help us have these funds. I think none of us is at fault for the time delays that eventually caused us to have an OEO bill approved after the end of the fiscal year.

Senator CRANSTON. We are talking about authorization for fiscal 1973 year. To be clear cut, the answer is the administration is not seeking any such funds in the supplemental or any other way?

Mr. ERVIN. The supplemental I thought we were referring to.

Senator CRANSTON. The \$16 million.

Mr. ERVIN. For 1972?

Senator CRANSTON. No; 1973.

Mr. ERVIN. We are seeking full appropriations.

Senator CRANSTON. This is in the public law for 1973.

Mr. ERVIN. Right. It is confusing.

The \$16 million supplemental was in 1972, split between part A and part B. The funds that we call the \$16 million we are not now seeking appropriations. That is for 1972.

Now, for 1973 we are seeking new innovative money that does not include the \$16 million which we now regard as lost.

Appropriations hearings have been held on this. There was action in the House yesterday on the appropriations bill. We expect the Senate to act this week. So we should know very shortly what it is we can do.

Senator CRANSTON. What is the total fiscal year 1973 budget request?

Mr. ERVIN. For ACTION?

Senator CRANSTON. Yes.

Mr. ERVIN. I had better submit it for the record. I think it is \$198 million, but I could be in error.

Senator CRANSTON. Just for the domestic.

Mr. ERVIN. I believe it is \$98 million, but again I would like to check.

Senator CRANSTON. Would you check that.

Mr. ERVIN. Yes.

(The information subsequently supplied follows:)

1973 BUDGET REQUEST FOR ACTION AND OFFICE OF DOMESTIC PROGRAMS

Q. What is the total fiscal year 1973 budget request for ACTION?

A. The total fiscal year 1973 budget request for ACTION is \$186,500,000.

Q. What is the total fiscal year 1973 budget request for Domestic programs?

A. The total fiscal year 1973 budget request for Domestic Programs is \$98,425,000.

Senator CRANSTON. Mr. Scales has a question.

Mr. SCALES. Is it not true that since that authorization still exists in the Economic Opportunity Act amendment signed by the President, for amount above those requested it would be possible to request a supplemental under that authority?

In other words, you have not used up the total authorization for this year, and the language in the authorizing legislation is broad enough that it might be used for a supplemental.

Mr. ERVIN. If I recall correctly, the limitation of that is that \$9 million or \$8 million of the \$16 million was to be carried forward for 90 days beyond the date of signature of the act, so that \$8 million of the \$16 million would lapse if it were not appropriated, which of course it has not yet, and we have used nearly 50 of the 90 days, or if the agency did not spend the money.

So we could be authorized, if I recall correctly, to request a supplemental for another \$8 million, but \$8 million of the total \$16 million would lapse because of that carry forward restriction or provision.

Senator CRANSTON. Let me ask you a few more questions on the funding level. What is the request for funding under title VIII of the Economic Opportunity Act for 1973? If you are not sure, would you submit that?

Mr. ERVIN. I will. It is the entire amount.

(The information subsequently supplied follows:)

FUNDING REQUEST UNDER TITLE VIII OF THE ECONOMIC OPPORTUNITY ACT FOR 1973

Q. What is the request for funding under Title VIII of the Economic Opportunity Act for 1973?

A. The request for funding under Title VIII of the Economic Opportunity Act is \$55,906,000.

Senator CRANSTON. Are you seeking the entire amount?

Mr. ERVIN. Yes, sir; we are.

Senator CRANSTON. The administration is supporting your position?

Mr. ERVIN. Yes, sir.

Senator CRANSTON. Thank you very much. I appreciate your presence.

This hearing is now adjourned.

(At 10:30 a.m. the hearing was adjourned.)

The information subsequently supplied follows:

- 1. The total amount of the 1973-74 financial year is £1,100 million.
- 2. The total amount of the 1972-73 financial year is £1,000 million.
- 3. The total amount of the 1971-72 financial year is £900 million.
- 4. The total amount of the 1970-71 financial year is £800 million.
- 5. The total amount of the 1969-70 financial year is £700 million.

Mr. [Name] asked the Minister a question. He stated that since the Minister had said that the Government would not be increasing the amount of the 1973-74 financial year, it would be possible to suggest that the Government would not be increasing the amount of the 1972-73 financial year.

The Minister replied that the Government would not be increasing the amount of the 1972-73 financial year. He stated that the Government would not be increasing the amount of the 1971-72 financial year. He stated that the Government would not be increasing the amount of the 1970-71 financial year. He stated that the Government would not be increasing the amount of the 1969-70 financial year.

Mr. [Name] asked the Minister a question. He stated that since the Minister had said that the Government would not be increasing the amount of the 1973-74 financial year, it would be possible to suggest that the Government would not be increasing the amount of the 1972-73 financial year.

The information subsequently supplied follows:

- 1. The total amount of the 1973-74 financial year is £1,100 million.
- 2. The total amount of the 1972-73 financial year is £1,000 million.
- 3. The total amount of the 1971-72 financial year is £900 million.
- 4. The total amount of the 1970-71 financial year is £800 million.
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